



ANNUAL REPORT & ACCOUNTS

For the year ended
31 October 2018

Janus Henderson
— INVESTORS —

Janus Henderson Global Funds
(formerly Henderson Global Funds)

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.

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

We are pleased to present the Annual Report and Accounts for Janus Henderson Global Funds (formerly Henderson Global Funds) (the 'Company') for the year ended 31 October 2018.

Authorised status

The Company is an open ended investment company (OEIC) with variable capital incorporated in England and Wales under registered number IC 69 and authorised by the FCA with effect from 21 June 2000. The Company has been certified by the FCA as complying with the conditions necessary for it to enjoy the rights conferred by the EC Directive on Undertakings for Collective Investment in Transferable Securities. The Company has an unlimited duration.

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.

Shareholders are not liable for the debts of the Company.

Brexit update

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

Other information

Henderson Institutional Emerging Markets Fund merged into Janus Henderson Emerging Markets Opportunities Fund (a sub-fund of Janus Henderson Investment Funds Series I) on 11 February 2016. The fund has remained open pending the outcome of the Franked Investment Group (FII GLO) Class action which may generate additional assets to the fund. The fund will be terminated once this has been concluded. Therefore, the fund is not considered to be a going concern and as such the financial statements have been prepared on a basis other than going concern.


Janus Henderson World Select Fund merged into Janus Henderson Global Growth Fund on 20 September 2018. The fund is in the process of terminating and termination is expected to be completed by 31 October 2019. Therefore, the fund is not considered to be a going concern and as such the financial statements have been prepared on a basis other than going concern.

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

- Henderson Asia Pacific Capital Growth Fund to Janus Henderson Asia Pacific Capital Growth Fund,
- Henderson Global Technology Fund to Janus Henderson Global Technology Fund,
- Henderson Institutional Global Buy & Maintain Fund to Janus Henderson Institutional Global Buy & Maintain Fund,
- Henderson Institutional Overseas Bond Fund to Janus Henderson Institutional Overseas Bond Fund,
- Henderson Japan Opportunities Fund to Janus Henderson Japan Opportunities Fund, and
- Henderson World Select Fund to Janus Henderson World Select 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)

8 February 2019

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

Service providers

	Name	Address	Regulator
Authorised Corporate Director	Henderson Investment Funds Limited Member of the Investment Association The ultimate holding company is Janus Henderson Group plc	Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531. Telephone – 020 7818 1818 Dealing – 0845 608 8703 Enquiries – 0800 832 832	Authorised and regulated by the Financial Conduct Authority
Directors of the ACD	C Chaloner (to 28.09.18) R Chaudhuri A Crooke (from 08.06.18) G Foggin G Fogo (from 04.02.19) S Hillenbrand (from 04.01.19) H J de Sausmarez G Kitchen (to 31.03.18) R Thompson (from 17.01.19) P Wagstaff (to 26.09.18)		
Investment Manager	Henderson Global Investors Limited The ultimate holding company is Janus Henderson Group plc	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
Shareholder Administrator	DST Financial Services International Limited and DST Financial Services Europe Limited	DST House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
Depository	NatWest Trustee and Depository Services Limited The ultimate holding company is the Royal Bank of Scotland Group plc	250 Bishopsgate London EC2M 4AA	Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
Independent Auditor	PricewaterhouseCoopers LLP	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
Legal Adviser	Eversheds Sutherland (International) LLP	One Wood Street London EC2V 7WS	The Law Society

Market review for the year ended 31 October 2018

Global equity markets rose over the year to 31 October 2018 (FTSE World Index +4.7% in sterling, +1.9% in local currency terms). However, all regions apart from the US were weak. In October, concerns over further US Federal Reserve (Fed) monetary tightening, trade tensions and slowing global growth caused the worst global sell-off since 2012, but corporate earnings helped markets rebound in the final few days of the review year.

In the UK, the FTSE All-Share Index fell 1.5%. The FTSE 100 reached a record high in May as the US dollar rose and oil prices strengthened, but hit a seven-month low in October on weak earnings results and macroeconomic concerns. Ongoing negotiations regarding the UK's exit (Brexit) from the European Union (EU) were chaotic and the likelihood of a 'no-deal' Brexit increased. The gross domestic product (GDP) annual growth rate dropped to a near six-year low of 1.1% in the first quarter of 2018, climbing modestly to 1.2% in the second quarter. Rising inflation was a key reason influencing the Bank of England's (BoE) 0.25% interest rate rise in November, which brought the benchmark rate to 0.5% and marked the first rate increase in a decade. The BoE raised the rate to 0.75% in August – the highest level since 2009. Inflation slowed throughout most of the review year but reached an unexpected six-month high in August, driven mainly by higher transport prices, before slowing in September.

European equities were also weak over the year (FTSE World Europe ex UK -5.6% in sterling, -6.4% in euros). A volatile political backdrop in Italy led European stocks lower over the summer. Towards the end of the review year, the Italian government clashed with the EU over its budget deficit target. Elsewhere, concerns that instability in Turkey would seep into major European markets depressed equities in August. Although the EU neared a trade agreement with the US in July, negotiations faltered in October. The GDP annual growth rate fell over the year, hitting 1.7% in the third quarter of 2018, below expectations. The European Central Bank (ECB) kept interest rates unchanged and restated in September that its bond buying programme (used to stimulate the economy) will end in December. Inflation picked up in the latter half of the review year, nearing a six-year high in October.

US markets were strong (S&P 500 +11.6% in sterling, +7.3% in dollars), despite ongoing trade tensions with China. All major indices reached record highs during the year and the S&P 500 Index entered its longest ever bull run. However, periods of significant market volatility sparked global sell-offs in February and October, the latter driven by a technology sell-off that led the S&P 500 Index to its worst monthly performance in seven years. However, stocks rallied at the end of October on robust corporate earnings results. The GDP annual growth rate neared a four-year high of 4.2% in the second quarter of 2018, driven by consumer spending. Although the GDP annual growth rate slowed to 3.5% in the third quarter, it beat expectations. Inflation rose above a six-year high in June on rising oil prices but slowed in August and reached a seven-month low in September as fuel prices declined sharply. The Fed raised interest rates four times over the review year and signalled in September that additional hikes were likely.

Japanese equities were weak over the year (Topix Index -0.4% in sterling, -4.8% in yen). The bellwether Nikkei index hit a 26-year high in September but tumbled in October amid the global technology sell-off, as well as disappointing second quarter earnings results. US President Donald Trump opposed re-joining the Trans-Pacific Partnership in April and did not exempt Japan from steel tariffs. However, in September, the US increased pressure on Japan to enter trade talks, causing exports to fall for the first time in almost two years. Japan's economy shrank by an annualised 0.6% in the first quarter of 2018 – the first contraction since 2015 and worse than predicted. The rate significantly rebounded in the second quarter, revised higher from 1.9% to 3.0% – the fastest growth pace in over two years. The Bank of Japan (BoJ) kept interest rates unchanged but reduced the amount of its monthly bond purchases throughout 2018. In October, policy makers lowered their inflation forecast for both 2018 and 2019 – a move that reconfirmed that the BoJ is unlikely to reduce its stimulus measures in the near term.

In Asia, the FTSE World Asia Pacific ex Japan Index fell by 5.4% in sterling (-8.9% in dollars). South Korean equities were weak during the summer on trade concerns, before falling below a one and a half year low in October amid the broader global sell-off. The GDP annual growth rate fell to a nine-year low of 2.0% in the third quarter of 2018, below expectations, as construction activity tumbled. Although Australian equities surpassed 10-year highs during summer, the market weakened towards the end of the review year for numerous reasons, including regulatory pressure on bank stocks and mounting trade-related concerns. Equities in Taiwan fell towards their worst monthly performance in over 10 years in October as the sell-off in China and more general geopolitical tensions spooked investors, while Apple components manufacturers suffered amid the global technology sell-off. The country's annual GDP rate for the third quarter fell to a one-year low as private consumption slowed and government spending decreased, among other factors.

Emerging markets fell over the year (MSCI Emerging Markets -8.7% in sterling, -12.2% in dollars). The US-China trade dispute brought Chinese equities towards a four-year low in the final few months of the review year and also weakened Chinese annual GDP growth, which hit a nine-year low of 6.5% in the third quarter. Equities in India hit a record high in August but fell alongside global markets in October; rupee weakness and rising crude oil prices led foreign institutional investors to sell out of stocks at the highest rate in two years. Meanwhile, the annual GDP growth rate rose over the year, reaching a two-year high of 8.2% in the second quarter of 2018. Brazilian equities tumbled in June as the real fell to a two-year low on fuel price cuts and uncertainty over the October election. However, equities rallied in the run-up to and immediate aftermath of the election, as President-elect Jair Bolsonaro's economic plans were popular among investors. The annual GDP rate fell to a one-year low of 1.0% in the second quarter of 2018, below expectations. Inflation increased to a one and a half year high in September, above expectations, driven by rising oil and food prices.

Within fixed income, core government bond markets (US, UK, Germany and Japan) saw prices fall over the year (yields, which move inversely to prices, rose). The JPM Global Government Bond Index increased 1.7% in sterling but fell by 2.1% in dollars. The yield on 10-year US Treasuries rose in early 2018 on strong employment data and the prospect of 'normalised' monetary policy, while subsequent expectations of Fed rate rises and trade tensions kept the yield high later in the year. UK 10-year gilt yields rose in early 2018 but fell in May amid Italian political volatility. In September, surprisingly strong UK inflation data and expectations of future rate hikes by the BoE pushed 10-year gilt yields up to their highest level since early 2016. However, stalled Brexit negotiations brought yields lower just days after. German 10-year bund yields crashed in May during the Italian political crisis but ECB President Mario Draghi's disclosure of a "vigorous" pickup in underlying eurozone inflation sent German 10-year bund yields to a four-month high in September. Although corporate bond issuance reached a record high in late 2017, sales fell towards the end of the review year amid higher borrowing costs and ongoing trade tensions, and the equity sell-off in October spread into the sector too.

Statement of Authorised Corporate Director's (ACD) responsibilities

for the year ended 31 October 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 financial affairs of the Company and of 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 relating to Authorised Open Ended Investment Companies 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, comply with the above requirements;
- make best judgements and estimates that are reasonable; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, Prospectus and the 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 Global Funds (the 'Company')

for the year ended 31 October 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 are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised 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
8 February 2019

Independent Auditors' report to the shareholders of Janus Henderson Global Funds (the 'Company') for the year ended 31 October 2018

Report on the audit of the financial statements

Opinion

In our opinion, Janus Henderson Global Funds' financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31st October 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 Global Funds (the 'Company') is an Open Ended Investment Company (OEIC) with 7 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 31st October 2018; the statement of total return, 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.

Emphasis of Matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in aggregated note 1 to the financial statements concerning the basis of preparation for Henderson Institutional Emerging Market Fund. The ACD ceased investment activity on 11 February 2016 following the fund's merger with Janus Henderson Emerging Markets Opportunities Fund. Accordingly, the going concern basis of preparation is no longer appropriate for this fund and the financial statements have been prepared on a basis other than going concern as described in aggregated note 1(a) to the financial statements. There has been no impact on the financial statements or disclosure notes to adjust assets or liabilities to realisable value. No adjustments were necessary to provide for the costs of terminating the fund as the ACD will bear any related costs for this fund.

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in aggregated note 1(a) to the financial statements concerning the basis of preparation for Janus Henderson World Select Fund. The ACD ceased investment activity on 20 September 2018 following the fund's merger with Janus Henderson Global Growth Fund. Accordingly, the going concern basis of preparation is no longer appropriate for this fund and the financial statements have been prepared on a basis other than going concern as described in aggregated note 1(a) to the financial statements. There has been no impact on the financial statements or disclosure notes to adjust assets or liabilities to realisable value. No adjustments were necessary to provide for the costs of terminating the fund as the ACD will bear any related costs for this fund.

The comparative financial information of Janus Henderson World Select Fund was prepared on a going concern basis.

Conclusions relating to going concern

With the exception of the circumstances described in the Emphasis of Matter – Basis of preparation paragraphs above regarding the sub-funds, Henderson Institutional Emerging Market Fund and Janus Henderson World Select Fund, 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.

Independent Auditors' report to the shareholders of Janus Henderson Global Funds (the 'Company') (continued)

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.

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. 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

8 February 2019

1 Accounting policies

(a) Basis of preparation

The financial statements of Janus Henderson Global Funds (formerly Henderson Global Funds) (the 'Company') comprise the financial statements of each of the funds. They have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice '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 for all funds except Henderson Institutional Emerging Markets Fund and Janus Henderson World Select Fund have been prepared on a going concern basis.

The financial statements for Henderson Institutional Emerging Markets Fund have been prepared on a basis other than going concern as the Authorised Corporate Director (ACD) ceased investment activity on 11 February 2016 following the fund's merger with Janus Henderson Emerging Markets Opportunities Fund. The fund has remained open as it is a party to a claim against HMRC, under the principles argued in the Franked Investment Income Group Litigations Order (FII GLO) litigations that parts of the UK tax legislation were in breach of EU law which may result in a remedy to claimants. The fund will terminate once this has been concluded. Accordingly, the financial statements have been prepared on a basis other than going concern. There has been no impact on the financial statements or disclosure notes to adjust assets or liabilities to realisable value. No adjustments were necessary to provide for the costs of terminating the funds as the ACD will bear any related costs for this fund.

The financial statements for Janus Henderson World Select Fund have been prepared on a basis other than going concern as the ACD ceased investment activity on 20 September 2018 following the fund's merger with Janus Henderson Global Growth Fund. The fund is in the process of terminating and termination is expected to be completed by 31 October 2019. Accordingly, the financial statements have been prepared on a basis other than going concern. There has been no impact on the financial statements or disclosure notes to adjust assets or liabilities to realisable value. No adjustments were necessary to provide for the costs of terminating the funds as the ACD will bear any related costs for this fund.

(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 October 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.

The ACD has appointed the EMEA Pricing Committee whose function is to review and approve fair value pricing decisions on a regular basis and report to the Board of Directors on suspended, defaulted, delisted, unquoted or manually priced securities, 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.

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

Bank interest, deposit interest and revenue earned on other securities are recognised on an accruals basis.

Accumulation of revenue relating to accumulation units or shares held in underlying funds is recognised as revenue and included in the amount available for distribution. Equalisation received and accrued from distributions or accumulations on units or shares in underlying investments is treated as capital and deducted from the cost of the investment.

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

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

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

Aggregated notes to the financial statements (continued)

1 Accounting policies (continued)

(c) Revenue recognition (continued)

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 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.

General Administration Charge

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

Allocation of revenue and expenses to multiple share classes

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

(e) Exchange rates

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

(f) Taxation

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

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

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

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

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

On 1 April 2018, India introduced a taxation regime for long-term capital gains. As a result of this, the Janus Henderson Asia Pacific Capital Growth Fund introduced an accrual for incremental Indian capital gains earned since 1 April 2018 on Indian securities.

(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.

Aggregated notes to the financial statements (continued)

1 Accounting policies (continued)

(h) Treatment of derivatives (continued)

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.

Futures contracts

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

Interest rate swaps

Open interest rate swaps (IRS) are shown in the portfolio statement at fair value and the net capital gains/(losses) are reflected within Derivative securities in Net capital gains/(losses) on investments. Interest receivable or payable on IRS is included in the Revenue account on an accruals basis.

(j) Dilution adjustment

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

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

2 Distribution Policy

The distribution policy of the funds is to distribute/accumulate all available revenue, after the deduction of expenses properly chargeable against revenue subject to any expense which may currently be transferred to capital. Janus Henderson Institutional Global Buy & Maintain Fund and Janus Henderson Institutional Overseas Bond Fund make interest distributions. The other funds make dividend distributions.

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

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

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

The following funds make annual distributions (31 December) to shareholders:

- Janus Henderson Asia Pacific Capital Growth Fund
- Janus Henderson Global Technology Fund
- Janus Henderson Japan Opportunities Fund

The following funds make quarterly distributions (30 June, 30 September, 31 March and 31 December) to shareholders:

- Janus Henderson Global Buy & Maintain Fund
- Janus Henderson Institutional Overseas Bond Fund

Henderson Institutional Emerging Markets Fund closed on 11 February 2016 and Janus Henderson World Select Fund closed on 20 September 2018 and no distributions have been declared since the closure dates.

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 currently only applies to Janus Henderson Global Buy & Maintain Fund and Janus Henderson Institutional Overseas Bond Fund.

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

3 Risk

In pursuing their investment objectives the funds hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors arising from the funds' operations. Derivative instruments may be used in all funds for the purposes of efficient portfolio management (EPM) only; the use of derivatives in this manner is not likely to increase the risk profile of the funds.

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 are documented within the ACD's Risk Management Policy and Process document, which outlines for each main risk category the controls and risk measures in place, including stress tests for assessing sensitivity to the most relevant risks. This risk framework includes setting of limits and monitoring against those limits.

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

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

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

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

(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 creditworthiness.

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

Efficient portfolio management is used by the funds to reduce risk and/or costs in the funds and to produce additional capital or income in the funds. The funds may use derivatives (including options, futures, forward transactions and contracts for difference), borrowing, cash holding and stock lending for efficient portfolio management. It is not intended that using derivatives for efficient portfolio management will increase the volatility of the funds. In adverse situations, however a fund's use of derivatives may become ineffective in hedging or EPM and a fund may suffer significant loss as a result.

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities.

Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. Some of the more common risks associated with emerging markets investment includes: fraudulent securities; lack of liquidity; currency fluctuations; settlement and custody risks; investment and remittance restrictions; and accounting requirements.

Funds that may invest in China securities, including China A-Shares additionally have specific risks related to political risk: currency risk and taxation as outlined in more detail in the Prospectus. Further risks are set out in the Prospectus arising from investing in certain eligible securities listed and traded on the Shanghai-Hong Kong Stock Connect.

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.

Aggregated notes to the financial statements (continued)

3 Risk (continued)

(a) Market risk (continued)

The global exposure is calculated by using either the commitment approach or Value-at-Risk ("VaR") approach by reference to their risk profile. Sensitivity analysis of funds using the commitment approach is calculated using the Value-at-Risk approach. VaR is a mathematical statistical concept and is commonly used as a standard measure of risk in the financial sector. For each fund the maximum potential loss that it could suffer in normal market conditions within a given time horizon and a certain degree of confidence is estimated.

In these calculations all positions in the relevant investment portfolio are taken into consideration including those undertaken for efficient portfolio management purposes. VaR is calculated daily using a Monte Carlo simulation approach; as a control mechanism, Monte Carlo results are compared to the parametric model for validation purposes within the daily monitoring process. The following parameters are applied as a minimum: a one-tailed 99% confidence interval, a holding period equivalent to one month (20 business days), effective observation period (history) of risk factors of at least 1 year (250 business days), quarterly data set updates and daily calculation.

For those funds using the VaR approach to calculate either sensitivity analysis or global exposure and for which there is no suitable reference portfolio absolute monthly VaR calculated on all the positions in a fund's investment portfolio is not to exceed a regulatory maximum limit of 20%.

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

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 it reports its results). As a result, movements in exchange rates may affect the sterling value of those items so a fund's financial statements can be 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.

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

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

Other market 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.

(b) Credit and counterparty risk

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

In order to manage credit risk the funds are subject to investment limits for issuers of securities as outlined in the Prospectus. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the funds may only buy and sell investments through brokers which have been approved by the ACD as acceptable counterparties 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 Committee 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 Committee are used for derivative and stocklending transactions, as detailed in the notes to the individual funds' accounts.

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.

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

(c) Liquidity risk

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

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

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

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

(d) Brexit Risk

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

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

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

4 Cross-holdings

There were no cross-holdings within any of the funds of Janus Henderson Global Funds at the year end (2017: nil).

Janus Henderson Asia Pacific Capital Growth Fund (formerly Henderson Asia Pacific Capital Growth Fund)

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

Investment Fund Managers

Andrew Gillan and Mervyn Koh

Investment objective and policy

To aim to provide capital growth by investing in Pacific region and Indian sub-continent companies. The fund may invest in Australasia, but not in Japan. It is not restricted in the size of companies in which it can invest.

Performance summary

	31 Oct 17 - 31 Oct 18	31 Oct 16 - 31 Oct 17	31 Oct 15 - 31 Oct 16	31 Oct 14 - 31 Oct 15	31 Oct 13 - 31 Oct 14
	%	%	%	%	%
Janus Henderson Asia Pacific Capital Growth Fund	(12.4)	18.4	37.6	(7.6)	4.2
MSCI All Country Asia Pacific (ex Japan) Index	(8.4)	17.7	37.0	(7.0)	4.7

Source: Morningstar, NAV to NAV 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 October 2018

Largest purchases	£000	Largest sales	£000
DBS Holdings	9,257	Samsung Electronics Preference Shares	8,756
Ping An Insurance	7,087	Alibaba Holdings ADS	7,318
Taiwan Semiconductor Manufacturing	6,101	CSL	7,272
Public Bank	5,957	Tencent Holdings	6,433
Bajaj Holdings and investment	5,891	Midea (Warrants)	5,742
Alibaba Holdings ADS	5,821	Taiwan Semiconductor Manufacturing	5,603
Brilliance China Automotive Holdings	5,127	NetEase.com ADR	5,030
AIA	5,008	ENN Energy	4,797
Hangzhou Hikvision Digital Technology (Warrants)	4,914	Hon Hai Precision Industries	4,724
Samsung Electronics Preference Shares	4,599	Yum China	4,685
Total purchases	154,863	Total sales	121,503

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

Investment review

The fund returned -12.4% (based on performance of Class A accumulation), compared with the benchmark return of -8.4%.

Asian equities posted a negative return for the year under review as trade war concerns, the stronger US dollar and the higher oil price all weighed upon equity markets. More positively, corporate earnings recovered strongly in 2017, posting double digit gains, while earnings growth expectations also remained healthy for 2018 in local currency terms. Concerns over trade tariffs dominated headlines and were a major reason why Asian equities have traded lower since January. The region was also impacted by a broader rotation away from emerging markets given macroeconomic concerns in countries such as Turkey and Argentina. Meanwhile, developed markets and particularly US equities maintained strong performance, helped by tax cuts and a continued recovery in the economy, which is also leading to a normalisation in US interest rates from abnormally low levels. The Chinese economy started to slow after the impact of the government's deleveraging campaign and as the effects of the 2015 stimulus began to wear off, which also negatively affected market sentiment.

The fund underperformed over the year but longer-term numbers (over three and five years) are more positive. Our decision to reduce our overweight position to the technology sector and to increase our allocation to financials contributed positively. However, we could have been more aggressive in reducing our position in technology as this was one of the weakest sectors during the market sell-off following last year's healthy gains. Stock selection was positive in the technology sector for the year as a whole thanks to strong relative performance from Taiwan Semiconductor Manufacturing on continued market leadership in advanced technologies. The fund's positions in two Indian IT services companies, Tata Consultancy Services and Infosys, also benefited from an increase in revenue growth, helped by their digital offering and the weaker rupee, which boosted their earnings. The rationale for increasing our allocation to financials was partly a decision to rotate the portfolio more towards value given the outperformance of growth companies but also due to the positive impact on net interest margins from higher interest rates. This led us to adding DBS Holdings and Oversea-Chinese Bank in Singapore, Public Bank in Malaysia and E.Sun Financial in Taiwan. Public Bank proved relatively defensive over the year, while our allocation to Indian private sector financials HDFC Bank also contributed positively, despite some asset quality issues in the wider market. Stock selection was weakest in the consumer discretionary sector, where concerns over trade wars dented sentiment, particularly in China. This impacted auto sales at Brilliance, BMW's joint venture partner in China, while the news of BMW increasing its stake in the venture without a significant premium also impacted the shares negatively. From an allocation perspective, our underweight to China was positive, as was the overweight to the Indian stock market – although the latter was partially offset by the weaker currency.

We remain cautious in the short term but believe markets will eventually come to terms with the reality of trade wars, after which we expect underlying fundamentals (such as earnings growth) will take centre stage once again. We continue to believe that investor concerns here are overstated given the healthy domestic demand growth across much of Asia, while exports to the US are less significant than they were in the past. We would expect the introduction of tariffs to impact global growth and that Asia ex Japan should not be disproportionately affected relative to other regions. The Chinese economy remains crucial to how investors will view the region as a whole, and we will closely monitor the government's ongoing balancing act between gradual deleveraging while maintaining growth. We still have close to 20% of the fund allocated to Chinese equities but that is a significant underweight relative to our benchmark, which we are comfortable with at the current juncture. Our key overweights remain to India and Taiwan.

Comparative tables for the year ended 31 October 2018

	Class A accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,126.18	948.04	692.34
Return before operating charges*	(116.61)	195.74	269.16
Operating charges	(19.41)	(17.60)	(13.46)
Return after operating charges*	(136.02)	178.14	255.70
Distributions on accumulation shares	(4.85)	(0.38)	(1.22)
Retained distributions on accumulation shares	4.85	0.38	1.22
Closing net asset value per share	990.16	1,126.18	948.04
* after direct transaction costs of:	1.40	1.79	1.67
Performance			
Return after charges	(12.08%)	18.79%	36.93%
Other information			
Closing net asset value (£000s)	111,133	137,491	127,311
Closing number of shares	11,223,703	12,208,606	13,428,759
Operating charges	1.74%	1.75%	1.75%
Direct transaction costs	0.13%	0.18%	0.22%
Prices			
Highest share price (pence)	1,170.00	1,137.00	968.10
Lowest share price (pence)	971.90	858.20	638.80
Class C accumulation			
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	795.88	662.68	478.48
Return before operating charges*	(83.07)	137.30	189.38
Operating charges	(4.84)	(4.10)	(5.18)
Return after operating charges*	(87.91)	133.20	184.20
Distributions on accumulation shares	(12.53)	(10.71)	(7.28)
Retained distributions on accumulation shares	12.53	10.71	7.28
Closing net asset value per share	707.97	795.88	662.68
* after direct transaction costs of:	0.99	1.19	1.81
Performance			
Return after charges	(11.05%)	20.10%	38.50%
Other information			
Closing net asset value (£000s)	618	711	2,885
Closing number of shares	87,310	89,295	435,381
Operating charges	0.61%	0.61%	0.62%
Direct transaction costs	0.13%	0.18%	0.22%
Prices			
Highest share price (pence)	830.90	803.20	676.20
Lowest share price (pence)	694.90	600.50	442.90

Comparative tables (continued)

	Class I accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,246.26	1,040.20	753.17
Return before operating charges*	(129.90)	215.95	295.26
Operating charges	(11.15)	(9.89)	(8.23)
Return after operating charges*	(141.05)	206.06	287.03
Distributions on accumulation shares	(12.53)	(10.18)	(10.11)
Retained distributions on accumulation shares	12.53	10.18	10.11
Closing net asset value per share	1,105.21	1,246.26	1,040.20
* after direct transaction costs of:	1.55	1.97	1.99

Performance

Return after charges	(11.32%)	19.81%	38.11%
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Other information

Closing net asset value (£000s)	78,593	69,817	59,089
Closing number of shares	7,111,094	5,602,127	5,680,580
Operating charges	0.90%	0.89%	0.90%
Direct transaction costs	0.13%	0.18%	0.22%

Prices

Highest share price (pence)	1,298.00	1,257.00	1,062.00
Lowest share price (pence)	1,085.00	942.40	696.70

	Class Z accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,371.18	1,137.82	817.62
Return before operating charges*	(141.68)	234.69	320.79
Operating charges	(1.64)	(1.33)	(0.59)
Return after operating charges*	(143.32)	233.36	320.20
Distributions on accumulation shares	(28.30)	(378.70)	(557.10)
Retained distributions on accumulation shares	28.30	378.70	557.10
Closing net asset value per share	1,227.86	1,371.18	1,137.82
* after direct transaction costs of:	1.72	2.15	1.17

Performance

Return after charges	(10.45%)	20.51%	39.16%
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Other information

Closing net asset value (£000s)	58	1	9
Closing number of shares	4,752	40	767
Operating charges	0.12%	0.11%	0.11%
Direct transaction costs	0.13%	0.18%	0.22%

Prices

Highest share price (pence)	1,440.00	1,386.00	1,161.00
Lowest share price (pence)	1,205.00	1,032.00	758.00

Comparative tables (continued)

	Class I USD accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	907.73	757.50	548.67
Return before operating charges*	(94.39)	157.43	214.31
Operating charges	(8.05)	(7.20)	(5.48)
Return after operating charges*	(102.44)	150.23	208.83
Distributions on accumulation shares	(4.19)	(7.31)	(6.38)
Retained distributions on accumulation shares	4.19	7.31	6.38
Closing net asset value per share	805.29	907.73	757.50
* after direct transaction costs of:	1.12	1.44	1.34
Performance			
Return after charges	(11.29%)	19.83%	38.06%
Other information			
Closing net asset value (£000s)	24,613	1	1
Closing number of shares	3,056,413	150	150
Operating charges	0.90%	0.89%	0.89%
Direct transaction costs	0.13%	0.18%	0.22%
Prices			
Highest share price (USD cents)	1,319.00	1,210.00	962.60
Lowest share price (USD cents)	1,007.00	851.80	734.80

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

Performance values are at close of business 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.

	2018 %	2017 %
Class A	1.74	1.75
Class C	0.61	0.61
Class I	0.90	0.89
Class Z	0.12	0.11
Class I USD	0.90	0.89

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

Risk and reward profile

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

Class A, Class C, Class I and Class Z accumulation have the same risk and reward profile which is as follows:



Class I USD accumulation has the following risk profile:



The Synthetic Risk and Reward Indicator (SRRI) is calculated based on historical volatility over a rolling 5 year¹ 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 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 share class appears at 5 out of 7 and 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in share price in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events which could amplify everyday risk and trigger other risks.

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

¹ Class I USD accumulation was launched on 10 April 2015, 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 October 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 97.77% (2017: 98.50%)		
	Australia 2.30% (2017: 6.09%)		
	Consumer Staples 2.30% (2017: 2.09%)		
599,212	Treasury Wine Estates	4,952	2.30
	Health Care 0.00% (2017: 2.25%)		
	Materials 0.00% (2017: 1.75%)		
	China 16.70% (2017: 20.95%)		
	Communication Services 4.78% (2017: 6.95%)		
28,847	Baidu ADS	4,291	1.99
226,200	Tencent Holdings	6,012	2.79
		<u>10,303</u>	<u>4.78</u>
	Consumer Discretionary 4.55% (2017: 7.38%)		
61,946	Alibaba Holdings ADS	6,897	3.21
694,670	Midea	2,886	1.34
		<u>9,783</u>	<u>4.55</u>
	Consumer Staples 1.28% (2017: 0.00%)		
276,937	Jiangsu Yanghe Brewery 'A'	2,746	1.28
	Energy 1.66% (2017: 0.00%)		
2,655,000	CNOOC	3,562	1.66
	Financials 3.06% (2017: 0.00%)		
892,000	Ping An Insurance	6,572	3.06
	Industrials 0.00% (2017: 1.46%)		
	Information Technology 1.37% (2017: 3.66%)		
1,081,247	Hangzhou Hikvision Digital Technology (Warrants)	2,935	1.37
	Utilities 0.00% (2017: 1.50%)		
	Hong Kong 11.03% (2017: 8.58%)		
	Consumer Discretionary 4.85% (2017: 4.05%)		
2,047,200	Samsonite International	4,588	2.13
1,598,500	Techtronic Industries	5,849	2.72
		<u>10,437</u>	<u>4.85</u>
	Financials 6.18% (2017: 4.53%)		
1,413,600	AIA	8,375	3.90
1,676,500	BOC Hong Kong Holdings	4,896	2.28
		<u>13,271</u>	<u>6.18</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	India 20.57% (2017: 17.08%)		
	Consumer Staples 2.57% (2017: 1.95%)		
1,870,527	ITC	5,520	2.57
	Financials 12.29% (2017: 8.19%)		
190,457	Bajaj Holdings and investment	5,664	2.63
502,260	HDFC Bank	10,128	4.71
569,387	Housing Development Finance	10,636	4.95
		26,428	12.29
	Health Care 0.00% (2017: 1.53%)		
	Information Technology 5.71% (2017: 4.03%)		
874,420	Infosys	6,341	2.95
290,056	Tata Consultancy Services	5,939	2.76
		12,280	5.71
	Utilities 0.00% (2017: 1.38%)		
	Malaysia 2.59% (2017: 0.00%)		
	Financials 2.59% (2017: 0.00%)		
1,214,200	Public Bank	5,577	2.59
	Philippines 3.41% (2017: 2.83%)		
	Financials 3.41% (2017: 2.83%)		
545,205	Ayala	7,325	3.41
	Singapore 8.33% (2017: 1.58%)		
	Financials 5.13% (2017: 0.00%)		
557,400	DBS Holdings	7,390	3.43
602,300	Oversea-Chinese Banking	3,656	1.70
		11,046	5.13
	Information Technology 1.16% (2017: 0.00%)		
287,700	Venture	2,488	1.16
	Real Estate 2.04% (2017: 1.58%)		
980,800	City Developments	4,384	2.04
	South Korea 7.88% (2017: 13.01%)		
	Consumer Discretionary 2.12% (2017: 3.11%)		
94,509	Coway	4,550	2.12
	Consumer Staples 1.82% (2017: 2.53%)		
5,460	LG Household & Healthcare	3,907	1.82
	Information Technology 3.94% (2017: 7.37%)		
350,823	Samsung Electronics Preference Shares	8,493	3.94

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Sri Lanka 1.69% (2017: 1.59%)		
	Industrials 1.69% (2017: 1.59%)		
5,513,920	John Keells	3,642	1.69
	Taiwan 19.53% (2017: 21.30%)		
	Consumer Discretionary 1.54% (2017: 1.48%)		
687,000	Nien Made Enterprise	3,310	1.54
	Consumer Staples 3.46% (2017: 2.85%)		
3,940,374	Uni-President Enterprises	7,435	3.46
	Financials 1.87% (2017: 0.00%)		
7,793,000	E.Sun Financial	4,011	1.87
	Information Technology 12.66% (2017: 16.97%)		
1,064,880	Advantech	5,737	2.67
542,000	Catcher Technology	4,263	1.98
42,000	Largan Precision	3,553	1.65
2,321,000	Taiwan Semiconductor Manufacturing	13,679	6.36
		27,232	12.66
	Thailand 2.55% (2017: 1.63%)		
	Real Estate 2.55% (2017: 1.63%)		
22,561,000	Land and Houses (Alien Market)	5,486	2.55
	United States 0.00% (2017: 1.93%)		
	Consumer Discretionary 0.00% (2017: 1.93%)		
	Vietnam 1.19% (2017: 1.93%)		
	Consumer Staples 1.19% (2017: 1.93%)		
656,496	Vietnam Dairy Products	2,555	1.19
	Investment assets	210,230	97.77
	Other net assets	4,785	2.23
	Total net assets	215,015	100.00

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

Prior year comparative percentages have changed for some sectors due to reclassification within these sectors.

Statement of total return for the year ended 31 October 2018

	Note	2018		2017	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(27,762)		33,871
Revenue	3	5,025		3,845	
Expenses	4	(3,080)		(2,843)	
Interest payable and similar charges	5	(1)		-	
Net revenue before taxation		1,944		1,002	
Taxation	6	(1,457)		(375)	
Net revenue after taxation			487		627
Total return before distributions			(27,275)		34,498
Distributions	7		(1,575)		(627)
Change in net assets attributable to shareholders from investment activities			(28,850)		33,871

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2018

	2018		2017	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		208,021		189,295
Amounts receivable on issue of shares	95,084		6,040	
Amounts payable on cancellation of shares	(60,964)		(21,812)	
		34,120		(15,772)
Dilution adjustment		149		-
Change in net assets attributable to shareholders from investment activities		(28,850)		33,871
Retained distributions on accumulation shares		1,575		627
Closing net assets attributable to shareholders		215,015		208,021

Balance sheet as at 31 October 2018

	Note	2018 £000	2017 £000
Assets:			
Investments		210,230	204,900
Current assets:			
Debtors	8	372	131
Cash and bank balances	9	5,893	3,396
Total assets		<u>216,495</u>	<u>208,427</u>
Liabilities:			
Provisions for liabilities	10	1,079	-
Creditors:			
Other creditors	11	401	406
Total liabilities		<u>1,480</u>	<u>406</u>
Net assets attributable to shareholders		<u>215,015</u>	<u>208,021</u>

Notes to the financial statements for the year ended 31 October 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:

	2018 £000	2017 £000
Forward currency contracts	361	(2)
Non-derivative securities	(27,806)	34,097
Other currency losses	(306)	(216)
Transaction costs	(11)	(8)
Net capital (losses)/gains	(27,762)	33,871

3 Revenue

	2018 £000	2017 £000
Bank interest	18	3
Overseas dividends	4,995	3,819
Stock dividends	-	19
Stock lending revenue	12	4
Total revenue	5,025	3,845

4 Expenses

	2018 £000	2017 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	2,638	2,422
GAC*	302	281
	<u>2,940</u>	<u>2,703</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	17	15
Safe custody fees	113	105
	<u>130</u>	<u>120</u>
Other expenses:		
Professional fees	10	20
	<u>10</u>	<u>20</u>
Total expenses	3,080	2,843

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	1	-
Total interest payable and similar charges	1	-

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2018 £000	2017 £000
Current tax		
Overseas withholding tax	369	375
Capital gains tax	1,088	-
Total tax (note 6b)	1,457	375

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	1,944	1,002
Corporation tax at 20% (2017: 20%)	389	200
Effects of:		
Capital gains tax***	1,088	-
Irrecoverable overseas tax	369	375
Overseas dividends*	(978)	(763)
Stock dividends**	-	(4)
Unused management expenses	589	567
Tax charge for the year (note 6a)	1,457	375

* 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.

***From 1 April 2018, non-resident investors will pay capital gains tax on long-term capital gains on Indian securities. At 31 October 2018 the fund has accrued £ 1,079,000 for potential Indian capital gains tax exposure.

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 £4,898,810 (2017: £4,309,954) 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

	2018 £000	2017 £000
Final accumulation	1,575	627
Total distributions	1,575	627
Net revenue after taxation	487	627
Capital gains tax	1,088	-
Total distributions	1,575	627

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

8 Debtors

	2018 £000	2017 £000
Accrued revenue	122	106
Amounts receivable for issue of shares	250	25
Total debtors	372	131

9 Cash and bank balances

	2018 £000	2017 £000
Cash and bank balances	5,893	3,396
Total cash and bank balances	5,893	3,396

10 Provisions for liabilities

The provisions for liabilities comprise:

	2018 £000	2017 £000
Capital gains tax accrual	1,079	-
Total provisions for liabilities	1,079	-

11 Other creditors

	2018 £000	2017 £000
Accrued annual management charge	207	218
Accrued Depositary's fee	2	2
Accrued other expenses	97	35
Amounts payable for cancellation of shares	95	151
Total other creditors	401	406

Notes to the financial statements (continued)

12 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.

13 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 23 and 24 and notes 4, 8 and 11 on pages 25 to 27 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).

14 Shareholders' funds

The fund currently has 4 share classes available; Class A (Retail with front-end charges), Class C, Class I (Institutional) and Class Z. 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 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 October 2018

	Class A accumulation	Class C accumulation	Class I accumulation	Class Z accumulation
Opening number of shares	12,208,606	89,295	5,602,127	40
Issues during the year	59,197	-	2,094,982	83
Cancellations during the year	(909,850)	(1,985)	(701,903)	-
Shares converted during the year	(134,250)	-	115,888	4,629
Closing shares in issue	11,223,703	87,310	7,111,094	4,752
				Class I USD accumulation
Opening number of shares				150
Issues during the year				7,756,083
Cancellations during the year				(4,699,820)
Shares converted during the year				-
Closing shares in issue				3,056,413

Notes to the financial statements (continued)

15 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 31 October 2018 (2017: nil).

The fund had no exposure to derivatives as at 31 October 2018 (2017: nil).

16 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with BNP Paribas acting as the stock lending agent for the purposes of efficient portfolio management and in order to generate additional 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 category
Deutsche Bank		1,884	2,123	Equity
JP Morgan		2,179	2,421	Equity
Natixis		3,177	3,530	Equity
		<u>7,240</u>	<u>8,074</u>	

Recipient	Relationship	Gross income £000	Direct and indirect expenses £000	Net income £000
BNP Paribas	Stock lending agent	14	2	12

Notes to the financial statements (continued)

16 Stock lending (continued)

2017

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Deutsche Bank	6,712	7,551	Equity
Natixis	3,577	3,974	Equity
	10,289	11,525	

Recipient	Relationship	Gross income £000	Direct and indirect expenses £000	Net income £000
BNP Paribas	Stock lending agent	5	1	4

17 Risk

Currency risk

The exposure to currency risk is considered significant. The following table details the net exposure of the principle 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
2018			
Currency			
Australian dollar	4,952	-	4,952
Chinese yuan	5,633	-	5,633
Hong Kong dollar	39,854	-	39,854
Indian rupee	44,228	-	44,228
Korean won	16,950	122	17,072
Malaysian ringgit	5,577	-	5,577
Philippine peso	7,325	-	7,325
Singapore dollar	17,918	-	17,918
Sri Lankan rupee	3,642	-	3,642
Taiwan dollar	41,988	-	41,988
Thai baht	5,486	-	5,486
UK sterling	-	4,599	4,599
US dollar	14,122	-	14,122
Vietnamese dong	2,555	64	2,619
Total	210,230	4,785	215,015

Notes to the financial statements (continued)

17 Risk (continued)

Currency risk (continued)

	Investment assets	Other net assets/ (liabilities)	Total net assets
2017	£000	£000	£000
Currency			
Australian dollar	12,660	-	12,660
Chinese yuan	3,031	-	3,031
Hong Kong dollar	33,990	(1)	33,989
Indian rupee	35,539	69	35,608
Korean won	27,054	37	27,091
Philippine peso	5,891	-	5,891
Singapore dollar	3,276	-	3,276
Sri Lankan rupee	3,304	-	3,304
Taiwan dollar	44,322	1,027	45,349
Thai baht	3,382	-	3,382
UK sterling	-	1,936	1,936
US dollar	28,444	-	28,444
Vietnamese dong	4,007	53	4,060
Total	204,900	3,121	208,021

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £210,416,000 (2017: £206,085,000). 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 October 2018 and the net assets as at 31 October 2018 by £21,041,600 (2017: £20,608,500). 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 October 2018 and the net assets as at 31 October 2018 by £21,041,600 (2017: £20,608,500).

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.

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
2018				
Provisions for liabilities	-	1,079	-	-
Other creditors	-	401	-	-
Total	-	1,480	-	-

Notes to the financial statements (continued)

17 Risk (continued)

Liquidity risk (continued)

2017	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
Other creditors	-	406	-	-
Total	-	406	-	-

18 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	210,230	-	204,900	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	210,230	-	204,900	-

Notes to the financial statements (continued)

19 Direct transaction costs

	Purchases		Sales	
	2018 £000	2017 £000	2018 £000	2017 £000
Trades in the year				
Equities	154,683	67,119	121,750	83,985
Trades in the year before transaction costs	154,683	67,119	121,750	83,985
Transaction costs				
Commissions				
Equities	98	72	79	111
Total commissions	98	72	79	111
Taxes				
Equities	65	17	134	96
Total taxes	65	17	134	96
Other expenses				
Equities	17	3	34	46
Total other expenses	17	3	34	46
Total transaction costs	180	92	247	253
Total net trades in the year after transaction costs	154,863	67,211	121,503	83,732

	Purchases		Sales	
	2018 %	2017 %	2018 %	2017 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.06	0.11	0.06	0.13
Taxes				
Equities	0.04	0.03	0.11	0.11
Other expenses				
Equities	0.01	-	0.03	0.05
	2018 %	2017 %		

Total transaction costs expressed as a percentage of net asset value

Commissions	0.08	0.09
Taxes	0.09	0.06
Other expenses	0.02	0.03
Total costs	0.19	0.18

There were no in specie transfers during the year (2017: nil). There were corporate actions during the year of £223,068 (2017: £7,035).

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 October 2018 was 0.33% (2017: 0.23%). The portfolio dealing spread is calculated at the fund's 12 noon valuation point.

Notes to the financial statements (continued)

20 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 October 2018 (in pence per share)

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

Group 1 : shares purchased prior to 1 November 2017

Group 2 : shares purchased on or after 1 November 2017

	Distribution per share	Total distribution per share 31/12/18	Total distribution per share 29/12/17
Class A accumulation			
Group 1	4.8455	4.8455	0.3812
Group 2	4.8455	4.8455	0.3812
Class C accumulation			
Group 1	12.5317	12.5317	10.7113
Group 2	12.5317	12.5317	10.7113
Class I accumulation			
Group 1	12.5268	12.5268	10.1845
Group 2	12.5268	12.5268	10.1845
Class Z accumulation			
Group 1	28.2978	28.2978	378.7216
Group 2	28.2978	28.2978	378.7216
Class I USD accumulation¹			
Group 1	5.3561	5.3561	9.7027
Group 2	5.3561	5.3561	9.7027

¹ in USD cents per share

Janus Henderson Global Technology Fund (formerly Henderson Global Technology Fund)

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

Investment Fund Managers

Alison Porter, Graeme Clark, and Richard Clode

Other information

Please note as of 3 April 2018, Stuart O'Gorman is no longer an Investment Manager for the fund.

Investment objective and policy

To aim to provide capital growth by investing in companies worldwide that derive, or are expected to derive, profits from technology.

Performance summary

	31 Oct 17 - 31 Oct 18	31 Oct 16 - 31 Oct 17	31 Oct 15 - 31 Oct 16	31 Oct 14 - 31 Oct 15	31 Oct 13 - 31 Oct 14
	%	%	%	%	%
Janus Henderson Global Technology Fund	4.6	28.7	32.8	14.0	13.3
MSCI All Countries World Information Technology Index	8.3	29.4	40.6	12.0	21.1

Source: Morningstar, NAV to NAV 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 October 2018

Largest purchases	£000	Largest sales	£000
Intel	30,171	Intel	30,984
Microsoft	29,484	Tencent Holdings	28,061
Tencent Holdings	26,690	Texas Instruments	22,659
Nvidia	23,694	Applied Materials	21,950
Apple	17,563	Apple	21,440
Naspers 'N'	16,007	Naspers 'N'	15,015
Applied Materials	12,880	HP	12,724
Worldpay	11,844	Electronic Arts	12,521
Amphenol 'A'	10,912	Micron Technology	12,413
Cognex	9,994	Red Hat	11,876
Total purchases	323,903	Total sales	373,995

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

Investment review

The fund returned 4.6% (based on performance of Class A accumulation), versus a benchmark return of 8.3%.

Amazon.com outperformed, driven by an acceleration in cloud adoption and as the strength of its advertising business came to the fore. The company continued to invest in areas such as international ecommerce and media with a long-term view but, uniquely among its large cap internet peers, enjoyed an improving margin mix in its business. Software vendor ServiceNow was a positive contributor as it continued to win market share in IT service management, expanding into new areas such as HR, and deepened its moat via building an ever stickier platform. Adobe Systems also performed well. The leader in marketing and creative software announced a new buyback programme, which was taken favourably. The company also announced the acquisition of Magento Commerce, a software platform used to create ecommerce-related websites. The deal should allow for further cross-selling opportunities. Cisco Systems was a positive contributor to performance during the year. The networking leader recently resurged, driven by a business shift towards recurring revenue streams, product refreshes and being a beneficiary of corporate tax reform.

Flextronics detracted from performance following the loss of a key client – Nike. This proved a dent in the thesis that the business was pivoting to more stable verticals such as apparel versus traditional consumer electronics. Coherent (a supplier of specialist lasers to OLED equipment manufacturers) detracted from performance owing to concerns on the pace of OLED adoption and wider industrial exposure. We sold our position as we believed the risk/reward was more attractive in other, less cyclical, names. Samsung Electronics and Western Digital both detracted from performance over the year as concerns over the memory cycle and datacentre demand (as part of a wider semiconductor malaise after a period of very strong demand) weighed on these stocks. We took the time to consolidate into what we believe are dominant franchises in the space long term. As such, we added to Samsung Electronics and exited Western Digital.

We initiated a position in Nvidia. We have long admired the strength of the franchise in artificial intelligence, autos and gaming but felt the risk/reward was unfavourable. We feel some of the risks around cryptocurrency-related demand have dissipated and hence bought shares. We funded the position by exiting Texas Instruments, where we felt the risk/reward less favourable. We added to Microsoft as we believe the valuation is attractive and felt its growth prospects, particularly in cloud computing, were strong. We sold HP Inc as it approached our price target. The original HP business was spun out into HP Inc and HP Enterprise, allowing HP Inc to focus on innovation within its core markets, PCs and printers, which proved successful for the business and shareholders alike.

While we believe the geopolitical and macroeconomic drivers of the recent sell-off are unlikely to dissipate, we remain constructively biased on the long-term outlook for technology equities. In our view, the long-term secular drivers for the technology sector remain intact and should not be impacted materially by the global macroeconomic outlook. We continue to believe that technology will take share from the wider market, driven by demographics and Moore's Law. As was the case in 2015/2016 following 2013/2014 strength, we believe the sector is going through a natural digestion of gains, with temporal slowdown in relative earnings growth and momentum. We continue to see a rich vein of technology stocks we can buy in the middle ground that provide attractive risk/reward and growth/valuation combinations. We will remain focused on quality companies that benefit from powerful secular themes at a reasonable price.

Comparative tables for the year ended 31 October 2018

	Class A accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,653.82	1,278.92	957.37
Return before operating charges*	155.24	399.74	339.63
Operating charges	(30.83)	(24.84)	(18.08)
Return after operating charges*	124.41	374.90	321.55
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	1,778.23	1,653.82	1,278.92
* after direct transaction costs of:	0.72	0.71	1.19

Performance

Return after charges	7.52%	29.31%	33.59%
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Other information

Closing net asset value (£000s)	250,838	251,108	210,240
Closing number of shares	14,106,068	15,183,512	16,438,905
Operating charges	1.75%	1.75%	1.75%
Direct transaction costs	0.04%	0.05%	0.11%

Prices

Highest share price (pence)	1,969.00	1,650.00	1,295.00
Lowest share price (pence)	1,566.00	1,178.00	857.50

	Class I accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,852.67	1,419.78	1,053.22
Return before operating charges*	174.24	446.27	376.29
Operating charges	(16.66)	(13.38)	(9.73)
Return after operating charges*	157.58	432.89	366.56
Distributions on accumulation shares	-	(0.17)	(1.62)
Retained distributions on accumulation shares	-	0.17	1.62
Closing net asset value per share	2,010.25	1,852.67	1,419.78
* after direct transaction costs of:	0.81	0.80	1.31

Performance

Return after charges	8.51%	30.49%	34.80%
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Other information

Closing net asset value (£000s)	614,111	566,535	372,858
Closing number of shares	30,548,955	30,579,456	26,261,621
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.04%	0.05%	0.11%

Prices

Highest share price (pence)	2,223.00	1,848.00	1,437.00
Lowest share price (pence)	1,759.00	1,309.00	945.80

Comparative tables (continued)

	Class Z accumulation		
	2018	2017	2016
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	323.93	246.28	181.27
Return before operating charges*	30.37	77.82	65.11
Operating charges	(0.17)	(0.17)	(0.10)
Return after operating charges*	30.20	77.65	65.01
Distributions on accumulation shares	(2.57)	(2.24)	(1.85)
Retained distributions on accumulation shares	2.57	2.24	1.85
Closing net asset value per share	354.13	323.93	246.28
* after direct transaction costs of:	0.14	0.14	0.23
Performance			
Return after charges	9.32%	31.53%	35.86%
Other information			
Closing net asset value (£000s)	5	5	4
Closing number of shares	1,500	1,500	1,500
Operating charges	0.05%	0.06%	0.05%
Direct transaction costs	0.04%	0.05%	0.11%
Prices			
Highest share price (pence)	391.20	323.10	249.20
Lowest share price (pence)	308.20	227.30	163.10

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.

	2018 %	2017 %
Class A	1.75	1.75
Class I	0.84	0.84
Class Z	0.05	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 3 types of shares in issue; A accumulation, I accumulation 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, 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 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 share class appears at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in share price in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events which could amplify everyday risk and trigger other risks.

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

The risk rating changed from 5 to 6 in the year.

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

Portfolio statement as at 31 October 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 94.69% (2017: 97.87%)		
	Belgium 0.06% (2017: 0.00%)		
	Information Technology 0.06% (2017: 0.00%)		
43,817	Materialise ADR	502	0.06
	Canada 0.00% (2017: 0.00%)		
	Information Technology 0.00% (2017: 0.00%)		
665,000	Wildcard Technologies ¹	-	-
	China 5.54% (2017: 7.31%)		
	Communication Services 2.45% (2017: 3.08%)		
796,300	Tencent Holdings	21,162	2.45
	Consumer Discretionary 2.83% (2017: 4.23%)		
220,534	Alibaba Holdings ADS	24,551	2.83
	Information Technology 0.26% (2017: 0.00%)		
444,700	Meituang Dianping 'B'	2,240	0.26
	Finland 1.50% (2017: 1.01%)		
	Information Technology 1.50% (2017: 1.01%)		
2,908,891	Nokia	12,944	1.50
	France 0.00% (2017: 0.33%)		
	Communication Services 0.00% (2017: 0.33%)		
	Netherlands 0.48% (2017: 0.53%)		
	Information Technology 0.48% (2017: 0.53%)		
122,373	ASM International	4,121	0.48
	Russian Federation 0.67% (2017: 1.01%)		
	Communication Services 0.67% (2017: 1.01%)		
245,004	Yandex	5,777	0.67
	South Africa 0.67% (2017: 0.93%)		
	Communication Services 0.67% (2017: 0.93%)		
42,445	Naspers 'N'	5,804	0.67
	South Korea 3.93% (2017: 5.01%)		
	Information Technology 3.93% (2017: 5.01%)		
1,075,028	Samsung Electronics	31,268	3.61
113,934	Samsung Electronics Preference Shares	2,758	0.32
		34,026	3.93
	Taiwan 0.00% (2017: 0.82%)		
	Information Technology 0.00% (2017: 0.82%)		
	United Kingdom 0.00% (2017: 1.03%)		
	Communication Services 0.00% (2017: 0.72%)		
	Information Technology 0.00% (2017: 0.31%)		

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
United States 81.84% (2017: 79.89%)			
Communication Services 18.63% (2017: 20.15%)			
271,799	Activision Blizzard	14,686	1.70
56,099	Alphabet 'A'	47,880	5.53
39,932	Alphabet 'C'	33,625	3.89
355,455	Facebook	42,226	4.88
90,422	IAC/InterActiveCorp	13,911	1.61
75,534	Spotify Technology	8,847	1.02
		161,175	18.63
Consumer Discretionary 5.35% (2017: 4.11%)			
12,212	Amazon.com	15,271	1.76
103,216	Aptiv	6,201	0.72
3,252	Booking Holdings	4,773	0.55
395,074	eBay	8,976	1.04
112,436	Expedia	11,033	1.28
		46,254	5.35
Information Technology 57.86% (2017: 55.63%)			
111,183	Adobe Systems	21,385	2.47
169,776	Ambarella	4,617	0.53
168,003	Amphenol 'A'	11,765	1.36
493,338	Apple	84,464	9.78
140,062	Broadcom	24,489	2.83
175,328	CDW	12,349	1.43
1,044,726	Cisco Systems	37,398	4.32
254,047	Cognex	8,518	0.98
185,209	Cognizant Technology Solutions	10,004	1.16
85,775	Dolby Laboratories	4,619	0.53
130,865	DXC Technology	7,461	0.86
66,519	Fleetcor Technologies	10,412	1.20
406,331	Flex	2,496	0.29
172,019	MasterCard	26,612	3.08
264,411	Micron Technology	7,806	0.90
1,007,816	Microsoft	84,231	9.74
119,588	Nvidia	19,732	2.28
123,611	PTC	7,971	0.92
171,325	Salesforce.com	18,402	2.13
86,321	ServiceNow	12,229	1.41
262,525	Trimble Navigation	7,680	0.89
88,973	Universal Display	8,566	0.99
316,331	Visa	34,110	3.94
162,330	Worldpay	11,665	1.35
184,780	Xilinx	12,344	1.43
70,316	Zebra Technologies 'A'	9,152	1.06
		500,477	57.86

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Derivatives 0.00% (2017: 0.00%)		
	Forward Foreign Exchange Contracts 0.00% (2017: 0.00%)²		
	Buy GBP 1,208,489 : Sell USD 1,549,713 November 2018	(4)	-
	Buy GBP 304,039 : Sell USD 388,244 November 2018 ³	-	-
	Buy USD 129,559 : Sell GBP 101,564 November 2018 ³	-	-
		<u>(4)</u>	<u>-</u>
	Investment assets including investment liabilities	819,029	94.69
	Other net assets	45,925	5.31
	Total net assets	<u>864,954</u>	<u>100.00</u>

¹ Suspended or delisted securities

² Unquoted securities

³ Due to rounding to nearest £1,000

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

Prior year comparative percentages have changed for some sectors due to reclassification within these sectors.

Statement of total return for the year ended 31 October 2018

	Note	2018		2017	
		£000	£000	£000	£000
Income					
Net capital gains	2		69,836		179,602
Revenue	3	8,142		6,565	
Expenses	4	(9,644)		(7,552)	
Interest payable and similar charges	5	-		(1)	
Net expense before taxation		(1,502)		(988)	
Taxation	6	(1,062)		(917)	
Net expense after taxation			(2,564)		(1,905)
Total return before distributions			67,272		177,697
Distributions	7		-		(53)
Change in net assets attributable to shareholders from investment activities			67,272		177,644

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2018

	2018		2017	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		817,648		583,102
Amounts receivable on issue of shares	98,884		121,409	
Amounts payable on cancellation of shares	(118,850)		(64,560)	
		(19,966)		56,849
Change in net assets attributable to shareholders from investment activities		67,272		177,644
Retained distributions on accumulation shares		-		53
Closing net assets attributable to shareholders		864,954		817,648

Balance sheet as at 31 October 2018

	Note	2018 £000	2017 £000
Assets:			
Investments		819,033	800,258
Current assets:			
Debtors	8	1,596	6,702
Cash and bank balances	9	51,776	15,519
Total assets		872,405	822,479
Liabilities:			
Investment liabilities		4	40
Creditors:			
Bank overdrafts		2,537	1,403
Other creditors	10	4,910	3,388
Total liabilities		7,451	4,831
Net assets attributable to shareholders		864,954	817,648

Notes to the financial statements for the year ended 31 October 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:

	2018 £000	2017 £000
Forward currency contracts	(224)	(366)
Non-derivative securities	69,260	179,606
Other currency gains	806	370
Transaction costs	(6)	(8)
Net capital gains	69,836	179,602

3 Revenue

	2018 £000	2017 £000
Bank interest	59	21
Overseas dividends	7,993	6,474
UK dividends	90	70
Total revenue	8,142	6,565

4 Expenses

	2018 £000	2017 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	8,462	6,600
GAC*	1,051	837
	<u>9,513</u>	<u>7,437</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	50	43
Safe custody fees	70	56
	<u>120</u>	<u>99</u>
Other expenses:		
Dividend collection charges	1	-
Professional fees	10	16
	<u>11</u>	<u>16</u>
Total expenses	9,644	7,552

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	-	1
Total interest payable and similar charges	<u>-</u>	<u>1</u>

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2018 £000	2017 £000
Current tax		
Overseas withholding tax	1,062	917
Total tax (note 6b)	<u>1,062</u>	<u>917</u>

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 expense before taxation	<u>(1,502)</u>	<u>(988)</u>
Corporation tax at 20% (2017: 20%)	(300)	(198)
Effects of:		
Irrecoverable overseas tax	1,062	917
Overseas dividends*	(1,599)	(1,294)
UK dividends**	(18)	(14)
Unused management expenses	1,917	1,506
Tax charge for the year (note 6a)	<u>1,062</u>	<u>917</u>

* 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 £20,892,013 (2017: £18,975,063) 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

	2018	2017
	£000	£000
Final accumulation*	-	53
Total distributions	-	53
Net expense after taxation	(2,564)	(1,905)
Revenue shortfall	2,564	1,958
Total distributions	-	53

Details of the distribution per share are set out in the distribution table on page 55.

* Class Z accumulation made a distribution of £39.

8 Debtors

	2018	2017
	£000	£000
Accrued revenue	260	210
Amounts receivable for issue of shares	169	6,461
Overseas withholding tax reclaimable	26	31
Sales awaiting settlement	1,141	-
Total debtors	1,596	6,702

9 Cash and bank balances

	2018	2017
	£000	£000
Cash and bank balances	51,776	15,519
Total cash and bank balances	51,776	15,519

10 Other creditors

	2018	2017
	£000	£000
Accrued annual management charge	725	652
Accrued Depositary's fee	5	4
Accrued other expenses	134	88
Amounts payable for cancellation of shares	1,949	-
Purchases awaiting settlement	2,097	2,644
Total other creditors	4,910	3,388

11 Contingent liabilities and commitments

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 45 and 46 and notes 4, 8 and 10 on pages 47 to 49 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 3 share classes available; Class A, Class I and Class Z. 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 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 38 to 39. The distribution per share class is given in the distribution table on page 55. All share classes have the same rights on winding up.

Shares reconciliation as at 31 October 2018

	Class A accumulation	Class I accumulation	Class Z accumulation
Opening number of shares	15,183,512	30,579,456	1,500
Issues during the year	1,037,647	4,103,935	-
Cancellations during the year	(1,978,911)	(4,255,656)	-
Shares converted during the year	(136,180)	121,220	-
Closing shares in issue	14,106,068	30,548,955	1,500

14 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 31 October 2018 (2017: nil).

The fund had no exposure to derivatives as at 31 October 2018 (2017: nil).

Notes to the financial statements (continued)

15 Risk

Currency risk

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

2018	Investment assets including investment liabilities £000	Other net assets £000	Total net assets £000
Currency			
Euro	17,065	6	17,071
Hong Kong dollar	23,402	-	23,402
Korean won	34,026	232	34,258
Swedish krona	-	19	19
South African Rand	5,804	-	5,804
Taiwan dollar	-	48	48
UK sterling	1,411	22,518	23,929
US dollar	737,321	23,102	760,423
Total	819,029	45,925	864,954
2017	Investment assets including investment liabilities £000	Other net assets/ (liabilities) £000	Total net assets £000
Currency			
Euro	12,603	8	12,611
Hong Kong dollar	25,198	-	25,198
Korean won	40,974	77	41,051
South African rand	8,602	(977)	7,625
Swedish krona	-	20	20
Taiwan dollar	-	14	14
UK sterling	2,523	16,721	19,244
US dollar	710,318	1,567	711,885
Total	800,218	17,430	817,648

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £841,025,000 (2017: £798,404,000). 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 October 2018 and the net assets as at 31 October 2018 by £84,102,500 (2017: £79,840,400). 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 October 2018 and the net assets as at 31 October 2018 by £84,102,500 (2017: £79,840,400).

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)

15 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2018				
Bank overdrafts	2,537	-	-	-
Derivative financial liabilities	-	4	-	-
Other creditors	-	4,910	-	-
Total	2,537	4,914	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2017				
Bank overdrafts	1,403	-	-	-
Derivative financial liabilities	-	40	-	-
Other creditors	-	3,388	-	-
Total	1,403	3,428	-	-

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	819,033	-	800,258	-
Level 2	-	4	-	40
Level 3	-	-	-	-
	819,033	4	800,258	40

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2018 £000	2017 £000	2018 £000	2017 £000
Trades in the year				
Equities	323,713	196,381	374,159	144,107
Trades in the year before transaction costs	323,713	196,381	374,159	144,107
Transaction costs				
Commissions				
Equities	121	155	109	115
Total commissions	121	155	109	115
Taxes				
Equities	38	31	32	15
Total taxes	38	31	32	15
Other expenses				
Equities	31	1	23	13
Total other expenses	31	1	23	13
Total transaction costs	190	187	164	143
Total net trades in the year after transaction costs	323,903	196,568	373,995	143,964

	Purchases		Sales	
	2018 %	2017 %	2018 %	2017 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.08	0.03	0.08
Taxes				
Equities	0.01	0.02	0.01	0.01
Other expenses				
Equities	0.01	-	0.01	0.01
	2018 %	2017 %		

Total transaction costs expressed as a percentage of net asset value

Commissions	0.02	0.04
Taxes	0.01	0.01
Other expenses	0.01	-
Total costs	0.04	0.05

There were no in specie transfers during the year (2017: nil). There were corporate actions during the year of £378,225 (2017: nil).

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 October 2018 was 0.04% (2017: 0.02%). The portfolio dealing spread is calculated at the fund's 12 noon valuation point.

Notes to the financial statements (continued)

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 October 2018 (in pence per share)

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

Group 1 : shares purchased prior to 1 November 2017

Group 2 : shares purchased on or after 1 November 2017

	Net revenue	Distribution paid 31/12/18	Distribution paid 29/12/17
Class A accumulation			
Group 1	-	-	-
Group 2	-	-	-
Class I accumulation			
Group 1	-	-	0.1737
Group 2	-	-	0.1737
Class Z accumulation			
Group 1	2.5676	2.5676	2.2390
Group 2	2.5676	2.5676	2.2390

Henderson Institutional Emerging Markets Fund

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

Investment Fund Managers

Henderson Multi Strategy Equities Team

Other information

Henderson Institutional Emerging Markets Fund merged into Janus Henderson Emerging Markets Opportunities Fund (a sub-fund of Janus Henderson Investment Funds Series I) on 11 February 2016. The fund has remained open pending the outcome of a FII GLO class action which may generate additional assets to the fund and will be terminated once this has been concluded. Therefore, the fund is not considered to be a going concern and as such the financial statements have been prepared on a basis other than going concern. As the fund is closed, the fund's comparative tables, significant purchases and sales and risk and reward profile has not been included.

Performance summary

	31 Oct 15 - 11 Feb 16*	31 Oct 14 - 31 Oct 15	31 Oct 13 - 31 Oct 14
	%	%	%
Henderson Institutional Emerging Markets Fund	(12.0)	(12.8)	(0.6)
MSCI Emerging Markets Index	(9.7)	(11.1)	1.4

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

* Fund closure date.

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.

Statement of total return for the year ended 31 October 2018

	Note	2018		2017	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(1)		-
Revenue		-		-	
Expenses	3	<u>(3)</u>	<u>(6)</u>		
Net expense before taxation		(3)	(6)		
Taxation	4	<u>-</u>	<u>-</u>		
Net expense after taxation			<u>(3)</u>		<u>(6)</u>
Total return before distributions			(4)		(6)
Distributions	5		-		-
Change in net assets attributable to shareholders from investment activities			<u>(4)</u>		<u>(6)</u>

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2018

		2018		2017	
		£000	£000	£000	£000
Opening net assets attributable to shareholders			-		-
Movement in amount payable to merger fund ¹		<u>4</u>	<u>4</u>	<u>6</u>	<u>6</u>
Change in net assets attributable to shareholders from investment activities			(4)		(6)
Closing net assets attributable to shareholders		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

¹ The fund merged with Janus Henderson Emerging Markets Opportunities Fund on 11 February 2016.

Balance sheet as at 31 October 2018

	Note	2018 £000	2017 £000
Assets:			
Current assets:			
Cash and bank balances	6	28	47
Total assets		<u>28</u>	<u>47</u>
Liabilities:			
Creditors:			
Bank overdrafts		10	28
Other creditors	7	18	19
Total liabilities		<u>28</u>	<u>47</u>
Net assets attributable to shareholders		<u>-</u>	<u>-</u>

Notes to the financial statements for the year ended 31 October 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:

	2018 £000	2017 £000
Other currency (losses)/gains	(1)	-
Net capital (losses)/gains	(1)	-

3 Expenses

	2018 £000	2017 £000
Other expenses:		
Audit fees	3	6
Total expenses	3	6

Irrecoverable VAT is included in the above expenses where relevant.

The current year audit fee is £3,934 (2017: £5,221).

The charge of £5,732 in the prior year includes the prior year audit fee of £2,866 and an accrual of £2,866 for the current year audit fee.

4 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2018 £000	2017 £000
Current tax		
Overseas withholding tax	-	-
Total tax (note 4b)	-	-

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 expense before taxation	(3)	(6)
Corporation tax at 20% (2017: 20%)	-	(1)
Effects of:		
Unused management expenses	-	1
Tax charge for the year (note 4a)	-	-

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).

Notes to the financial statements (continued)

4 Taxation (continued)

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 £1,191 (2017: £1,146) 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.

5 Distributions

	2018 £000	2017 £000
Final distribution	-	-
Total distributions	-	-
Net expense after taxation	(3)	(6)
Revenue shortfall	3	6
Total distributions	-	-

6 Cash and bank balances

	2018 £000	2017 £000
Cash and bank balances	28	47
Total cash and bank balances	28	47

7 Other creditors

	2018 £000	2017 £000
Accrued other expenses	4	6
Amounts payable to merger fund	5	10
Reimbursement to ACD for unused merger provision	9	3
Total other creditors	18	19

8 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.

9 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. There were no transactions with the ACD in the current or prior year due to the closure of the fund. One creditor balance of £3,196 as disclosed in note 7 on page 60 was due to the ACD at the end of the current and prior year.

10 Shareholders' funds

The fund closed following its merger with Janus Henderson Emerging Markets Opportunities Fund on 11 February 2016 and the fund had no shareholders at the end of the current or prior year.

Notes to the financial statements (continued)

11 Risk

Currency risk

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

Interest rate risk

The fund's exposure to interest rate risk is considered significant as a large portion of the fund's net assets is cash at bank. However, floating rate interest received on this balance is immaterial. This is consistent with exposure during the prior year.

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
2018				
Bank overdrafts	10	-	-	-
Other creditors	-	18	-	-
Total	10	18	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2017				
Bank overdrafts	28	-	-	-
Other creditors	-	19	-	-
Total	28	19	-	-

12 Events after the Balance sheet date

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

Janus Henderson Institutional Global Buy & Maintain Fund (formerly Henderson Institutional Global Buy & Maintain Fund)

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

Investment Fund Manager

James Briggs

Investment objective and policy

To provide income and growth by investing primarily in a diversified portfolio of investment grade global corporate bonds. The fund may also invest in other transferable securities (including high yield bonds), government bonds, deposits, cash and near cash and collective investment schemes. Derivatives may be used by the fund for the purposes of efficient portfolio management.

Performance summary

	31 Oct 17 - 31 Oct 18	31 Oct 16 - 31 Oct 17	31 Oct 15 - 31 Oct 16	16 Sep 15* - 31 Oct 15
	%	%	%	%
Janus Henderson Institutional Global Buy & Maintain Fund	0.4	4.2	3.8	(0.2)

Source: Morningstar, NAV to NAV and net of fees, as at 12 noon valuation point, based on performance of Class Y accumulation (formerly Class Y gross accumulation).

The fund is not measured against a benchmark index.

* The fund launched on 16 September 2015.

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 October 2018

Largest purchases	£000	Largest sales/maturities	£000
Transport for London 2.125% 24/04/2025	945	Banque Federative du Credit Mutuel 2.50% 29/10/2018	975
Chubb INA 2.50% 15/03/2038	852	Southern Power 1.85% 01/12/2017	892
British Telecommunications 3.125% 21/11/2031	797	Toyota Motor Credit 4% 07/12/2017	700
Proctor & Gamble 4.875% 11/05/2027	770	PACCAR Financial Europe 1.513% 29/05/2018	696
Illinois Tool Works 2.65% 15/11/2026	727	HP Enterprise 4.90% 15/10/2025	686
Richemont International 2.00% 26/03/2038	709	RMAC FRN 12/09/2037	643
Places for People Treasury 2.875% 17/08/2026	692	Severn Trent Water Utilities 6.00% 22/01/2018	630
McDonalds 5.875% 23/04/2032	673	Arqiva Financing 4.882% 31/12/2032	446
Veolia Environnement 6.125% 29/10/2037	634	Softbank 5.375% 30/07/2022	369
BHP Billiton Finance 4.3% 25/09/2042	610	Business Mortgage Finance FRN 15/02/2039	310
Total purchases	15,066	Total sales/maturities	8,129

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

Investment review

Performance was positive over the year, with the portfolio returning 0.4% (based on performance of Class Y accumulation).

The year under review was characterised by the market oscillating between 'risk-on' and 'risk-off' sentiment. The final quarter of 2017 began on a positive note for most risk assets, despite the European Central Bank (ECB) announcing a reduction in its monthly asset purchases and rate rises from the US Federal Reserve (Fed) and the Bank of England (BoE). Meanwhile, politicians made some progress on negotiations around the UK's exit from the European Union (Brexit) and the US tax-overhaul bill was finally passed in late December. However, in early 2018, rising geopolitical tensions, less accommodative monetary policy expectations and diverging global growth occupied markets. Politics also continued to dominate headlines. On the European political front, Catalonia voted for independence, German Chancellor Angela Merkel struggled to form a new coalition, Italy announced a contentious budget and the UK struggled to make progress on Brexit negotiations. As we moved through the first half of this year, rising government bond yields (prices move inversely to yields) in the US and growing fears around inflation, driven initially by higher than expected US earnings data, caused an escalation in market volatility (sharper fluctuations in prices), with US and European equity bourses declining. The increase in volatility, in combination with the US engaging in a trade war with China, caused bond markets to weaken. The sell-off in risk assets was somewhat reversed in the third quarter, when volatility fell back from elevated levels and credit spreads (the extra yield over an equivalent government security) moved tighter on positive market sentiment and low supply.

Nevertheless, global corporate bond markets generated a negative total return over the year, driven by rising government bond yields and widening credit spreads across US, euro and sterling investment grade bonds. US Treasuries underperformed their European and UK counterparts as US economic growth remained strong and the Fed raised rates four times over the year under review, while the BoE raised rates twice and the ECB announced any rate rises were on hold until at least mid-2019. US investment grade corporates underperformed euro and sterling denominated corporate bonds on the back of rising US Treasury yields, particularly given the costs of hedging back to sterling. Sterling credit outperformed Europe and the US as the UK benefited from the strength of the underlying gilt market.

There was also a pickup in idiosyncratic credit stories on both a positive and negative note. Construction company Astaldi lost ground because of its activity in Venezuela, while Teva Pharmaceuticals was negative on US generics pricing, the loss of Copaxone monopoly and profits warnings. Retailer Steinhoff suffered from an accounting scandal and the resignation of both its CEO and chairman, as well as a Moody's downgrade. More positively, Fox, Sky and Disney announced a US\$66bn deal, which resulted in spreads on all three names closing tighter.

On the portfolio level, non-financial corporate bonds holdings outperformed their financial counterparts. Within non-financials, technology, agencies and consumer non-cyclicals were the largest positive contributors to performance. Names such as Verizon Communications, Pfizer, CVS Health, Apple and America Movil were the strongest contributors on an individual credit level. Detractors included names in the insurance sector, such as Aviva and Scottish Widows.

Notable activity during the year included exiting our position in Kennedy Wilson, having trimmed it in the third quarter of 2017 following news earlier in 2017 that the company would undergo an \$8.2bn all-share merger with its lower rated minority shareholder, Kennedy Wilson. We participated in some new issues, including British Telecommunications, Johnson & Johnson, Telenet, Liberty Living Finance, Bunzl Finance, Chubb INA and Tritax Big Box REIT. We also purchased holdings in names such as Transport for London, Proctor & Gamble, BHP Billiton Finance, BASF, McDonald's and Veolia Environnement in the secondary market, where we took advantage of spreads at attractive levels. We sold names such as GKN and Jaguar Land Rover.

Overall, we remain cautious on the outlook for credit markets, although the recent spread widening led to valuations becoming more attractive and pockets of value appearing. Furthermore, we continue to see an increase in dispersion as investors are differentiating more between 'good' companies and 'bad' companies across sectors and rating bands. We believe these factors should provide a more fertile environment for finding attractively priced opportunities in the quarters ahead.

Another supporting factor for credit is reduced supply into year end and lower net supply expectations for next year, creating a positive technical backdrop. Nevertheless, spreads across global credit markets remain tight and, we believe, are not fully pricing in the broader geopolitical and central bank risks.

As ever, we remain focused on using bottom up stock selection and an understanding of idiosyncratic risk.

Comparative table for the year ended 31 October 2018

Class Y accumulation (formerly Class Y gross accumulation)

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	107.69	103.22	99.36
Return before operating charges*	0.85	4.72	4.10
Operating charges	(0.26)	(0.25)	(0.24)
Return after operating charges*	0.59	4.47	3.86
Distributions on accumulation shares	(2.50)	(2.25)	(2.44)
Retained distributions on accumulation shares	2.50	2.25	2.44
Closing net asset value per share	108.28	107.69	103.22
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.55%	4.33%	3.88%
Other information			
Closing net asset value (£000s)	95,141	94,563	90,573
Closing number of shares	87,867,779	87,807,974	87,749,276
Operating charges	0.24%	0.24%	0.24%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	109.70	108.00	104.30
Lowest share price (pence)	107.50	103.10	95.61

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.

The following share class changed name in the year:

Share class

Class Y accumulation (formerly Class Y gross accumulation)

Date of change

1 November 2017

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.

	2018 %	2017 %
Class Y	0.24	0.24

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 1 type of share class in issue; Y accumulation (formerly Y gross accumulation).

The risk and reward profile is as follows:



The Synthetic Risk and Reward Indicator (SRRI) is calculated based on historical volatility over a rolling 5 year¹ 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 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 share class appears at 3 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 which could amplify everyday risk and trigger other risks.

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

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

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

¹ The fund lunched on 16 September 2015, 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 October 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 93.36% (2017: 92.92%)		
	Australia 2.30% (2017: 1.69%)		
	Fixed Rate Bond 2.30% (2017: 1.69%)		
GBP 600,000	APT Pipelines 3.50% 22/03/2030	618	0.66
GBP 500,000	BHP Billiton Finance 4.3% 25/09/2042	613	0.64
USD 520,000	Brambles 4.125% 23/10/2025	400	0.42
USD 200,000	SGSP (Australia) Assets 3.25% 29/07/2026	144	0.15
USD 435,000	Transurban Finance 4.125% 02/02/2026	332	0.35
USD 100,000	Westpac Banking 4.875% 19/11/2019	80	0.08
		<u>2,187</u>	<u>2.30</u>
	Belgium 0.71% (2017: 0.74%)		
	Zero / Discount Rate Bond 0.71% (2017: 0.74%)		
GBP 720,000	Anheuser-Busch InBev 2.25% 24/05/2029	673	0.71
	Canada 0.21% (2017: 0.00%)		
	Fixed Rate Bond 0.21% (2017: 0.00%)		
GBP 200,000	Liberty Living Finance 2.625% 28/11/2024	198	0.21
	France 4.08% (2017: 4.08%)		
	Fixed Rate Bond 3.22% (2017: 3.13%)		
GBP 400,000	BPCE 5.25% 16/04/2029	454	0.48
GBP 700,000	Électricité de France 5.50% 17/10/2041	886	0.93
USD 1,100,000	Engie 2.875% 10/10/2022	833	0.88
GBP 200,000	Suez 5.375% 02/12/2030	254	0.27
GBP 450,000	Veolia Environnement 6.125% 29/10/2037	632	0.66
		<u>3,059</u>	<u>3.22</u>
	Stepped Rate Bond 0.43% (2017: 0.46%)		
USD 381,000	Orange 8.50% 01/03/2031	410	0.43
	Variable Rate Bond 0.43% (2017: 0.49%)		
GBP 389,000	AXA 5.625% 16/01/2054	410	0.43
	Germany 5.10% (2017: 4.69%)		
	Fixed Rate Bond 4.86% (2017: 4.44%)		
GBP 200,000	Allianz Finance 4.50% 13/03/2043	257	0.27
EUR 800,000	ATF Netherlands 1.50% 15/07/2024	694	0.72
GBP 600,000	BASF 1.75% 11/03/2025	596	0.63
USD 600,000	Deutsche Telekom International Finance 8.75% 15/06/2030	624	0.66
USD 750,000	E.ON International Finance 6.65% 30/04/2038	679	0.71
USD 500,000	Schaeffler Finance 4.75% 15/05/2023	386	0.41
GBP 700,000	Siemens Financieringsmaatschappij 2.75% 10/09/2025	741	0.77
EUR 700,000	Vonovia Finance 2.25% 15/12/2023	653	0.69
		<u>4,630</u>	<u>4.86</u>
	Variable Rate Bond 0.24% (2017: 0.25%)		
GBP 200,000	Munich Reinsurance 6.625% 26/05/2042	226	0.24

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Ireland 0.79% (2017: 0.83%)		
	Fixed Rate Bond 0.79% (2017: 0.83%)		
USD 1,000,000	CRH America 3.875% 18/05/2025	756	0.79
	Italy 0.52% (2017: 0.57%)		
	Fixed Rate Bond 0.52% (2017: 0.57%)		
GBP 400,000	Enel Finance International 5.75% 14/09/2040	492	0.52
	Japan 1.01% (2017: 1.45%)		
	Fixed Rate Bond 1.01% (2017: 1.45%)		
GBP 500,000	East Japan Railway 5.25% 22/04/2033	668	0.71
USD 400,000	Japan Tobacco 2.80% 13/04/2026	288	0.30
		956	1.01
	Mexico 1.02% (2017: 1.06%)		
	Fixed Rate Bond 1.02% (2017: 1.06%)		
GBP 450,000	America Movil 4.948% 22/07/2033	543	0.57
GBP 100,000	America Movil 5.00% 27/10/2026	118	0.12
USD 350,000	America Movil 6.375% 01/03/2035	313	0.33
		974	1.02
	Netherlands 1.89% (2017: 1.95%)		
	Fixed Rate Bond 1.89% (2017: 1.95%)		
GBP 238,000	Cooperatieve Rabobank 2.25% 23/02/2022	243	0.25
GBP 500,000	Cooperatieve Rabobank 5.25% 23/05/2041	684	0.72
USD 1,000,000	Heineken 2.75% 01/04/2023	758	0.80
GBP 111,000	Shell International Finance 2.00% 20/12/2019	112	0.12
		1,797	1.89
	Norway 0.70% (2017: 0.72%)		
	Fixed Rate Bond 0.70% (2017: 0.72%)		
GBP 500,000	Equinor 6.125% 27/11/2028	669	0.70
	Sweden 0.76% (2017: 0.78%)		
	Fixed Rate Bond 0.76% (2017: 0.78%)		
GBP 310,000	Nordea Bank 2.375% 02/06/2022	317	0.33
GBP 100,000	Skandinaviska Enskilda Banken 3.00% 18/12/2020	103	0.11
GBP 304,000	Swedbank 1.625% 15/04/2019	305	0.32
		725	0.76
	Switzerland 2.57% (2017: 1.88%)		
	Fixed Rate Bond 2.41% (2017: 1.71%)		
GBP 850,000	Nestlé 2.25% 30/11/2023	879	0.93
USD 940,000	Novartis Capital 3.10% 17/05/2027	697	0.73
EUR 826,000	Richemont International 2.00% 26/03/2038	708	0.75
		2,284	2.41
	Stepped Rate Bond 0.16% (2017: 0.17%)		
GBP 140,000	Glencore Finance 6.00% 03/04/2022	156	0.16

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
United Kingdom 44.65% (2017: 44.81%)			
Asset Backed 3.12% (2017: 4.13%)			
GBP 150,400	Broadgate Financing 5.098% 05/04/2033	173	0.18
GBP 6,807	Business Mortgage Finance FRN 15/02/2039	7	0.01
GBP 595,236	Connect Plus M25 Issuer 2.607% 31/03/2039	597	0.64
GBP 247,280	Great Rolling Stock 6.50% 05/04/2031	307	0.32
GBP 132,192	Great Rolling Stock 6.875% 27/07/2035	166	0.17
GBP 135,135	Greene King Finance 5.318% 15/09/2031	155	0.16
GBP 154,000	Greene King Finance 5.702% 15/12/2034	141	0.15
GBP 600,000	High Speed Rail Finance 4.375% 01/11/2038	716	0.76
GBP 44,876	Longstone Finance 4.791% 19/04/2036	51	0.05
GBP 102,000	Marstons Issuer 5.1576% 15/10/2027	98	0.10
GBP 102,000	Marstons Issuer 5.641% 15/07/2035	88	0.09
GBP 33,733	Mitchells & Butlers 5.965% 15/12/2025	37	0.04
GBP 102,606	Mitchells & Butlers 6.013% 15/12/2030	117	0.12
GBP 99,559	Telereal Securitisation 5.9478% 10/12/2033	121	0.13
GBP 158,987	Telereal Securitisation 6.1645% 10/12/2031	195	0.20
		<u>2,969</u>	<u>3.12</u>
Fixed Rate Bond 39.63% (2017: 38.47%)			
GBP 105,000	AA Bond 2.875% 31/01/2022	101	0.11
GBP 155,000	AA Bond 4.248% 31/07/2020	159	0.17
GBP 300,000	AA Bond 6.269% 31/07/2025	320	0.34
GBP 600,000	Affordable Housing Finance 3.80% 20/05/2042	768	0.81
GBP 300,000	Annington Funding 2.646% 12/07/2025	295	0.31
GBP 200,000	Arqiva Financing 5.34% 30/06/2030	233	0.24
GBP 200,000	Assura Financing 3.00% 19/07/2028	201	0.21
GBP 900,000	A2Dominion 3.50% 15/11/2028	912	0.95
GBP 339,000	Barclays Bank 4.25% 12/01/2022	369	0.39
GBP 300,000	Barclays 3.125% 17/01/2024	301	0.32
GBP 288,000	BAT International Finance 4.00% 04/09/2026	311	0.33
GBP 150,000	BAT International Finance 5.75% 05/07/2040	196	0.21
GBP 250,000	BG Energy Capital 5.00% 04/11/2036	335	0.35
GBP 350,000	BG Energy Capital 5.125% 01/12/2025	423	0.44
GBP 590,000	Blend Funding 3.459% 21/09/2047	594	0.62
GBP 750,000	BP Capital Market 4.325% 10/12/2018	752	0.79
GBP 350,000	British Land 5.264% 24/09/2035	439	0.46
GBP 800,000	British Telecommunications 3.125% 21/11/2031	778	0.82
GBP 150,000	Broadgate Financing 4.821% 05/07/2036	192	0.20
GBP 300,000	Bromford 3.125% 03/05/2048	295	0.31
GBP 500,000	Bunzl Finance 2.25% 11/06/2025	489	0.51
GBP 193,000	BUPA Finance 3.375% 17/06/2021	202	0.21
GBP 337,000	Centrica 4.375% 13/03/2029	379	0.40
GBP 770,000	Compass 2.00% 03/07/2029	743	0.78
GBP 136,000	Coventry Building Society 5.875% 28/09/2022	156	0.16
GBP 600,000	CPUK Finance 3.588% 28/08/2025	629	0.66
GBP 500,000	Daily Mail & General Trust 5.75% 07/12/2018	502	0.53
GBP 600,000	Dwr Cymru Financing 6.015% 31/03/2028	786	0.83
GBP 101,000	Eastern Power Networks 5.75% 08/03/2024	118	0.12
GBP 138,000	EE Finance 4.375% 28/03/2019	140	0.15

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Fixed Rate Bond (continued)		
GBP 750,000	Experian Finance 3.50% 15/10/2021	788	0.83
GBP 190,000	FCE Bank 2.625% 20/11/2018	190	0.20
GBP 50,000	FirstGroup 6.875% 18/09/2024	59	0.06
GBP 200,000	Freshwater Finance 4.556% 03/04/2036	245	0.26
GBP 244,000	Freshwater Finance 5.182% 20/04/2035	318	0.33
GBP 300,000	Gatwick Funding 5.75% 23/01/2037	396	0.42
GBP 123,000	Gatwick Funding 6.125% 02/03/2026	151	0.16
GBP 200,000	GlaxoSmithKline Capital 4.25% 18/12/2045	246	0.26
GBP 272,000	GlaxoSmithKline Capital 5.25% 10/04/2042	376	0.40
GBP 175,000	GlaxoSmithKline Capital 6.375% 09/03/2039	266	0.28
GBP 500,000	G4S 7.75% 13/05/2019	516	0.54
GBP 450,000	Heathrow Funding 5.225% 15/02/2023	512	0.54
GBP 350,000	Heathrow Funding 6.75% 03/12/2026	455	0.48
GBP 600,000	HSBC Holdings 6.75% 11/09/2028	748	0.79
GBP 587,000	Imperial Brands Finance 4.875% 07/06/2032	662	0.70
GBP 312,000	intu Metrocentre Finance 4.125% 06/12/2023	330	0.35
GBP 100,000	Intu (SGS) Finance 3.875% 17/03/2023	104	0.11
GBP 315,000	Intu (SGS) Finance 4.25% 17/09/2030	332	0.35
GBP 200,000	Intu (SGS) Finance 4.625% 17/03/2028	217	0.23
GBP 167,000	John Lewis 4.25% 18/12/2034	150	0.16
GBP 100,000	Land Securities Capital Markets 2.375% 29/03/2027	101	0.11
GBP 100,000	Land Securities Capital Markets 2.625% 22/09/2037	97	0.10
GBP 400,000	Legal & General 5.875% 05/04/2033	533	0.56
GBP 450,000	Lloyds Bank 5.125% 07/03/2025	539	0.57
GBP 149,000	London Power Networks 6.125% 07/06/2027	188	0.20
GBP 250,000	Longstone Finance 4.896% 19/04/2036	282	0.30
GBP 550,000	Manchester Airport Group Funding 4.75% 31/03/2034	661	0.69
GBP 750,000	Motability Operations 3.75% 16/04/2026	836	0.87
GBP 350,000	National Westminster Bank 6.50% 07/09/2021	389	0.41
GBP 110,000	National Westminster Bank 5.125% 13/01/2024	129	0.14
GBP 179,000	Nationwide Building Society 5.625% 28/01/2026	226	0.24
GBP 450,000	Northern Powergrid (Yorkshire) 5.125% 04/05/2035	581	0.61
GBP 500,000	Notting Hill Housing Trust 3.25% 12/10/2048	479	0.50
GBP 700,000	Places for People Treasury 2.875% 17/08/2026	686	0.72
GBP 460,000	Porterbrook Rail Finance 6.50% 20/10/2020	501	0.53
GBP 700,000	RELX 2.75% 01/08/2019	704	0.74
GBP 500,000	Rio Tinto 4.00% 11/12/2029	573	0.60
GBP 500,000	Sanctuary Capital 6.697% 23/03/2039	763	0.80
GBP 232,000	Santander UK 1.875% 17/02/2020	233	0.24
GBP 455,000	Santander UK 5.75% 02/03/2026	575	0.60
GBP 453,000	Scottish Widows 7.00% 16/06/2043	528	0.55
GBP 500,000	Sky 2.875% 24/11/2020	514	0.54
GBP 250,000	South Eastern Power Networks 5.625% 30/09/2030	317	0.33
GBP 147,000	South Eastern Power Networks 6.375% 12/11/2031	201	0.21
GBP 130,000	Southern Water Services Financial 6.192% 31/03/2029	172	0.18
GBP 620,000	SP Manweb 4.875% 20/09/2027	730	0.77
GBP 930,000	Transport for London 2.125% 24/04/2025	947	0.99
GBP 300,000	Tritax Big Box REIT 3.125% 14/12/2031	293	0.31
GBP 800,000	Unilever 1.125% 03/02/2022	795	0.84
GBP 300,000	University of Liverpool 3.375% 25/06/2055	345	0.36

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 700,000	University of Southampton 2.25% 11/04/2057	616	0.65
GBP 350,000	Virgin Media Secured Finance 6.25% 28/03/2029	362	0.38
USD 280,000	Vodafone 6.15% 27/02/2037	231	0.24
GBP 300,000	Wales & West Utilities Finance 3.00% 03/08/2038	296	0.31
GBP 100,000	Wales & West Utilities Finance 4.625% 13/12/2023	114	0.12
GBP 200,000	Wellcome Trust Finance 4.00% 09/05/2059	275	0.29
GBP 246,000	Western Power Distribution East Midlands 5.25% 17/01/2023	279	0.29
GBP 350,000	Western Power Distribution West Midlands 5.75% 16/04/2032	449	0.47
GBP 600,000	Whitbread 3.375% 16/10/2025	612	0.64
GBP 358,000	WM Morrison Supermarkets 4.75% 04/07/2029	411	0.43
USD 900,000	WPP Finance 2010 3.75% 19/09/2024	671	0.71
GBP 200,000	Yorkshire Water Services 6.375% 19/08/2039	299	0.31
		37,712	39.63
Variable Rate Bond 1.90% (2017: 2.21%)			
GBP 400,000	Aviva FRN 04/06/2050	395	0.41
GBP 200,000	Aviva 6.125% 14/11/2036	219	0.23
GBP 118,000	Aviva 6.625% 03/06/2041	129	0.14
GBP 100,000	Direct Line Insurance 9.25% 27/04/2042	120	0.13
GBP 390,000	Prudential 5.70% 19/12/2063	442	0.46
GBP 401,000	Standard Life Aberdeen 5.50% 04/12/2042	443	0.47
GBP 59,000	Wales & West Utilities Finance 6.75% 17/12/2036	59	0.06
		1,807	1.90
United States 27.05% (2017: 27.67%)			
Asset Backed 0.78% (2017: 0.80%)			
USD 1,000,000	COMM 2015-3BP Mortgage Trust 3.2384% 10/02/2035	747	0.78
Fixed Rate Bond 26.27% (2017: 26.87%)			
USD 1,200,000	Altria 2.625% 14/01/2020	933	0.98
USD 876,000	Amazon.com 3.15% 22/08/2027	646	0.68
GBP 100,000	American International 5.00% 26/04/2023	111	0.12
GBP 500,000	Amgen 4.00% 13/09/2029	555	0.58
GBP 1,000,000	Apple 3.60% 31/07/2042	1,163	1.21
GBP 200,000	AT&T 4.25% 01/06/2043	204	0.21
GBP 450,000	AT&T 5.20% 18/11/2033	528	0.56
GBP 300,000	Bank of America 6.125% 15/09/2021	336	0.35
EUR 960,000	Chubb INA 2.50% 15/03/2038	849	0.89
USD 900,000	Citigroup 2.65% 26/10/2020	694	0.73
GBP 199,000	Citigroup 7.375% 01/09/2039	313	0.33
USD 500,000	Comcast 7.05% 15/03/2033	482	0.51
USD 1,000,000	CVS Health 2.875% 01/06/2026	709	0.75
USD 360,000	CVS Health 4.30% 25/03/2028	275	0.29
GBP 339,000	Digital Stout 4.25% 17/01/2025	364	0.38
USD 455,000	Exxon Mobil 4.114% 01/03/2046	344	0.36
USD 820,000	FedEx 4.75% 15/11/2045	609	0.64
GBP 150,000	General Electric Capital UK Funding 8.00% 14/01/2039	231	0.24
GBP 500,000	General Electric Capital UK Funding 4.375% 31/07/2019	510	0.54
GBP 398,000	Goldman Sachs 4.25% 29/01/2026	433	0.46

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 90,000	Goldman Sachs 7.125% 07/08/2025	114	0.12
GBP 135,000	Goldman Sachs 7.25% 10/04/2028	181	0.19
USD 600,000	HCA Holdings 6.50% 15/02/2020	485	0.51
USD 1,100,000	Illinois Tool Works 2.65% 15/11/2026	787	0.83
USD 445,000	Johnson & Johnson 2.45% 01/03/2026	322	0.34
USD 620,000	Johnson & Johnson 2.90% 15/01/2028	453	0.48
GBP 500,000	McDonalds 5.875% 23/04/2032	656	0.69
GBP 600,000	McKesson 3.125% 17/02/2029	591	0.62
USD 1,000,000	Medtronic 3.15% 15/03/2022	774	0.81
USD 450,000	Microsoft 3.75% 12/02/2045	327	0.34
USD 350,000	Microsoft 4% 12/02/2055	257	0.27
USD 1,000,000	Morgan Stanley 4.3% 27/01/2045	720	0.76
USD 500,000	NBCUniversal Media 5.95% 01/04/2041	436	0.46
USD 1,200,000	Oracle 2.5% 15/10/2022	904	0.95
GBP 990,000	Pfizer 2.735% 15/06/2043	973	1.02
USD 1,100,000	Philip Morris 4.125% 17/05/2021	875	0.92
EUR 660,000	Proctor & Gamble 4.875% 11/05/2027	764	0.80
USD 1,100,000	S&P Global 3.3% 14/08/2020	861	0.90
USD 700,000	Sysco 3.30% 15/07/2026	513	0.54
USD 1,000,000	United Technologies 4.5% 01/06/2042	741	0.78
USD 250,000	UnitedHealth 4.25% 15/03/2043	187	0.20
USD 100,000	UnitedHealth 4.625% 15/07/2035	80	0.08
USD 400,000	Verizon Communications 4.862% 21/08/2046	298	0.31
USD 540,000	Verizon Communications 5.25% 16/03/2037	434	0.46
USD 630,000	W. W. Grainger 4.60% 15/06/2045	481	0.51
GBP 770,000	Wells Fargo 3.50% 12/09/2029	815	0.86
GBP 600,000	Welltower REIT 4.80% 20/11/2028	675	0.71
		24,993	26.27
Derivatives 0.94% (2017: (0.35%))			
Futures 0.02% (2017: 0.09%)			
(6)	CBT US Long Bond December 2018	26	0.03
(2)	CBT US Ultra Bond December 2018	15	0.02
(37)	CBT US 10 Year Note December 2018	11	0.01
(5)	EUX Euro-Bund December 2018	2	-
(112)	ICE Long Gilt December 2018	(35)	(0.04)
		19	0.02

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Swaps 1.64% (2017: (0.37%))			
Interest Rate Swaps 1.64% (2017: (0.37%))¹			
11,500,000	IRS 0.865% LIBOR 3 month - Receive Floating - GBP	109	0.11
10,000,000	IRS 1.07% LIBOR 3 month - Receive Floating - GBP	121	0.13
11,500,000	IRS 1.305% LIBOR 3 month - Receive Floating - GBP	128	0.13
8,000,000	IRS 1.514% LIBOR 3 month - Receive Floating - GBP	77	0.08
2,500,000	IRS 1.569% LIBOR 3 month - Receive Floating - GBP	45	0.05
4,000,000	IRS 1.585% LIBOR 3 month - Receive Floating - GBP	40	0.04
2,100,000	IRS 1.607% LIBOR 3 month - Receive Floating - GBP	20	0.02
9,400,000	IRS 2.0825% LIBOR 3 month - Receive Floating - USD	225	0.24
7,300,000	IRS 2.482% LIBOR 3 month - Receive Floating - USD	290	0.30
6,000,000	IRS 2.73% LIBOR 3 month - Receive Floating - USD	507	0.54
		<u>1,562</u>	<u>1.64</u>
Forward Foreign Exchange Contracts (0.72%) (2017: (0.07%))¹			
	Buy GBP 161,973 : Sell EUR 182,495 November 2018 ²	-	-
	Buy GBP 1,912,471 : Sell EUR 2,166,764 November 2018	(11)	(0.01)
	Buy GBP 24,300,401 : Sell USD 31,954,589 November 2018	(680)	(0.71)
	Buy GBP 262,307 : Sell EUR 293,619 November 2018	2	-
	Buy GBP 296,532 : Sell EUR 331,920 November 2018	2	-
	Buy GBP 42,726 : Sell USD 55,252 November 2018 ²	-	-
	Buy GBP 43,939 : Sell USD 56,387 November 2018 ²	-	-
	Buy GBP 83,057 : Sell USD 106,503 November 2018 ²	-	-
	Buy USD 1,293,833 : Sell GBP 1,015,052 November 2018	(4)	-
	Buy USD 2,699 : Sell GBP 2,051 November 2018 ²	-	-
	Buy USD 54,037 : Sell GBP 41,590 November 2018	1	-
	Buy USD 55,342 : Sell GBP 42,255 November 2018	1	-
	Buy USD 5,600 : Sell GBP 4,310 November 2018 ²	-	-
	Buy USD 60,024 : Sell GBP 46,922 November 2018 ²	-	-
	Buy USD 91,330 : Sell GBP 69,006 November 2018	2	-
	Buy USD 981,789 : Sell GBP 770,277 November 2018	(3)	-
		<u>(690)</u>	<u>(0.72)</u>
	Investment assets including investment liabilities	89,721	94.30
	Other net assets	5,420	5.70
	Total net assets	95,141	100.00

¹ Unquoted securities

² Due to rounding to nearest £1,000

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

Prior year comparative percentages have changed for some sectors due to reclassification within these sectors.

Statement of total return for the year ended 31 October 2018

	Note	2018		2017	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(1,682)		1,956
Revenue	3	2,422		2,195	
Expenses	4	<u>(228)</u>		<u>(222)</u>	
Net revenue before taxation		2,194		1,973	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>2,194</u>		<u>1,973</u>
Total return before distributions			512		3,929
Distributions	6		(2,194)		(1,973)
Change in net assets attributable to shareholders from investment activities			<u>(1,682)</u>		<u>1,956</u>

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2018

	2018		2017	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		94,563		90,573
Amounts receivable on issue of shares	<u>66</u>		<u>61</u>	
		66		61
Change in net assets attributable to shareholders from investment activities		(1,682)		1,956
Retained distributions on accumulation shares		2,194		1,973
Closing net assets attributable to shareholders		<u>95,141</u>		<u>94,563</u>

Balance sheet as at 31 October 2018

	Note	2018 £000	2017 £000
Assets:			
Investments		90,454	88,030
Current assets:			
Debtors	7	1,674	1,254
Cash and bank balances	8	7,584	6,563
Total assets		99,712	95,847
Liabilities:			
Investment liabilities		733	494
Creditors:			
Amounts held at derivative clearing houses and brokers		1,325	83
Bank overdrafts		263	364
Other creditors	9	2,250	343
Total liabilities		4,571	1,284
Net assets attributable to shareholders		95,141	94,563

Notes to the financial statements for the year ended 31 October 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:

	2018 £000	2017 £000
Derivative securities	1,856	1,686
Forward currency contracts	(1,286)	1,932
Non-derivative securities	(2,199)	(1,643)
Other currency losses	(51)	(18)
Transaction costs	(2)	(1)
Net capital (losses)/gains	(1,682)	1,956

3 Revenue

	2018 £000	2017 £000
Bank interest	9	6
Derivative revenue	(453)	(626)
Interest on debt securities	2,866	2,815
Total revenue	2,422	2,195

4 Expenses

	2018 £000	2017 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	191	186
GAC*	22	21
	<u>213</u>	<u>207</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	9	9
Safe custody fees	6	6
	<u>15</u>	<u>15</u>
Total expenses	228	222

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).

5 Taxation

a) Analysis of charge in the year

There is no tax charge for the current year (2017: nil).

Notes to the financial statements (continued)

5 Taxation (continued)

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	2017
	£000	£000
Net revenue before taxation	2,194	1,973
Corporation tax at 20% (2017: 20%)	439	395
Effects of:		
Revenue being paid as interest distributions	(439)	(395)
Tax charge for the year (note 5a)	-	-

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

There were no factors that may affect future tax charges at the current or prior year end.

6 Distributions

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

	2018	2017
	£000	£000
Interim accumulation	1,627	1,486
Final accumulation	567	487
Total distributions	2,194	1,973

Details of the distribution per share are set out in the distribution tables on page 85.

7 Debtors

	2018	2017
	£000	£000
Accrued revenue	1,252	1,254
Currency transactions awaiting settlement	422	-
Total debtors	1,674	1,254

8 Cash and bank balances

	2018	2017
	£000	£000
Amounts held at derivative clearing houses and brokers	2,659	158
Cash and bank balances	4,925	5,695
Cash pledged as collateral	-	710
Total cash and bank balances	7,584	6,563

Notes to the financial statements (continued)

9 Other creditors

	2018	2017
	£000	£000
Accrued annual management charge	16	16
Accrued Depositary's fee	1	1
Accrued other expenses	7	3
Derivative interest payable	276	323
Currency transactions awaiting settlement	424	-
Purchases awaiting settlement	1,526	-
Total other creditors	2,250	343

10 Contingent liabilities and commitments

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

11 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 74 and 75 and notes 4 and 9 on pages 76 to 78 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

Nortrust Nominees Limited, as a material shareholder, is a related party holding shares comprising 100% of the total net assets of the fund as at the year end (2017: 100%).

12 Shareholders' funds

The fund currently has 1 share class available; Class Y (Retail with exit charges). The annual management charge on the share class is as follows:

	2018	2017
	%	%
Class Y	0.20	0.20

The net asset value of the share class, the net asset value per share and the number of shares in the share class are given in the comparative table on page 64. The distribution per share class is given in the distribution tables on page 85.

Shares reconciliation as at 31 October 2018

	Class Y accumulation (formerly Class Y gross accumulation)
Opening number of shares	87,807,974
Issues during the year	59,805
Cancellations during the year	-
Closing shares in issue	87,867,779

Notes to the financial statements (continued)

13 Financial derivatives

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

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 in respect of derivatives as at 31 October 2018 (2017: cash of £710,000 was pledged). There was no collateral held in respect of derivatives as at 31 October 2018 (2017: nil).

2018

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

Counterparty	Futures £000	Forward foreign exchange contracts £000	Interest rate swaps £000	Total by counterparty £000
BNP Paribas	-	8	-	8
Citigroup	-	-	1,562	1,562
UBS	54	-	-	54
	54	8	1,562	1,624

2017

At 31 October 2017 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Futures £000	Forward foreign exchange contracts £000	Interest rate swaps £000	Total by counterparty £000
BNP Paribas	-	18	-	18
JP Morgan	-	-	19	19
Citigroup	-	-	47	47
UBS	83	-	-	83
	83	18	66	167

14 Risk

Currency risk

The fund's net exposure to currency risk (including any instruments used to hedge foreign currencies) is considered insignificant. This is consistent with the exposure during the prior year.

Interest rate risk

The fund's exposure to interest rate risk is considered significant. The interest rate risk profile of the fund's financial assets and financial liabilities at the year end is set out in the following table:

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2018				
Euro	19	3,667	476	4,162
UK sterling	10,868	59,242	1,098	71,208
US dollar	1,949	22,231	162	24,342
Total	12,836	85,140	1,736	99,712

Notes to the financial statements (continued)

14 Risk (continued)

Interest rate risk (continued)

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2017				
Euro	26	1,388	22	1,436
UK sterling	10,178	57,187	1,081	68,446
US dollar	706	24,252	1,007	25,965
Total	10,910	82,827	2,110	95,847

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2018				
Euro	-	-	1,526	1,526
UK sterling	614	-	1,345	1,959
US dollar	974	-	112	1,086
Total	1,588	-	2,983	4,571

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2017				
Euro	-	-	2	2
UK sterling	608	-	302	910
US dollar	250	-	122	372
Total	858	-	426	1,284

Credit Ratings

2018	Market value £000	Percentage of net assets %
Investments		
Investment grade (AAA - BBB)	83,272	87.52
Below investment grade (BB and below)	1,483	1.56
Unrated	4,075	4.28
Total debt securities	88,830	93.36
Derivatives	891	0.94
Investment assets including investment liabilities	89,721	94.30
Other net assets	5,420	5.70
Total net assets	95,141	100.00

Notes to the financial statements (continued)

14 Risk (continued)

Credit Ratings (continued)

2017	Market value £000	Percentage of net assets %
Investments		
Investment grade (AAA - BBB)	82,545	87.29
Below investment grade (BB and below)	2,378	2.52
Unrated	2,940	3.11
Total debt securities	87,863	92.92
Derivatives	(327)	(0.35)
Investment assets including investment liabilities	87,536	92.57
Other net assets	7,027	7.43
Total net assets	94,563	100.00

Sensitivity analysis

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

VaR Results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum %	Maximum %	Average %		Minimum %	Maximum %	Average %
2018	0.79	1.80	1.33	20.00	3.94	8.98	6.63
2017	1.41	2.15	1.71	20.00	7.06	10.74	8.54

Leverage

	Minimum %	Maximum %	Average %
2018	102.64	173.13	126.38
2017	89.16	173.54	125.11

Liquidity risk

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

2018	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
Amounts held at derivatives clearing houses and brokers	1,325	-	-	-
Bank overdrafts	263	-	-	-
Derivative financial liabilities	-	733	-	-
Other creditors	-	2,250	-	-
Total	1,588	2,983	-	-

Notes to the financial statements (continued)

14 Risk (continued)

Liquidity risk (continued)

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2017				
Amounts held at derivatives clearing houses and brokers	83	-	-	-
Bank overdrafts	364	-	-	-
Derivative financial liabilities	-	83	17	394
Other creditors	-	343	-	-
Total	447	426	17	394

15 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	54	35	83	2
Level 2	90,400	698	87,947	492
Level 3	-	-	-	-
	90,454	733	88,030	494

Notes to the financial statements (continued)

16 Direct transaction costs

	Purchases		Sales	
	2018 £000	2017 £000	2018 £000	2017 £000
Trades in the year				
Debt securities	15,066	12,224	8,129	4,492
Trades in the year before transaction costs	15,066	12,224	8,129	4,492
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	15,066	12,224	8,129	4,492

	Purchases		Sales	
	2018 %	2017 %	2018 %	2017 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Debt securities	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
	2018 %	2017 %		

Total transaction costs expressed as a percentage of net asset value

Commissions	-	-
Taxes	-	-
Other expenses	-	-
Total costs	-	-

Notes to the financial statements (continued)

16 Direct transaction costs (continued)

There were no in specie transfers during the year (2017: nil). There were corporate actions during the year of £3,271,274 (2017: £1,974,889).

There were direct transaction costs associated with derivatives in the year of £599 (2017: £897) which is 0.00% of the average net asset value of the fund (2017: 0.00%).

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

Direct transaction costs related to bonds are not separately identifiable as with other financial instruments as the costs form part of the dealing spread and therefore are inherent within the purchase and sale prices of the trade.

The portfolio dealing spread as at 31 October 2018 was 0.65% (2017: 0.60%). The portfolio dealing spread is calculated at the fund's 12 noon valuation point.

17 Events after the Balance sheet date

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

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

Interim interest distribution (accounting date 31 January 2018, paid on 29 March 2018)

Group 1: shares purchased prior to 1 November 2017

Group 2: shares purchased on or after 1 November 2017

	Distribution per share	Equalisation	Total distribution per share 29/03/18	Total distribution per share 31/03/17
Class Y accumulation (formerly Class Y gross accumulation)				
Group 1	0.5967	-	0.5967	0.7228
Group 2	0.3946	0.2021	0.5967	0.7228

Interim interest distribution (accounting date 30 April 2018, paid on 29 June 2018)

Group 1: shares purchased prior to 1 February 2018

Group 2: shares purchased on or after 1 February 2018

	Distribution per share	Equalisation	Total distribution per share 29/06/18	Total distribution per share 30/06/17
Class Y accumulation (formerly Class Y gross accumulation)				
Group 1	0.5798	-	0.5798	0.4372
Group 2	0.3960	0.1838	0.5798	0.4372

Interim interest distribution (accounting date 31 July 2018, paid on 28 September 2018)

Group 1: shares purchased prior to 1 May 2018

Group 2: shares purchased on or after 1 May 2018

	Distribution per share	Equalisation	Total distribution per share 28/09/18	Total distribution per share 29/09/17
Class Y accumulation (formerly Class Y gross accumulation)				
Group 1	0.6756	-	0.6756	0.5325
Group 2	0.4204	0.2552	0.6756	0.5325

Final interest distribution (accounting date 31 October 2018, paid on 31 December 2018)

Group 1 : shares purchased prior to 1 August 2018

Group 2 : shares purchased on or after 1 August 2018

	Distribution per share	Equalisation	Total distribution per share 31/12/18	Total distribution per share 29/12/17
Class Y accumulation (formerly Class Y gross accumulation)				
Group 1	0.6458	-	0.6458	0.5547
Group 2	0.4374	0.2084	0.6458	0.5547

Janus Henderson Institutional Overseas Bond Fund (formerly Henderson Institutional Overseas Bond Fund)

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

Investment Fund Managers

Andrew Mulliner and Ryan Myerberg

Other information

Please note as of 9 April 2018, Andrew Mulliner and Ryan Myerberg took over the management of this fund.

Investment objective and policy

To aim to provide a return by investing in fixed and floating rate securities in any area of the world, except the United Kingdom. The fund will invest primarily in bonds issued by Governments, public authorities and international organisations.

Performance summary

	31 Oct 17 - 31 Oct 18	31 Oct 16 - 31 Oct 17	31 Oct 15 - 31 Oct 16	31 Oct 14 - 31 Oct 15	31 Oct 13 - 31 Oct 14
	%	%	%	%	%
Janus Henderson Institutional Overseas Bond Fund	(0.5)	(9.4)	32.8	(1.2)	(2.2)
JP Morgan Global Bond Traded Ex UK Index	1.7	(8.7)	35.9	0.7	(0.8)

Source: Morningstar, NAV to NAV and net of fees as at 12 noon valuation point, based on performance of Class A income. 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 October 2018

Largest purchases	£000	Largest sales	£000
Japan (Government of) 1.00% 20/03/2022	26,479	Canada (Government of) 0.75% 01/09/2021	21,202
Italy (Republic of) 0.05% 15/04/2021	21,510	Italy (Republic of) 0.05% 15/04/2021	20,844
US Treasury 1.50% 30/11/2019	20,687	Canada (Government of) 0.75% 01/03/2021	15,524
Canada (Government of) 0.75% 01/09/2021	20,574	Italy (Republic of) 0.95% 01/03/2023	12,699
Canada (Government of) 0.75% 01/03/2021	16,110	US Treasury 1.625% 31/03/2019	12,520
Portugal (Republic of) 5.65% 15/02/2024	13,376	Japan (Government of) 0.20% 20/09/2019	11,960
Italy (Republic of) 0.95% 01/03/2023	12,864	US Treasury 1.375% 29/02/2020	11,520
Mexican Bonos Desarrollo 7.5% 03/06/2027	7,060	Japan (Government of) (10 Year Issue) 1.20% 20/12/2020	8,865
US Treasury 3.00% 15/02/2048	6,512	Japan (Government of) 2.20% 20/09/2027	8,143
Japan (Government of) 0.80% 20/06/2023	5,649	Italy (Republic of) 1.25% 01/12/2026	7,464
Total purchases	224,822	Total sales	264,529

Investment review

The fund returned -0.5% (based on performance of Class A income), underperforming the benchmark, which returned 1.7%.

Developed market government bond yields showed signs of divergence over the past year. Better growth and inflation data, in combination with tighter monetary policies (central bank activity aimed at curbing inflation and slowing down growth in the economy by raising interest rates and reducing the supply of money) and fiscal stimulus in the form of tax cuts, saw US government bond yields rise (prices fell) across the yield curve, led by shorter dated maturities, causing the curve to flatten. Other linked economies with similar monetary policy paths, such as Canada, saw similar directional moves to the US, albeit at smaller magnitudes. Meanwhile, developed economies with more dovish central banks, including core Europe, Australia and New Zealand, saw front end yields move marginally higher but longer end yields move lower over the course of the year. These moves were due to some repricing of market expectations for interest rate hikes in the short term, but mainly on demand for long dated maturities that were more appropriately priced for any future rate hiking path.

Riskier asset markets, such as corporate bonds, experienced widening spreads (the extra yield over equivalent government bonds) during the review year – an abrupt change from much of 2017. Perhaps the defining moment of the year for risky asset classes was the sharp fall in equity markets in October and the significant increase in volatility (sharper fluctuations in prices). While there are potentially multiple contributing factors behind the sell-off (including higher government bond yields), outflows from exchange traded funds (focused on selling equity market volatility) appeared to be the primary catalyst. Corporate bond spreads weakened in sympathy with the equity market and were not able to recover their previous tight spreads.

Within currency markets, the dominant theme over the year was the recovery in the US dollar versus other major currency markets from the April lows. This was driven by a slump in global growth away from the US, as well as higher US bond yields versus the rest of the world thanks to the Federal Reserve (Fed) staying consistent with its quarterly hiking cycle and upbeat language around the strength of the US economy.

Within European markets, performance was negatively impacted by a sharp repricing higher of Italian sovereign bond spreads in the months following the formation of a populist government between the Five Star Movement and Lega Nord. Hedges in French OATs and Belgian sovereign bonds helped to soften the blow.

The fund benefited from its positioning for German bund prices to weaken early in the year when the economic outlook was still robust, and subsequently by positioning for prices to strengthen when we felt the US-led government bond sell-off had gone beyond what was justified by the region's fundamentals.

Within North America, a position expecting a steeper yield curve in the US relative to the German government bond curve detracted from performance as the US yield curve flattened aggressively. Likewise, a long position in Mexican rates was rattled by flare-ups in trade war and treaty renegotiation noise, as well as the election of the populist candidate Andres Manuel Lopez Obrador as president.

In currencies, the fund benefited from positioning for the euro to appreciate against the US dollar, where the latter weakened on the back of domestic political, and geopolitical, concerns. Being long the New Zealand dollar against the Australian dollar also contributed to performance, where relative economic performance favoured a weaker Australian dollar relative to the New Zealand dollar. However, positioning for strengthening in the Swedish krona, Norwegian krone and Czech koruna relative to the euro detracted from performance due to a combination of Sweden's stubbornly accommodative central bank and general risk-off sentiment offsetting hikes in monetary policy (Norway and Czech Republic) in spite of good economic performances. Lastly, a long position in emerging market currencies versus the US dollar struggled due to the significant sell-off in emerging market risk assets during the summer months.

We used derivatives to manage the fund's allocation to currency relative to its benchmark via currency forwards. We also used government bond futures in the management of the fund's allocation to interest rates as a more liquid substitute for physical government bonds.

We continue to expect decent global growth over the coming year, although we believe the peak in growth momentum has already passed. Subsequently, we expect central banks to continue on their gradual tightening cycle, which we believe will result in continued volatility in bond markets. Within government bond markets, we still think European peripheral government bonds will outperform those in the core markets. We anticipate longer dated bond yields in the US to be close to their peak as growth momentum slows, but expect the Fed to hike at least three more times before the end of 2019. Elsewhere, we believe Japanese government bond yields will remain range bound, while bonds within the smaller developed government bond markets, such as Australia and Canada, should outperform the US, in our view.

Within currency markets, we expect a weaker US dollar to persist through time, as well as for the currencies of high performing European countries (the Czech koruna, the Swedish krona and Norwegian krone) to outperform the euro.

Comparative tables for the year ended 31 October 2018

Class 3 accumulation (formerly Class 3 gross accumulation)

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	114.67	125.92	93.62
Return before operating charges*	0.89	(11.00)	32.50
Operating charges	(0.24)	(0.25)	(0.20)
Return after operating charges*	0.65	(11.25)	32.30
Distributions on accumulation shares	(1.12)	(0.83)	-
Retained distributions on accumulation shares	1.12	0.83	-
Closing net asset value per share	115.32	114.67	125.92
* after direct transaction costs of:	-	-	-

Performance

Return after charges	0.57%	(8.93%)	34.50%
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Other information

Closing net asset value (£000s)	2	2	2
Closing number of shares	1,509	1,509	1,509
Operating charges	0.21%	0.21%	0.21%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	118.40	126.10	127.30
Lowest share price (pence)	109.60	113.70	93.25

Class A income

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	189.77	209.97	157.49
Return before operating charges*	1.52	(18.29)	54.58
Operating charges	(1.71)	(1.91)	(2.10)
Return after operating charges*	(0.19)	(20.20)	52.48
Distributions on income shares	(0.63)	-	-
Closing net asset value per share	188.95	189.77	209.97
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(0.10%)	(9.62%)	33.32%
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Other information

Closing net asset value (£000s)	805	903	1,278
Closing number of shares	426,034	475,960	608,804
Operating charges	0.91%	0.98%	1.16%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	194.50	210.30	212.20
Lowest share price (pence)	181.00	188.30	156.90

Comparative tables (continued)

	Class I accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	255.08	281.06	209.60
Return before operating charges*	2.05	(24.52)	72.87
Operating charges	(1.37)	(1.41)	(1.32)
Return after operating charges*	0.68	(25.93)	71.55
Distributions on accumulation shares	(1.76)	(1.00)	(0.47)
Retained distributions on accumulation shares [^]	1.76	0.95	0.38
Closing net asset value per share	255.76	255.08	281.06
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.27%	(9.23%)	34.14%
Other information			
Closing net asset value (£000s)	11	4	3
Closing number of shares	4,501	1,574	1,000
Operating charges	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	262.70	281.50	283.90
Lowest share price (pence)	243.60	253.00	208.80

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

	Class I income		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	191.86	212.18	158.46
Return before operating charges*	1.48	(18.53)	55.11
Operating charges	(1.03)	(1.07)	(1.03)
Return after operating charges*	0.45	(19.60)	54.08
Distributions on income shares	(1.29)	(0.72)	(0.36)
Closing net asset value per share	191.02	191.86	212.18
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.23%	(9.24%)	34.13%
Other information			
Closing net asset value (£000s)	709	819	1,889
Closing number of shares	371,228	427,004	890,155
Operating charges	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	196.70	212.50	214.30
Lowest share price (pence)	183.00	190.40	157.80

Comparative tables (continued)

Class Z accumulation (formerly Class Z gross accumulation)

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	207.40	227.39	168.57
Return before operating charges*	1.60	(19.91)	58.90
Operating charges	(0.08)	(0.08)	(0.08)
Return after operating charges*	1.52	(19.99)	58.82
Distributions on accumulation shares	(2.39)	(1.88)	(1.09)
Retained distributions on accumulation shares	2.39	1.88	1.09
Closing net asset value per share	208.92	207.40	227.39
* after direct transaction costs of:	-	-	-

Performance

Return after charges	0.73%	(8.79%)	34.89%
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Other information

Closing net asset value (£000s)	218,335	249,466	249,570
Closing number of shares	104,506,502	120,280,053	109,753,160
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	214.40	227.70	229.70
Lowest share price (pence)	198.30	205.60	167.90

Class I gross accumulation

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	267.71	287.76	219.83
Return before operating charges*	(0.61)	(18.57)	69.29
Operating charges	-	(1.48)	(1.36)
Return after operating charges*	(0.61)	(20.05)	67.93
Distributions on accumulation shares	-	(1.08)	(0.49)
Retained distributions on accumulation shares	-	1.08	0.49
Final cancellation price	(267.10) ¹	-	-
Closing net asset value per share	-	267.71	287.76
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(0.23%)	(6.97%)	30.90%
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Other information

Closing net asset value (£000s)	-	6	7
Closing number of shares	-	2,229	2,434
Operating charges	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	267.10 ²	295.40	298.10
Lowest share price (pence)	267.10 ²	265.50	218.90

¹ Class I gross accumulation closed on 1 November 2017 and this is the final cancellation price.

² to 1 November 2017

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

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

Comparative tables (continued)

Operating charges

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

Share class launches and closures

There were no share classes launched in the year.

The following share class closed in the year:

Share class

Class I gross accumulation

Closure date

1 November 2017

The following share classes changed name in the year:

Share class

Class 3 accumulation (formerly Class 3 gross accumulation)

Class Z accumulation (formerly Class Z gross accumulation)

Date of change

1 November 2017

1 November 2017

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.

	2018 %	2017 %
Class 3	0.21	0.21
Class A	0.91	0.98 ¹
Class I²	0.54	0.54
Class Z	0.04	0.04

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

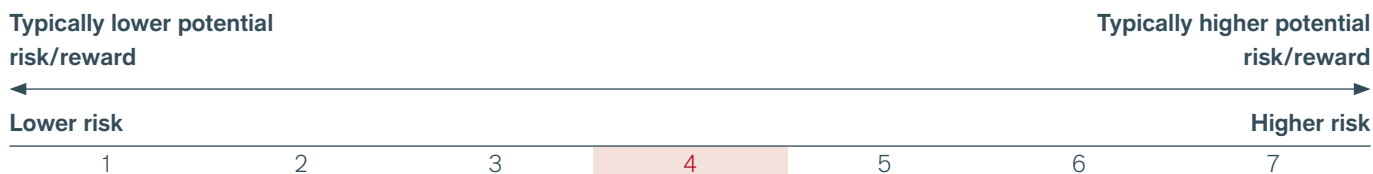
¹ The annual management charge on Class A changed from 1.00% to 0.75% with effect from 1 February 2017.

² Class I gross accumulation closed on 1 November 2017.

Risk and reward profile

The fund currently has 5 types of share class in issue; A income, I accumulation, I income, 3 accumulation (formerly Class 3 gross accumulation) and Z accumulation (formerly Class Z gross 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, 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 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 share class appears at 4 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 which could amplify everyday risk and trigger other risks.

The full list of the fund's risks are contained in the 'Risk Factors' section of 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 October 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 92.37% (2017: 97.81%)		
	Belgium 0.77% (2017: 1.99%)		
	Fixed Rate Bond 0.77% (2017: 1.99%)		
EUR 1,265,666	Belgium (Kingdom of) 4.25% 28/03/2041	1,701	0.77
	Canada 0.66% (2017: 4.30%)		
	Fixed Rate Bond 0.66% (2017: 4.30%)		
CAD 1,714,000	Canada (Government of) 2.25% 01/06/2025	1,008	0.46
CAD 621,000	Canada (Government of) 3.50% 01/12/2045	440	0.20
		<u>1,448</u>	<u>0.66</u>
	Denmark 0.77% (2017: 0.93%)		
	Fixed Rate Bond 0.77% (2017: 0.93%)		
DKK 10,518,813	Denmark (Kingdom of) 3.00% 15/11/2021	1,382	0.63
DKK 1,562,132	Denmark (Kingdom of) 4.50% 15/11/2039	319	0.14
		<u>1,701</u>	<u>0.77</u>
	France 0.00% (2017: 7.39%)		
	Fixed Rate Bond 0.00% (2017: 7.39%)		
	Germany 4.77% (2017: 5.16%)		
	Fixed Rate Bond 4.77% (2017: 5.16%)		
EUR 757,674	Germany (Federal Republic of) 0.50% 15/02/2026	692	0.31
EUR 3,659,536	Germany (Federal Republic of) 0.50% 15/08/2027	3,312	1.51
EUR 2,311,615	Germany (Federal Republic of) 1.25% 15/08/2048	2,170	0.99
EUR 210,041	Germany (Federal Republic of) 2.50% 15/08/2046	255	0.12
EUR 2,949,083	Germany (Federal Republic of) 4.00% 04/01/2037	4,049	1.84
		<u>10,478</u>	<u>4.77</u>
	Italy 6.84% (2017: 7.63%)		
	Fixed Rate Bond 6.84% (2017: 7.63%)		
EUR 1,697,000	Italy (Republic of) 0.70% 01/05/2020	1,497	0.68
EUR 2,276,000	Italy (Republic of) 0.95% 15/03/2023	1,895	0.86
EUR 4,009,000	Italy (Republic of) 3.75% 01/09/2024	3,716	1.69
EUR 951,000	Italy (Republic of) 4.75% 01/09/2044	944	0.43
EUR 1,146,000	Italy (Republic of) 5.00% 01/09/2040	1,163	0.53
EUR 1,488,000	Italy (Republic of) 5.75% 01/02/2033	1,617	0.74
EUR 3,700,653	Italy (Republic of) 7.25% 01/11/2026	4,214	1.91
		<u>15,046</u>	<u>6.84</u>
	Japan 26.53% (2017: 25.68%)		
	Fixed Rate Bond 25.32% (2017: 25.68%)		
JPY 652,000,000	Japan (Government of) 0.30% 20/12/2024	4,616	2.10
JPY 97,950,000	Japan (Government of) 0.40% 20/03/2056	556	0.25
JPY 825,750,000	Japan (Government of) 0.80% 20/06/2023	5,961	2.71
JPY 107,550,000	Japan (Government of) 0.80% 20/12/2047	734	0.33
JPY 394,400,000	Japan (Government of) (10 Year Issue) 1.20% 20/12/2020	2,812	1.28
JPY 3,884,950,000	Japan (Government of) 1.00% 20/03/2022	27,957	12.72
JPY 181,850,000	Japan (Government of) 1.90% 20/09/2042	1,573	0.72
JPY 225,850,000	Japan (Government of) (20 Year Issue) 1.70% 20/03/2032	1,851	0.84

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Fixed Rate Bond (continued)		
JPY 510,500,000	Japan (Government of) (30 Year Issue) 1.50% 20/12/2044	4,110	1.87
JPY 602,850,000	Japan (Government of) (30 Year Issue) 2.40% 20/03/2037	5,501	2.50
		<u>55,671</u>	<u>25.32</u>
	Index Linked Bond 1.21% (2017: 0.00%)		
JPY 364,100,000	Japan (Government of) 0.10% 10/03/2027 Index Linked	<u>2,658</u>	<u>1.21</u>
	Netherlands 2.39% (2017: 1.11%)		
	Fixed Rate Bond 2.39% (2017: 1.11%)		
EUR 4,264,524	Netherlands (Kingdom of) 0.75% 15/07/2027	3,890	1.77
EUR 1,094,318	Netherlands (Kingdom of) 2.75% 15/01/2047	<u>1,368</u>	<u>0.62</u>
		<u>5,258</u>	<u>2.39</u>
	Portugal 4.07% (2017: 0.00%)		
	Fixed Rate Bond 4.07% (2017: 0.00%)		
EUR 8,089,033	Portugal (Republic of) 5.65% 15/02/2024	<u>8,943</u>	<u>4.07</u>
	Spain 7.90% (2017: 4.98%)		
	Fixed Rate Bond 7.90% (2017: 4.98%)		
EUR 4,078,000	Spain (Kingdom of) 1.30% 31/10/2026	3,629	1.65
EUR 3,298,000	Spain (Kingdom of) 2.35% 30/07/2033	3,036	1.38
EUR 471,000	Spain (Kingdom of) 2.90% 31/10/2046	442	0.20
EUR 1,101,000	Spain (Kingdom of) 4.70% 30/07/2041	1,368	0.62
EUR 4,059,000	Spain (Kingdom of) 4.80% 31/01/2024	4,362	1.98
EUR 4,225,000	Spain (Kingdom of) 5.40% 31/01/2023	<u>4,536</u>	<u>2.07</u>
		<u>17,373</u>	<u>7.90</u>
	Sweden 0.37% (2017: 0.34%)		
	Fixed Rate Bond 0.37% (2017: 0.34%)		
SEK 8,780,000	Sweden (Kingdom of) 1.50% 13/11/2023	<u>805</u>	<u>0.37</u>
	United States 37.30% (2017: 38.30%)		
	Fixed Rate Bond 37.30% (2017: 36.18%)		
USD 8,980,200	US Treasury 1.375% 31/08/2023	6,520	2.97
USD 26,705,200	US Treasury 1.50% 30/11/2019	20,623	9.38
USD 11,876,100	US Treasury 1.625% 15/08/2022	8,848	4.02
USD 5,511,000	US Treasury 2.00% 15/08/2025	4,028	1.83
USD 17,213,400	US Treasury 2.00% 31/12/2021	13,089	5.95
USD 8,199,000	US Treasury 2.50% 15/02/2024	6,246	2.84
USD 6,482,500	US Treasury 2.625% 15/11/2020	5,047	2.30
USD 5,765,100	US Treasury 2.75% 15/02/2028	4,366	1.99
USD 5,581,300	US Treasury 3.00% 15/02/2048	4,039	1.84
USD 4,960,500	US Treasury 3.375% 15/02/2044	3,866	1.76
USD 2,926,000	US Treasury 3.875% 15/08/2040	2,472	1.12
USD 2,949,100	US Treasury 5.00% 15/05/2037	<u>2,862</u>	<u>1.30</u>
		<u>82,006</u>	<u>37.30</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Index Linked Bond 0.00% (2017: 2.12%)			
Derivatives 0.24% (2017: 0.06%)			
Futures (0.12%) (2017: (0.06%))			
34	CBT US Ultra Bond December 2018	(192)	(0.08)
141	CBT US 10 Year Note December 2018	(51)	(0.02)
173	CBT US 2 Year Note December 2018	(20)	(0.01)
9	EUX Euro-Buxl 30 Year Bond December 2018	32	0.01
(15)	OSE Japan 10 Year Bond December 2018	(43)	(0.02)
30	SFE Australia 10 Year Bond December 2018	(2)	-
186	SFE Australia 3 Year Bond December 2018	8	-
		<u>(268)</u>	<u>(0.12)</u>
Forward Foreign Exchange Contracts 0.36% (2017: 0.12%)¹			
	Buy AUD 6,700,157 : Sell GBP 3,712,048 December 2018 ²	-	-
	Buy CAD 1,708,739 : Sell GBP 1,000,000 December 2018	17	0.01
	Buy CAD 301,619 : Sell USD 234,700 December 2018	(4)	-
	Buy CAD 5,125,164 : Sell GBP 3,000,000 December 2018	51	0.02
	Buy CAD 5,776,705 : Sell USD 4,400,000 December 2018	1	-
	Buy CAD 7,286,595 : Sell USD 5,700,000 December 2018	(115)	(0.05)
	Buy EUR 1,230,000 : Sell MXN 27,691,258 December 2018	30	0.01
	Buy EUR 1,480,564 : Sell GBP 1,300,000 December 2018	15	0.01
	Buy EUR 20,182,880 : Sell USD 22,900,000 December 2018	28	0.01
	Buy EUR 3,700,000 : Sell NOK 35,228,440 December 2018	5	-
	Buy EUR 4,900,000 : Sell SEK 51,029,335 December 2018	(25)	(0.01)
	Buy GBP 10,208,856 : Sell CAD 17,438,966 December 2018	(174)	(0.08)
	Buy GBP 102,330 : Sell SEK 1,200,581 December 2018	(1)	-
	Buy GBP 123,808 : Sell CZK 3,542,607 December 2018	3	-
	Buy GBP 125,000 : Sell SEK 1,457,306 December 2018 ²	-	-
	Buy GBP 1,415,000 : Sell USD 1,878,773 December 2018	(53)	(0.02)
	Buy GBP 148,918 : Sell USD 196,100 December 2018	(4)	-
	Buy GBP 1,566,428 : Sell EUR 1,736,584 December 2018	24	0.01
	Buy GBP 176,243 : Sell USD 230,600 December 2018	(4)	-
	Buy GBP 1,800,000 : Sell USD 2,343,687 December 2018	(31)	(0.01)
	Buy GBP 19,103,139 : Sell JPY 2,742,674,913 December 2018	62	0.03
	Buy GBP 208,394 : Sell EUR 233,123 December 2018	1	-
	Buy GBP 217,000 : Sell JPY 32,059,825 December 2018	(6)	-
	Buy GBP 220,000 : Sell USD 291,052 December 2018	(7)	-
	Buy GBP 559,006 : Sell DKK 4,620,277 December 2018	9	-
	Buy GBP 564,000 : Sell JPY 83,159,865 December 2018	(13)	(0.01)
	Buy GBP 652,000 : Sell JPY 96,609,122 December 2018	(19)	(0.01)
	Buy GBP 7,035,196 : Sell MXN 178,344,138 December 2018	195	0.09
	Buy GBP 715,000 : Sell JPY 103,764,746 December 2018	(5)	-
	Buy GBP 910,000 : Sell EUR 1,025,048 December 2018 ²	-	-
	Buy GBP 95,557 : Sell USD 124,900 December 2018	(2)	-
	Buy JPY 1,256,740,750 : Sell EUR 9,500,000 December 2018	291	0.13
	Buy JPY 59,326,752 : Sell GBP 400,000 December 2018	12	0.01
	Buy MXN 27,846,579 : Sell EUR 1,244,203 December 2018	(37)	(0.02)
	Buy MXN 54,260,450 : Sell USD 2,900,000 December 2018	(185)	(0.08)
	Buy NOK 72,413,527 : Sell EUR 7,570,049 December 2018	20	0.01

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Forward Foreign Exchange Contracts (continued)		
	Buy SEK 52,211,250 : Sell EUR 5,014,314 December 2018	25	0.01
	Buy USD 1,390,000 : Sell EUR 1,218,455 December 2018	4	-
	Buy USD 278,000 : Sell AUD 390,686 December 2018	1	-
	Buy USD 2,800,000 : Sell MXN 54,611,480 December 2018	93	0.04
	Buy USD 48,866,787 : Sell GBP 37,640,883 December 2018	541	0.24
	Buy USD 570,000 : Sell JPY 63,150,414 December 2018	7	-
	Buy USD 5,700,000 : Sell CAD 7,417,068 December 2018	38	0.02
		<u>788</u>	<u>0.36</u>
	Investment assets including investment liabilities	203,608	92.61
	Other net assets	16,254	7.39
	Total net assets	<u>219,862</u>	<u>100.00</u>

¹ Unquoted securities

² Due to rounding to nearest £1,000

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

Statement of total return for the year ended 31 October 2018

	Note	2018		2017	
		£000	£000	£000	£000
Income					
Net capital losses	2		(1,224)		(24,202)
Revenue	3	2,761		2,164	
Expenses	4	(99)		(105)	
Interest payable and similar charges	5	(9)		(17)	
Net revenue before taxation		2,653		2,042	
Taxation	6	-		-	
Net revenue after taxation			2,653		2,042
Total return before distributions			1,429		(22,160)
Distributions	7		(2,653)		(2,042)
Change in net assets attributable to shareholders from investment activities			(1,224)		(24,202)

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2018

	2018		2017	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		251,200		252,749
Amounts receivable on issue of shares	14,786		81,910	
Amounts payable on cancellation of shares	(47,505)		(61,439)	
		(32,719)		20,471
Dilution adjustment		6		32
Change in net assets attributable to shareholders from investment activities		(1,224)		(24,202)
Retained distributions on accumulation shares		2,599		2,150
Closing net assets attributable to shareholders		219,862		251,200

Balance sheet as at 31 October 2018

	Note	2018 £000	2017 £000
Assets:			
Investments		204,601	247,039
Current assets:			
Debtors	8	2,180	4,370
Cash and bank balances	9	15,322	4,147
Total assets		<u>222,103</u>	<u>255,556</u>
Liabilities:			
Investment liabilities		993	1,200
Creditors:			
Amounts held at derivative clearing houses and brokers		40	38
Bank overdrafts		1,007	982
Distributions payable		3	1
Other creditors	10	198	2,135
Total liabilities		<u>2,241</u>	<u>4,356</u>
Net assets attributable to shareholders		<u>219,862</u>	<u>251,200</u>

Notes to the financial statements for the year ended 31 October 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

Net capital losses on investments during the year comprise:

	2018 £000	2017 £000
Derivative securities	(1,317)	(946)
Forward currency contracts	734	564
Non-derivative securities	(1,112)	(22,443)
Other currency gains/(losses)	480	(1,368)
Transaction costs	(9)	(9)
Net capital losses	(1,224)	(24,202)

3 Revenue

	2018 £000	2017 £000
Bank interest	31	9
Derivative revenue	125	74
Interest on debt securities	2,568	2,040
Interest on margin	2	-
Stock lending revenue	35	41
Total revenue	2,761	2,164

4 Expenses

	2018 £000	2017 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	10	16
GAC*	54	55
	<u>64</u>	<u>71</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	18	19
Safe custody fees	17	15
	<u>35</u>	<u>34</u>
Total expenses	99	105

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	2017
	£000	£000
Interest payable	9	17
Total interest payable and similar charges	9	17

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	2017
	£000	£000
Net revenue before taxation	2,653	2,042
Corporation tax at 20% (2017: 20%)	531	408
Effects of:		
Revenue being paid as interest distributions	(531)	(408)
Tax charge for the year (note 6a)	-	-

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

There were no factors that may affect future tax charges at the current or prior year end.

7 Distributions

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

	2018	2017
	£000	£000
Interim income	5	3
Interim accumulation	1,868	1,615
Final income	3	1
Final accumulation	731	535
	2,607	2,154
Amounts deducted on cancellation of shares	79	88
Amounts received on issue of shares	(33)	(200)
Total distributions	2,653	2,042

Details of the distribution per share are set out in the distribution tables on pages 112 to 115.

Notes to the financial statements (continued)

8 Debtors

	2018	2017
	£000	£000
Accrued revenue	1,713	1,474
Amounts receivable for issue of shares	408	7
Currency transactions awaiting settlement	59	-
Sales awaiting settlement	-	2,889
Total debtors	2,180	4,370

9 Cash and bank balances

	2018	2017
	£000	£000
Amounts held at derivative clearing houses and brokers	936	496
Cash and bank balances	14,126	3,361
Collateral accounts	260	290
Total cash and bank balances	15,322	4,147

10 Other creditors

	2018	2017
	£000	£000
Accrued annual management charge	1	1
Accrued Depositary's fee	2	2
Accrued other expenses	19	7
Amounts payable for cancellation of shares	117	254
Currency transactions awaiting settlement	59	-
Purchases awaiting settlement	-	1,871
Total other creditors	198	2,135

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 98 and 99 and notes 4, 7, 8 and 10 on pages 100 to 102 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

HSBC Global Custody Nominee, as a material shareholder, is a related party holding shares comprising 100% of the total net assets of the fund as at the year end (2017: 100%).

Notes to the financial statements (continued)

13 Shareholders' funds

The fund currently has 4 share classes available; Class 3, Class A, Class I & Class Z. The annual management charge on each share class is as follows:

	2018	2017
	%	%
Class 3	0.15	0.15
Class A	0.75	0.75 ¹
Class I	0.50	0.50
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.

¹ The annual management charge on Class A changed from 1.00% to 0.75% with effect from 1 February 2017.

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 88 to 91. The distribution per share class is given in the distribution tables on pages 112 to 115. All share classes have the same rights on winding up.

Shares reconciliation as at 31 October 2018

	Class 3 accumulation (formerly Class 3 gross accumulation)	Class A income	Class I accumulation	Class I income
Opening number of shares	1,509	475,960	1,574	427,004
Issues during the year	-	946	2,202	35,589
Cancellations during the year	-	(50,872)	(2,269)	(91,365)
Shares converted during the year	-	-	2,994	-
Closing shares in issue	1,509	426,034	4,501	371,228

	Class Z accumulation (formerly Class Z gross accumulation)	Class I gross accumulation
Opening number of shares	120,280,053	2,229
Issues during the year	7,167,170	-
Cancellations during the year	(22,940,721)	(1,500)
Shares converted during the year	-	(729)
Closing shares in issue	104,506,502	-

14 Financial derivatives

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

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 cash pledged of £260,000 pledged as collateral as at 31 October 2018 (2017: £290,000). There was bonds with a market value of £854,295 held as collateral in respect of derivatives as at 31 October 2018 (2017: nil).

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2018

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

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
Barclays	76	-	76
BNP Paribas	300	-	300
Citigroup	49	-	49
JP Morgan	30	-	30
Merrill Lynch	449	-	449
Morgan Stanley	569	40	609
	1,473	40	1,513

2017

At 31 October 2017 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
Barclays	11	-	11
BNP Paribas	77	-	77
Citigroup	604	-	604
JP Morgan	202	-	202
Merrill Lynch	6	-	6
Morgan Stanley	361	-	361
UBS	51	38	89
	1,312	38	1,350

15 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with BNP Paribas acting as the stock lending agent for the purposes of efficient portfolio management and in order to generate additional 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)

15 Stock lending (continued)

2018

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
ING Bank	466	526	Equity
Royal Bank of Scotland	10,080	10,614	Government Bond
Société Générale	30,221	33,582	Equity
	40,767	44,722	

Recipient	Relationship	Gross income £000	Direct and indirect expenses £000	Net income £000
BNP Paribas	Stock lending agent	41	6	35

2017

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
JP Morgan	8,150	8,581	Corporate Bond
JP Morgan	3,081	3,436	Equity
JP Morgan	305	321	Government Bond
	11,536	12,338	
Royal Bank of Scotland	22,832	24,038	Government Bond
	34,368	36,376	

Recipient	Relationship	Gross income £000	Direct and indirect expenses £000	Net income £000
BNP Paribas	Stock lending agent	48	7	41

Notes to the financial statements (continued)

16 Risk

Currency risk

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

	Investment assets including investment liabilities £000	Other net assets £000	Total net assets £000
2018			
Currency			
Australian dollar	3,502	327	3,829
Canadian dollar	(1,325)	4,476	3,151
Czech koruna	(121)	-	(121)
Danish krone	1,151	52	1,203
Euro	62,338	1,253	63,591
Japanese yen	45,752	272	46,024
Mexican peso	(6,848)	6,699	(149)
New Zealand dollar	-	19	19
Norwegian krone	3,462	-	3,462
Swedish krona	679	74	753
UK sterling	(1,107)	1,200	93
US dollar	96,125	1,882	98,007
Total	203,608	16,254	219,862
	Investment assets including investment liabilities £000	Other net assets £000	Total net assets £000
2017			
Currency			
Australian dollar	4,160	231	4,391
Canadian dollar	3,644	49	3,693
Czech koruna	2,516	-	2,516
Danish krone	1,333	83	1,416
Euro	69,244	1,907	71,151
Japanese yen	50,563	174	50,737
Polish zloty	2,491	-	2,491
Swedish krona	2,165	78	2,243
Turkish lira	613	-	613
UK sterling	(1,906)	2,015	109
US dollar	111,016	824	111,840
Total	245,839	5,361	251,200

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk

The fund's exposure to interest rate risk is considered significant. The interest rate risk profile of the fund's financial assets and financial liabilities at the year end is set out in the following table:

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2018				
Australian dollar	335	-	8	343
Canadian dollar	4,461	1,448	85	5,994
Danish krone	8	1,701	44	1,753
Euro	410	58,799	1,044	60,253
Japanese yen	2,827	55,671	405	58,903
Mexican peso	6,699	-	-	6,699
New Zealand dollar	19	-	-	19
Norwegian krona	-	-	20	20
Swedish krona	63	805	25	893
UK sterling	1,883	-	761	2,644
US dollar	1,275	82,006	1,301	84,582
Total	17,980	200,430	3,693	222,103
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2017				
Australian dollar	257	-	26	283
Canadian dollar	8	10,793	42	10,843
Danish krone	24	-	60	84
Euro	242	2,332	3,536	6,110
Japanese yen	34	71,018	139	71,191
Norwegian krona	-	64,503	129	64,632
Singapore dollar	-	-	626	626
Swedish krona	67	854	11	932
UK sterling	8,577	90,867	575	100,019
US dollar	261	-	575	836
Total	9,470	240,367	5,719	255,556

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk (continued)

2018	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
Australian dollar	8	-	2	10
Canadian dollar	-	-	119	119
Euro	32	-	84	116
Japanese yen	-	-	43	43
Mexican peso	-	-	221	221
UK sterling	1,007	-	461	1,468
US dollar	-	-	264	264
Total	1,047	-	1,194	2,241

2017	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
Australian dollar	26	-	92	118
Canadian dollar	-	-	22	22
Czech krona	-	-	17	17
Danish krone	-	-	9	9
Euro	-	-	2,209	2,209
Japanese yen	-	-	136	136
Norwegian krona	-	-	33	33
Singapore dollar	-	-	86	86
Swedish krona	-	-	97	97
UK sterling	982	-	362	1,344
US dollar	12	-	273	285
Total	1,020	-	3,336	4,356

Credit Ratings

2018	Market value £000	Percentage of net assets %
Investments		
Investment grade (AAA - BBB)	203,088	92.37
Total debt securities	203,088	92.37
Derivatives	520	0.24
Investment assets including investment liabilities	203,608	92.61
Other net assets	16,254	7.39
Total net assets	219,862	100.00
2017	Market value £000	Percentage of net assets %
Investments		
Investment grade (AAA - BBB)	245,689	97.81
Total debt securities	245,689	97.81
Derivatives	150	0.06
Investment assets including investment liabilities	245,839	97.87
Other net assets	5,361	2.13
Total net assets	251,200	100.00

Notes to the financial statements (continued)

16 Risk (continued)

Sensitivity analysis

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

VaR Results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%		%	%	%
2018	4.39	6.77	8.80	20.00	21.96	43.99	33.87
2017	6.41	9.26	7.88	20.00	32.07	46.29	39.41

Leverage

	Minimum	Maximum	Average
	%	%	%
2018	7.02	26.29	14.33
2017	89.16	173.54	125.11

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
2018				
Amounts held at derivatives clearing houses and brokers	40	-	-	-
Bank overdrafts	1,007	-	-	-
Derivative financial liabilities	-	993	-	-
Distribution payable	-	3	-	-
Other creditors	-	198	-	-
Total	1,047	1,194	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2017				
Amounts held at derivatives clearing houses and brokers	38	-	-	-
Bank overdrafts	982	-	-	-
Derivative financial liabilities	-	1,200	-	-
Distribution payable	-	1	-	-
Other creditors	-	2,135	-	-
Total	1,020	3,336	-	-

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	167,347*	308	214,878*	196
Level 2	37,254	685	32,161	1,004
Level 3	-	-	-	-
	<u>204,601</u>	<u>993</u>	<u>247,039</u>	<u>1,200</u>

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined to be sufficiently close to a binding quoted price, amount to £167,307,721 as at 31 October 2018 (2017: £214,839,625).

18 Direct transaction costs

	Purchases		Sales	
	2018 £000	2017 £000	2018 £000	2017 £000
Trades in the year				
Debt securities	224,822	173,384	264,529	137,741
Trades in the year before transaction costs	<u>224,822</u>	<u>173,384</u>	<u>264,529</u>	<u>137,741</u>
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Total commissions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Taxes				
Debt securities	-	-	-	-
Total taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other expenses				
Debt securities	-	-	-	-
Total other expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total transaction costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net trades in the year after transaction costs	<u>224,822</u>	<u>173,384</u>	<u>264,529</u>	<u>137,741</u>

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

	Purchases		Sales	
	2018 %	2017 %	2018 %	2017 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Debt securities	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
	2018 %	2017 %		
Total transaction costs expressed as a percentage of net asset value				
Commissions	-	-		
Taxes	-	-		
Other expenses	-	-		
Total costs	-	-		

There were no in specie transfers during the year (2017: nil). There were no corporate actions during the year (2017: £19,492).

There were direct transaction costs associated with derivatives in the year of £9,231 (2017: £8,737) which is 0.00% of the average net asset value of the fund (2017: 0.00%).

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

Direct transaction costs related to bonds are not separately identifiable as with other financial instruments as the costs form part of the dealing spread and therefore are inherent within the purchase and sale prices of the trade.

The portfolio dealing spread as at 31 October 2018 was 0.07% (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 October 2018 (in pence per share)

Interim interest distribution (accounting date 31 January 2018, paid on 30 March 2018)

Group 1: shares purchased prior to 1 November 2017

Group 2: shares purchased on or after 1 November 2017

	Distribution per share	Equalisation	Total distribution per share 30/03/18	Total distribution per share 31/03/17*
Class 3 accumulation (formerly Class 3 gross accumulation)				
Group 1	0.2485	-	0.2485	0.2015
Group 2	0.2485	-	0.2485	0.2015
Class A income				
Group 1	0.0807	-	0.0807	-
Group 2	-	0.0807	0.0807	-
Class I accumulation				
Group 1	0.3435	-	0.3435	0.1810
Group 2	0.3435	-	0.3435	0.1810
Class I income				
Group 1	0.2584	-	0.2584	0.1367
Group 2	-	0.2584	0.2584	0.1367
Class Z accumulation (formerly Class Z gross accumulation)				
Group 1	0.5400	-	0.5400	0.4560
Group 2	0.0380	0.5020	0.5400	0.4560
Class I gross accumulation¹				
Group 1	n/a	n/a	n/a	0.2495
Group 2	n/a	n/a	n/a	0.2495

¹ Class I gross accumulation closed on 1 November 2017.

* Distributions on Class I accumulation and Class I income prior to 6 April are net of 20% income tax.

Distribution tables (continued)

Interim interest distribution (accounting date 30 April 2018, paid on 29 June 2018)

Group 1: shares purchased prior to 1 February 2018

Group 2: shares purchased on or after 1 February 2018

	Distribution per share	Equalisation	Total distribution per share 29/06/18	Total distribution per share 30/06/17
Class 3 accumulation (formerly Class 3 gross accumulation)				
Group 1	0.2624	-	0.2624	0.2447
Group 2	0.2624	-	0.2624	0.2447
Class A income				
Group 1	0.1427	-	0.1427	-
Group 2	-	0.1427	0.1427	-
Class I accumulation				
Group 1	0.4137	-	0.4137	0.3377
Group 2	0.0162	0.3975	0.4137	0.3377
Class I income				
Group 1	0.3107	-	0.3107	0.2548
Group 2	0.1500	0.1607	0.3107	0.2548
Class Z accumulation (formerly Class Z gross accumulation)				
Group 1	0.5834	-	0.5834	0.5326
Group 2	0.3771	0.2063	0.5834	0.5326
Class I gross accumulation¹				
Group 1	n/a	n/a	n/a	0.3542
Group 2	n/a	n/a	n/a	0.3542

¹ Class I gross accumulation closed on 1 November 2017.

Distribution tables (continued)

Interim interest distribution (accounting date 31 July 2018, paid on 28 September 2018)

Group 1: shares purchased prior to 1 May 2018

Group 2: shares purchased on or after 1 May 2018

	Distribution per share	Equalisation	Total distribution per share 28/09/18	Total distribution per share 29/09/17
Class 3 accumulation (formerly Class 3 gross accumulation)				
Group 1	0.2743	-	0.2743	0.1968
Group 2	0.2743	-	0.2743	0.1968
Class A income				
Group 1	0.1018	-	0.1018	-
Group 2	-	0.1018	0.1018	-
Class I accumulation				
Group 1	0.3975	-	0.3975	0.2289
Group 2	0.3975	-	0.3975	0.2289
Class I income				
Group 1	0.2796	-	0.2796	0.1725
Group 2	-	0.2796	0.2796	0.1725
Class Z accumulation (formerly Class Z gross accumulation)				
Group 1	0.5652	-	0.5652	0.4511
Group 2	0.0526	0.5126	0.5652	0.4511
Class I gross accumulation¹				
Group 1	n/a	n/a	n/a	0.2401
Group 2	n/a	n/a	n/a	0.2401

¹ Class I gross accumulation closed on 1 November 2017.

Distribution tables (continued)

Final interest distribution (accounting date 31 October 2018, paid on 31 December 2018)

Group 1 : shares purchased prior to 1 August 2018

Group 2 : shares purchased on or after 1 August 2018

	Distribution per share	Equalisation	Total distribution per share 31/12/18	Total distribution per share 29/12/17
Class 3 accumulation (formerly Class 3 gross accumulation)				
Group 1	0.3352	-	0.3352	0.1874
Group 2	0.3352	-	0.3352	0.1874
Class A income				
Group 1	0.3014	-	0.3014	-
Group 2	0.0593	0.2421	0.3014	-
Class I accumulation				
Group 1	0.6039	-	0.6039	0.2069
Group 2	0.0362	0.5677	0.6039	0.2069
Class I income				
Group 1	0.4459	-	0.4459	0.1557
Group 2	0.0341	0.4118	0.4459	0.1557
Class Z accumulation (formerly Class Z gross accumulation)				
Group 1	0.6995	-	0.6995	0.4452
Group 2	0.1354	0.5641	0.6995	0.4452
Class I gross accumulation¹				
Group 1	n/a	n/a	n/a	0.2326
Group 2	n/a	n/a	n/a	0.2326

¹ Class I gross accumulation closed on 1 November 2017.

Janus Henderson Japan Opportunities Fund (formerly Henderson Japan Opportunities Fund)

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

Investment Fund Managers

Janus Henderson Japanese Equity Team

Investment objective and policy

To aim to provide capital growth by investing in Japanese companies. The fund is not restricted in the size of companies in which it can invest.

Performance summary

	31 Oct 17 - 31 Oct 18	31 Oct 16 - 31 Oct 17	31 Oct 15 - 31 Oct 16	31 Oct 14 - 31 Oct 15	31 Oct 13 - 31 Oct 14
	%	%	%	%	%
Janus Henderson Japan Opportunities Fund	(2.9)	7.8	36.8	19.9	(0.5)
JCGOJI Composite Benchmark*	(0.4)	10.1	32.8	14.5	0.0

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

* The composite benchmark has used the Tokyo Stock exchange First Section (TOPIX) from 31/03/2015. Prior to this it was made up of the MSCI Japan Index.

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 October 2018

Largest purchases	£000	Largest sales	£000
Sumitomo Mitsui Financial	1,173	Fujitsu	1,098
Komatsu	1,133	Orix	992
Takeda Pharmaceutical	1,084	T&D Holdings	982
Suzuki Motor	918	Disco	929
Trend Micro	896	Nippon Steel & Sumitomo Metal	883
Nexon	851	Seibu Holdings	867
KDDI	801	Fanuc	857
Nintendo	800	Fuji Heavy Industries	821
Koito Manufacturing	739	Bridgestone	785
Eisai	607	Takeda Pharmaceutical	785
Total purchases	13,009	Total sales	18,015

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

Investment review

The fund returned -2.9% (based on performance of Class A accumulation), underperforming the benchmark which returned -0.4%.

The index performed well until mid-January, when strong macroeconomic data in US caused a spike in long-term yields (prices move inversely to yields), which triggered an adjustment of investors position across the market and asset class. Geopolitical risks, slowing economic growth in China and rising trade tensions all negatively affected investors' risk appetite and the index moved sideways within a tight range. Both cyclical stocks and exporters performed strongly in the first quarter but later sold off, while non-cyclical sectors performed well for the rest of the review year.

Stock picking benefited the fund's performance over the year. The most significant contributor was our holding in pharmaceutical company Daiichi Sankyo. We built our position as we believed that the market underestimated value of its pipeline drugs. The second largest contributor was Don Quijote, a unique discount store chain operator in Japan, which is now very popular with inbound tourists. The company agreed to acquire a GMS store operator with 100% debt finance. The stock jumped as it discounted earnings per share (EPS) accretion.

Meanwhile, Fujitsu was the biggest detractor as a delay in its restructuring plan caused the company to miss its earnings guidance. Disco, a semiconductor equipment manufacturer, also negatively impacted the fund's performance as the market anticipated a slowdown of semiconductor-related capital expenditure. Growth stocks advanced regardless of valuation in the first half of the review year, which led the fund to underperform. However, as the valuation discipline came back in the second half, the fund was able to recoup earlier losses.

In terms of activity, we reduced the number of holdings to 29. However, we added several new stocks in the second half of the review year. Kao is a household product company known for its operational excellence. We added it when the stock overreacted to the news that the company's sales to China missed expectations. We also bought Toshiba, an industrial conglomerate, which was recapitalised after accounting issues. At the time of purchase, it was over capitalised and ready to improve shareholder value. We decided to invest in Toshiba as the risk/reward balance appeared asymmetric to us. To finance these purchases, we trimmed our positions in successful investments such as Daiichi Sankyo and TDK. We also reduced our allocation to capital expenditure related companies such as Fanuc and Disco in expectation of a slowdown.

We believe the outlook for Japanese equities is positive for three key reasons. First of all, the political environment is stable as Prime Minister Shinzo Abe won his third term as the president of the Liberal Democratic Party; the pro-market prime minister is likely to remain in power for another three years. Secondly, to avoid the potential negative impact from a consumption tax hike in October 2019, the government is ready to increase spending. Lastly, upcoming sporting events such as the Rugby World Cup in 2019 and the Tokyo Olympics/Paralympics in 2020 will not only create extra demand but also increase pressure on the labour market and could end decades of deflation. Despite these positive factors, valuations are extremely inexpensive in historic terms, as well as relative to other markets. We are also encouraged by progress in corporate governance, which is translating into higher rewards for shareholders. Unlike in previous economic cycles, we believe that the downside will be protected by dividend yields and share buybacks. Going forward, we expect the risks will be yen appreciation and an intensifying trade war, which may cause sharper fluctuations in market prices. Being traded on 13x to March 2019 EPS, we believe that a lot of negative factors have already been priced in, making the risk/reward balance favourable. We will continue to focus on stock picking, which will be a key determinant of the fund's performance.

Comparative tables for the year ended 31 October 2018

	Class A accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	356.60	332.08	241.67
Return before operating charges*	(1.31)	30.31	94.79
Operating charges	(6.10)	(5.79)	(4.38)
Return after operating charges*	(7.41)	24.52	90.41
Distributions on accumulation shares	(0.35)	-	(1.85)
Retained distributions on accumulation shares	0.35	-	1.85
Closing net asset value per share	349.19	356.60	332.08
* after direct transaction costs of:	0.26	0.33	0.44
Performance			
Return after charges	(2.08%)	7.38%	37.41%
Other information			
Closing net asset value (£000s)	12,449	14,629	15,356
Closing number of shares	3,565,000	4,102,389	4,624,135
Operating charges	1.71%	1.71%	1.71%
Direct transaction costs	0.07%	0.10%	0.17%
Prices			
Highest share price (pence)	382.30	360.10	333.40
Lowest share price (pence)	333.70	316.50	202.80
	Class I accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	397.69	367.18	264.94
Return before operating charges*	(1.47)	33.75	104.56
Operating charges	(3.44)	(3.24)	(2.32)
Return after operating charges*	(4.91)	30.51	102.24
Distributions on accumulation shares	(4.31)	(2.70)	(8.53)
Retained distributions on accumulation shares	4.31	2.70	8.53
Closing net asset value per share	392.78	397.69	367.18
* after direct transaction costs of:	0.29	0.37	0.46
Performance			
Return after charges	(1.23%)	8.31%	38.59%
Other information			
Closing net asset value (£000s)	11,131	14,975	10,594
Closing number of shares	2,834,052	3,765,369	2,885,246
Operating charges	0.86%	0.86%	0.86%
Direct transaction costs	0.07%	0.10%	0.17%
Prices			
Highest share price (pence)	427.10	401.50	368.70
Lowest share price (pence)	373.50	350.30	222.90

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

Comparative tables (continued)

Operating charges

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

Share class launches and closures

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.

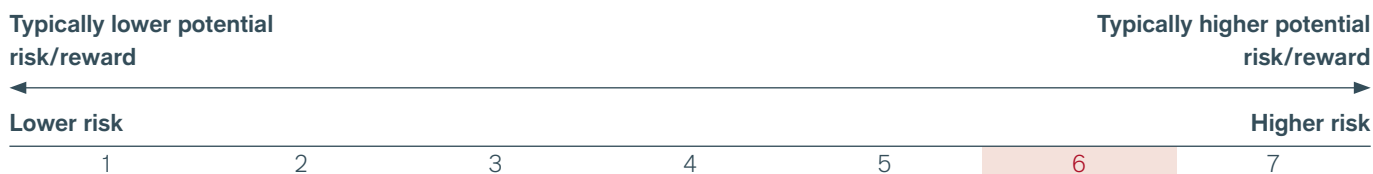
	2018 %	2017 %
Class A	1.71	1.71
Class I	0.86	0.86

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events which could amplify everyday risk and trigger other risks.

The full list of the fund's risks are contained in the 'Risk Factors' section of 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 October 2018

Holding	Investment	Market value £000	Percentage of total net assets %
Equities 99.43% (2017: 97.98%)			
Japan 99.43% (2017: 97.98%)			
Communication Services 20.04% (2017: 13.79%)			
27,300	Dentsu	988	4.19
38,500	KDDI	751	3.19
3,000	Nintendo	730	3.10
7,300	NTT	240	1.02
20,100	SoftBank	1,262	5.34
307,600	Yahoo! Japan	755	3.20
		<u>4,726</u>	<u>20.04</u>
Consumer Discretionary 22.33% (2017: 18.15%)			
20,500	Don Quijote	960	4.07
15,400	Koito Manufacturing	572	2.43
3,300	Ryohin Keikaku	682	2.89
33,600	Sony	1,430	6.07
21,800	Suzuki Motor	853	3.62
10,700	Toyota Motor	490	2.08
14,700	ZOZO	276	1.17
		<u>5,263</u>	<u>22.33</u>
Consumer Staples 5.04% (2017: 3.97%)			
31,800	Japan Tobacco	640	2.72
10,500	Kao	548	2.32
		<u>1,188</u>	<u>5.04</u>
Energy 3.02% (2017: 2.82%)			
79,100	Inpex	712	3.02
Financials 13.84% (2017: 15.67%)			
323,500	Mitsubishi UFJ Financial	1,536	6.51
36,900	Sumitomo Mitsui Financial	1,128	4.79
16,200	Tokio Marine Holdings	600	2.54
		<u>3,264</u>	<u>13.84</u>
Health Care 9.42% (2017: 5.32%)			
37,200	Daiichi Sankyo	1,112	4.71
35,100	Takeda Pharmaceutical	1,110	4.71
		<u>2,222</u>	<u>9.42</u>
Industrials 5.43% (2017: 9.32%)			
42,600	Komatsu	870	3.68
17,600	Toshiba	412	1.75
		<u>1,282</u>	<u>5.43</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Information Technology 13.50% (2017: 20.20%)			
34,900	Fujifilm	1,184	5.02
2,600	Murata Manufacturing	309	1.31
13,400	TDK	905	3.84
17,400	Trend Micro	784	3.33
		<u>3,182</u>	<u>13.50</u>
Materials 0.00% (2017: 3.05%)			
Real Estate 6.81% (2017: 5.69%)			
20,800	Daiwa House Industries	491	2.08
63,200	Mitsui Fudosan	1,115	4.73
		<u>1,606</u>	<u>6.81</u>
Investment assets		23,445	99.43
Other net assets		135	0.57
Total net assets		23,580	100.00

Prior year comparative percentages have changed for some sectors due to reclassification within these sectors.

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

Statement of total return for the year ended 31 October 2018

	Note	2018		2017	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(555)		2,114
Revenue	3	526		501	
Expenses	4	<u>(340)</u>		<u>(362)</u>	
Net revenue before taxation		186		139	
Taxation	5	<u>(51)</u>		<u>(50)</u>	
Net revenue after taxation			<u>135</u>		<u>89</u>
Total return before distributions			(420)		2,203
Distributions	6		(135)		(102)
Change in net assets attributable to shareholders from investment activities			<u>(555)</u>		<u>2,101</u>

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2018

	2018		2017	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		29,604		25,950
Amounts receivable on issue of shares	2,466		11,338	
Amounts payable on cancellation of shares	<u>(8,070)</u>		<u>(9,887)</u>	
		(5,604)		1,451
Change in net assets attributable to shareholders from investment activities		(555)		2,101
Retained distributions on accumulation shares		135		102
Closing net assets attributable to shareholders		<u>23,580</u>		<u>29,604</u>

Balance sheet as at 31 October 2018

	Note	2018 £000	2017 £000
Assets:			
Investments		23,445	29,007
Current assets:			
Debtors	7	316	352
Cash and bank balances	8	-	410
Total assets		23,761	29,769
Liabilities:			
Creditors:			
Bank overdrafts		124	72
Other creditors	9	57	93
Total liabilities		181	165
Net assets attributable to shareholders		23,580	29,604

Notes to the financial statements for the year ended 31 October 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:

	2018 £000	2017 £000
Forward currency contracts	(11)	(22)
Non-derivative securities	(555)	2,128
Other currency gains	15	12
Transaction costs	(4)	(4)
Net capital (losses)/gains	(555)	2,114

3 Revenue

	2018 £000	2017 £000
Bank interest	1	1
Overseas dividends	521	500
Stock lending revenue	4	-
Total revenue	526	501

4 Expenses

	2018 £000	2017 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	301	321
GAC*	34	37
	<u>335</u>	<u>358</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	3	2
Safe custody fees	2	2
	<u>5</u>	<u>4</u>
Total expenses	340	362

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £7,681 (2017: £9,725).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2018 £000	2017 £000
Current tax		
Overseas withholding tax	51	50
Total tax (note 5b)	<u>51</u>	<u>50</u>

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	<u>186</u>	<u>139</u>
Corporation tax at 20% (2017: 20%)	37	28
Effects of:		
Irrecoverable overseas tax	51	50
Overseas dividends*	(104)	(100)
Unused management expenses	67	72
Tax charge for the year (note 5a)	<u>51</u>	<u>50</u>

* Certain overseas dividends are not subject to corporation tax from 1 July 2009 due to changes enacted in the Finance Act 2009. 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 £2,525,930 (2017: £2,458,708) 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.

6 Distributions

	2018 £000	2017 £000
Final accumulation	135	102
Total distributions	<u>135</u>	<u>102</u>
Net revenue after taxation	135	89
Revenue shortfall	-	13
Total distributions	<u>135</u>	<u>102</u>

Details of the distribution per share are set out in the distribution table on page 134.

Notes to the financial statements (continued)

7 Debtors

	2018 £000	2017 £000
Accrued revenue	170	189
Amounts receivable for issue of shares	76	160
Overseas withholding tax reclaimable	3	3
Sales awaiting settlement	67	-
Total debtors	316	352

8 Cash and bank balances

	2018 £000	2017 £000
Cash and bank balances	-	410
Total cash and bank balances	-	410

9 Other creditors

	2018 £000	2017 £000
Accrued annual management charge	24	28
Accrued other expenses	6	4
Amounts payable for cancellation of shares	27	61
Total other creditors	57	93

10 Contingent liabilities and commitments

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

11 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 124 and 125 and notes 4, 7 and 9 on pages 126 to 128 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).

12 Shareholders' funds

The fund currently has 2 share classes available; Class A (Retail with front-end charges), Class I (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

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 118 to 119. The distribution per share class is given in the distribution table on page 134. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

12 Shareholders' funds (continued)

Shares reconciliation as at 31 October 2018

	Class A accumulation	Class I accumulation
Opening number of shares	4,102,389	3,765,369
Issues during the year	245,825	357,988
Cancellations during the year	(743,110)	(1,325,122)
Shares converted during the year	(40,104)	35,817
Closing shares in issue	3,565,000	2,834,052

13 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 31 October 2018 (2017: nil).

There was no exposure to derivatives as at 31 October 2018 (2017: nil).

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 for the purposes of efficient portfolio management and 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 category
Citigroup	875	972	Equity
Morgan Stanley	758	798	Government Bond
	1,633	1,770	

Recipient	Relationship	Gross income £000	Direct and indirect expenses £000	Net income £000
BNP Paribas	Stock lending agent	5	1	4

Notes to the financial statements (continued)

14 Stock lending (continued)

2017

There were no stock on loan at 31 October 2017 and no stock lending revenue received in the year to 31 October 2017.

15 Risk

Currency risk

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

	Investment assets	Other net assets/ (liabilities)	Total net assets
	£000	£000	£000
2018			
Currency			
Japanese yen	23,379	239	23,618
UK sterling	66	(104)	(38)
Total	23,445	135	23,580
2017			
Currency			
Japanese yen	29,007	192	29,199
UK sterling	-	405	405
Total	29,007	597	29,604

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £23,618,000 (2017: £29,199,000). 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 October 2018 and the net assets as at 31 October 2018 by £2,361,800 (2017: £2,919,900). 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 October 2018 and the net assets as at 31 October 2018 by £2,361,800 (2017: £2,919,900).

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	Within one year	Over one year but not more than five years	Over five years
	£000	£000	£000	£000
2018				
Bank overdrafts	124	-	-	-
Other creditors	-	57	-	-
Total	124	57	-	-

Notes to the financial statements (continued)

15 Risk (continued)

Liquidity risk (continued)

2017	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
Bank overdrafts	72	-	-	-
Other creditors	-	93	-	-
Total	72	93	-	-

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	23,445	-	29,007	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	23,445	-	29,007	-

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2018 £000	2017 £000	2018 £000	2017 £000
Trades in the year				
Equities	13,000	17,093	18,026	15,135
Trades in the year before transaction costs	13,000	17,093	18,026	15,135
Transaction costs				
Commissions				
Equities	9	15	11	12
Total commissions	9	15	11	12
Taxes				
Equities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Equities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	9	15	11	12
Total net trades in the year after transaction costs	13,009	17,108	18,015	15,123

	Purchases		Sales	
	2018 %	2017 %	2018 %	2017 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.07	0.09	0.06	0.08
Taxes				
Equities	-	-	-	-
Other expenses				
Equities	-	-	-	-
	2018 %	2017 %		

Total transaction costs expressed as a percentage of net asset value

	2018 %	2017 %
Commissions	0.07	0.10
Taxes	-	-
Other expenses	-	-
Total costs	0.07	0.10

There were no specie transfers during the year (2017: nil). There were no corporate actions during the year (2017: nil).

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 October 2018 was 0.19% (2017: 0.13%). The portfolio dealing spread is calculated at the fund's 12 noon valuation point.

Notes to the financial statements (continued)

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 October 2018 (in pence per share)

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

Group 1 : shares purchased prior to 1 November 2017

Group 2 : shares purchased on or after 1 November 2017

	Distribution per share	Total distribution per share 31/12/18	Total distribution per share 29/12/17
Class A accumulation			
Group 1	0.3479	0.3479	-
Group 2	0.3479	0.3479	-
Class I accumulation			
Group 1	4.3111	4.3111	2.7013
Group 2	4.3111	4.3111	2.7013

Janus Henderson World Select Fund (formerly Henderson World Select Fund)

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

Investment Fund Managers

Janus Henderson Global Equities Team

Other information

Janus Henderson World Select Fund merged into Janus Henderson Global Growth Fund on 20 September 2018. The fund is in the process of terminating and termination is expected to be completed by 31 October 2019. Therefore, the fund is not considered to be a going concern and as such the financial statements have been prepared on a basis other than going concern.

Investment objective and policy

To aim to provide capital growth by investing in a concentrated portfolio of company shares in any economic sector and any area of the world. The fund will invest in companies of any market capitalisation, and will invest in a portfolio of typically 30-40 holdings. The fund may also invest in cash and near cash and deposits. The fund may also make use of derivatives and forward transactions for the purpose of efficient portfolio management, including the use of stock lending.

Performance summary

	31 Oct 17 - 20 Sep 18 *	31 Oct 16 - 31 Oct 17	31 Oct 15 - 31 Oct 16	31 Oct 14 - 31 Oct 15	31 Oct 13 - 31 Oct 14
	%	%	%	%	%
Janus Henderson World Select Fund	11.8	12.4	17.7	8.0	(1.0)
MSCI World Index	15.2	13.5	28.8	6.0	9.7

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

* Fund closure date

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 October 2018

Largest purchases	£000	Largest sales	£000
Berkshire Hathaway 'B'	4,767	Wabtec	5,356
American Express	4,740	Suzuki Motor	4,366
Apple	4,695	Texas Instruments	4,310
ASML Holdings	2,903	Citizens Financial	4,211
Aptiv	2,482	Humana	4,129
Netflix	2,424	Grifols ADR	3,924
Cooper	2,419	Galp Energia	3,815
Naspers 'N'	2,408	SAP	3,718
Electronic Arts	2,403	Carnival	3,678
Estée Lauder 'A'	2,402	Zimmer Holdings	3,665
Total purchases	83,555	Total sales	96,755

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

Investment review

The fund returned 11.8% (based on performance of Class A accumulation) during the review period, compared with the benchmark return of 15.2%.

The MSCI World Index returned 10.4% in sterling during the year, although this can largely be attributed to the strength of US equities, which rallied 15% versus low single digit returns in other regions. The continued strength of the US economy and weighting of technology leaders in the region benefited returns, overshadowing concerns that the Federal Reserve would raise US interest too fast for the economy. In Europe, investor sentiment was hurt by concerns that the UK would leave the European Union (EU) without an agreement, as well as the Italian Central Bank's failure to reach a budget agreement with EU officials. Increasing trade tensions between the US and China weighed on Asian markets, especially China, while strong Japanese earnings growth supported equities.

The portfolio underperformed its benchmark during the year, with stock selection in emerging markets and North America detracting from returns. By sector, consumer goods and materials detracted from returns, offsetting a positive contribution from industrials.

At the stock level, our position in Crown Holdings (US-based materials) suffered when the company announced the surprise acquisition of Signode Industrial in a move away from metal packaging. Additionally, the stock suffered further weakness after it was raided by EU antitrust investigators examining a potential metal-packaging cartel. Within emerging markets, Brazilian bank Itau Unibanco was quite volatile (meaning its price fluctuated sharply) during the review year. Although the stock held up well during the heightened market volatility earlier in 2018, the weight of political corruption rumours in Brazil, the recent truck drivers' strike and the strong US dollar and rising US interest rates finally weighed on its share price. US tobacco company Philip Morris was also weak. Over the year, the company's share price was impacted by slowing demand for its iQOS 'heat not burn' franchise and increased competition and disruption in the tobacco industry.

On the positive side, rail services company Wabtec performed well as the company announced a plan to merge with General Electric's rail transportation business, which manufactures and services locomotives. Gaming developer Activision Blizzard was also strong after delivering robust earnings, while the position in Adobe Systems continued its strong run. We believe the company's recent purchase of Magento should provide it with further growth opportunities through its digital commerce platform.

The fund merged into the Janus Henderson Global Growth Fund on 20 September 2018.

Comparative tables for the year ended 31 October 2018

	Class A accumulation		
	2018	2017	2016
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	1,057.95	931.62	792.51
Return before operating charges*	88.41	142.90	153.22
Operating charges	(16.36)	(16.57)	(14.11)
Return after operating charges*	72.05	126.33	139.11
Distributions on accumulation shares	-	(0.54)	(2.27)
Retained distributions on accumulation shares	-	0.54	2.27
Transfer on merger	(1,130.00) ¹	-	-
Closing net asset value per share	-	1,057.95	931.62
* after direct transaction costs of:	0.85	0.45	1.50
Performance			
Return after charges	6.81%	13.56%	17.55%
Other information			
Closing net asset value (£000s)	-	91,060	135,145
Closing number of shares	-	8,607,176	14,506,401
Operating charges	1.70%	1.70%	1.70%
Direct transaction costs	0.08%	0.05%	0.18%
Prices			
Highest share price (pence)	1,169.00 ²	1,059.00	955.40
Lowest share price (pence)	1,004.00 ²	874.50	709.60

¹ The fund closed following its merger with Janus Henderson Global Growth Fund on 20 September 2018.

² to 20 September 2018.

Comparative tables (continued)

	Class B accumulation 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	1,160.00 ³
Return before operating charges*	(28.75)
Operating charges	(1.25)
Return after operating charges*	(30.00)
Distributions on accumulation shares	-
Retained distributions on accumulation shares	-
Transfer on merger	(1,130.00) ⁴
Closing net asset value per share	-
* after direct transaction costs of:	0.89
Performance	
Return after charges	(2.59%)
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	1.70%
Direct transaction costs	0.08%
Prices	
Highest share price (pence)	1,160.00 ⁵
Lowest share price (pence)	1,124.00 ⁵

³ Class B accumulation launched on 28 August 2018 and this is the first published price.

⁴ The fund closed following its merger with Janus Henderson Global Growth Fund on 20 September 2018.

⁵ to 20 September 2018

Comparative tables (continued)

	Class I accumulation		
	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,215.00	1,060.81	894.70
Return before operating charges*	101.37	163.75	174.14
Operating charges	(9.37)	(9.56)	(8.03)
Return after operating charges*	92.00	154.19	166.11
Distributions on accumulation shares	(7.91)	(9.75)	(10.30)
Retained distributions on accumulation shares	7.91	9.75	10.30
Transfer on merger	(1,307.00) ⁶		
Closing net asset value per share	-	1,215.00	1,060.81
* after direct transaction costs of:	0.98	0.52	1.70
Performance			
Return after charges	7.57%	14.54%	18.57%
Other information			
Closing net asset value (£000s)	-	25,853	23,650
Closing number of shares	-	2,127,850	2,229,418
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.08%	0.05%	0.18%
Prices			
Highest share price (pence)	1,351.00 ⁷	1,217.00	1,087.00
Lowest share price (pence)	1,158.00 ⁷	996.60	803.00

⁶ The fund closed following its merger with Janus Henderson Global Growth Fund on 20 September 2018.

⁷ to 20 September 2018

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

Class B accumulation launched on 28 August 2018.

The fund closed following into merger with Janus Henderson Global Growth Fund on 20 September 2018.

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.

	2018 %	2017 %
Class A¹	1.70	1.70
Class B¹	1.70	-
Class I¹	0.85	0.85

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

¹ The fund closed following its merger with Janus Henderson Global Growth Fund on 20 September 2018.

Risk and reward profile

The fund had 3 types of share class in issue; A accumulation, B accumulation and I accumulation.

Each type of share 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 year¹ 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 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 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 which could amplify everyday risk and trigger other risks.

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

¹ Class B accumulation launched on 28 August 2018 and closed following into merger with Janus Henderson Global Growth Fund on 20 September 2018. As Class B accumulation does not have a 5 year history, a synthetic history has been created using the fund's relevant sector average.

Statement of total return for the year ended 31 October 2018

	Note	2018		2017	
		£000	£000	£000	£000
Income					
Net capital gains	2		7,991		15,878
Revenue	3	1,804		2,546	
Expenses	4	<u>(1,577)</u>		<u>(2,053)</u>	
Net revenue before taxation		227		493	
Taxation	5	<u>(213)</u>		<u>(239)</u>	
Net revenue after taxation			<u>14</u>		<u>254</u>
Total return before distributions			8,005		16,132
Distributions	6		(158)		(254)
Change in net assets attributable to shareholders from investment activities			<u>7,847</u>		<u>15,878</u>

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2018

	2018		2017	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		116,913		158,795
Amounts receivable on issue of shares	4,867		3,804	
Amounts payable on merger ¹	(115,059)		-	
Movement in amount payable to merger fund ¹	1		-	
Amounts payable on cancellation of shares	<u>(14,727)</u>		<u>(61,884)</u>	
		(124,918)		(58,080)
Dilution adjustment		-		66
Change in net assets attributable to shareholders from investment activities		7,847		15,878
Retained distributions on accumulation shares		158		254
Closing net assets attributable to shareholders		<u>-</u>		<u>116,913</u>

¹ The fund merged with Janus Henderson Global Growth Fund on 20 September 2018.

Balance sheet as at 31 October 2018

	Note	2018 £000	2017 £000
Assets:			
Investments		-	114,169
Current assets:			
Debtors	7	79	206
Cash and bank balances	8	278	2,717
Total assets		357	117,092
Liabilities:			
Creditors:			
Bank overdrafts		256	-
Other creditors	9	101	179
Total liabilities		357	179
Net assets attributable to shareholders		-	116,913

Notes to the financial statements for the year ended 31 October 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:

	2018 £000	2017 £000
Forward currency contracts	-	(45)
Non-derivative securities	7,908	16,073
Other currency gains/(losses)	96	(145)
Transaction costs	(13)	(5)
Net capital gains	7,991	15,878

3 Revenue

	2018 £000	2017 £000
Bank interest	6	2
Overseas dividends	1,408	2,071
Stock lending revenue	7	3
UK dividends	383	470
Total revenue	1,804	2,546

4 Expenses

	2018 £000	2017 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	1,379	1,808
GAC*	162	213
	<u>1,541</u>	<u>2,021</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	7	10
Safe custody fees	6	10
	<u>13</u>	<u>20</u>
Other expenses:		
Dividend collection charges	7	12
Expense provision for closure	10	-
Professional fees	6	-
	<u>23</u>	<u>12</u>
Total expenses	1,577	2,053

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 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2018 £000	2017 £000
Current tax		
Overseas withholding tax	213	239
Total tax (note 5b)	213	239

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	227	493
Corporation tax at 20% (2017: 20%)	45	99
Effects of:		
Irrecoverable overseas tax	213	239
Overseas dividends*	(252)	(334)
Tax effect of expensed double taxation relief	(4)	(12)
UK dividends**	(76)	(94)
Unused management expenses	287	341
Tax charge for the year (note 5a)	213	239

* 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 £3,693,366 (2017: £3,406,837) 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.

6 Distributions

	2018 £000	2017 £000
Merger/final accumulation	158	254
Total distributions	158	254
Net revenue after taxation	14	254
Capitalised expenses	10	-
Revenue shortfall	134	-
Total distributions	158	254

Details of the distribution per share are set out in the distribution tables on page 152.

Notes to the financial statements (continued)

7 Debtors

	2018 £000	2017 £000
Accrued revenue	-	76
Amounts receivable for issue of shares	-	2
Overseas withholding tax reclaimable	79	128
Total debtors	79	206

8 Cash and bank balances

	2018 £000	2017 £000
Cash and bank balances	278	2,717
Total cash and bank balances	278	2,717

9 Other creditors

	2018 £000	2017 £000
Accrued annual management charge	-	131
Accrued Depositary's fee	-	1
Accrued other expenses	25	17
Amounts payable for cancellation of shares	-	30
Amounts payable to merger fund	76	-
Total other creditors	101	179

10 Contingent liabilities and commitments

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

11 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 142 and 143 and notes 4, 7 and 9 on pages 144 to 146 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).

12 Shareholders' funds

Prior to the merger of the fund on 20 September 2018, the fund had 3 share classes available; Class A, Class B and and Class I. The annual management charge on each share class was as follows:

	2018 %	2017 %
Class A	1.50	1.50
Class B	1.50	1.50
Class I	0.75	0.75

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 137 to 139. The distribution per share class is given in the distribution tables on page 152. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

12 Shareholders' funds (continued)

Shares reconciliation as at 31 October 2018

	Class A accumulation	Class B accumulation	Class I accumulation
Opening number of shares	8,607,176	-	2,127,850
Issues during the year	431,461	45	23,500
Cancellations during the year	(8,081,919)	(914,084)	(2,188,415)
Shares converted during the year	(956,718)	914,039	37,065
Closing shares in issue	-	-	-

13 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 31 October 2018 (2017: nil).

The fund had no exposure to derivatives as at 31 October 2018 (2017: nil)

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 for the purposes of efficient portfolio management and 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

The fund had no stock on loan as at 31 October 2018.

Recipient	Relationship	Gross income £000	Direct and indirect expenses £000	Net income £000
BNP Paribas	Stock lending agent	8	1	7

Notes to the financial statements (continued)

14 Stock lending (continued)

2017

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Natixis	3,335	3,705	Equity
	3,335	3,705	

Recipient	Relationship	Gross income £000	Direct and indirect expenses £000	Net income £000
BNP Paribas	Stock lending agent	4	1	3

15 Risk

Currency risk

2018

The fund's exposure to currency risk as at 31 October 2018 is considered insignificant.

2017

The fund's exposure to currency risk as at 31 October 2017 was considered significant. The following table details the net exposure of the principle 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
Currency			
Euro	8,791	25	8,816
Japanese yen	7,824	57	7,881
Swiss franc	3,326	61	3,387
UK sterling	11,894	2,475	14,369
US dollar	82,334	126	82,460
Total	114,169	2,744	116,913

Sensitivity analysis

The net foreign currency assets held by the fund as at 31 October 2017 were £102,544,000. 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 October 2017 and the net assets as at 31 October 2017 by £10,254,400. 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 October 2017 and the net assets as at 31 October 2018 by £10,254,400.

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)

15 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2018				
Bank overdrafts	256	-	-	-
Other creditors	-	101	-	-
Total	256	101	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2017				
Other creditors	-	179	-	-
Total	-	179	-	-

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	-	-	114,169	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	-	-	114,169	-

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2018 £000	2017 £000	2018 £000	2017 £000
Trades in the year				
Equities	83,483	41,822	96,781	100,858
Trades in the year before transaction costs	83,483	41,822	96,781	100,858
Transaction costs				
Commissions				
Equities	21	38	25	56
Total commissions	21	38	25	56
Taxes				
Equities	51	15	-	11
Total taxes	51	15	-	11
Other expenses				
Equities	-	1	1	6
Total other expenses	-	1	1	6
Total transaction costs	72	54	26	73
Total net trades in the year after transaction costs	83,555	41,876	96,755	100,785

	Purchases		Sales	
	2018 %	2017 %	2018 %	2017 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.03	0.09	0.03	0.06
Taxes				
Equities	0.06	0.04	-	0.01
Other expenses				
Equities	-	-	-	-
	2018 %	2017 %		

Total transaction costs expressed as a percentage of net asset value

Commissions	0.04	0.07
Taxes	0.04	0.02
Other expenses	-	0.01
Total costs	0.08	0.10

There were £108,874,939 of inspecie transfers during the year due to the merger of the fund on 20 September 2018 (2017: nil).

There were no direct transaction costs associated with derivatives in 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 October 2018 was 0.00%¹ (2017: 0.04%). The portfolio dealing spread is calculated at the fund's 12 noon valuation point.

¹ The fund closed following the merger with Janus Henderson Global Growth Fund on the 20 September 2018, no investments were held in the fund at the year end.

Notes to the financial statements (continued)

18 Events after the Balance sheet date

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

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

Merger dividend distribution (accounting date 20 September 2018, paid on 31 October 2018)

Group 1 : shares purchased prior to 1 November 2017

Group 2 : shares purchased on or after 1 November 2017

	Distribution per share	Total distribution per share 31/10/18
Class A accumulation¹		
Group 1	-	n/a
Group 2	-	n/a
Class B accumulation¹		
Group 1	-	n/a
Group 2	-	n/a
Class I accumulation¹		
Group 1	7.9061	7.9061
Group 2	7.9061	7.9061

¹The fund closed following the merger with Janus Henderson Global Growth Fund on the 20 September 2018 and no distributions have been declared since the closure date.

Final dividend distribution (accounting date 31 October 2017, paid on 29 December 2017)

Group 1 : shares purchased prior to 1 November 2016

Group 2 : shares purchased on or after 1 November 2016

	Total distribution per share 29/12/17
Class A accumulation	
Group 1	0.5407
Group 2	0.5407
Class I accumulation	
Group 1	9.7515
Group 2	9.7515

Appendix - additional information (unaudited)

Securities financing transactions

The funds engage in securities financing transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the funds' involvement in and exposures related to securities lending for the year ended 31 October 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 October 2018:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson Asia Pacific Capital Growth Fund	7,240	3.44%	3.37%
Janus Henderson Institutional Overseas Bond Fund	40,767	20.07%	18.54%
Janus Henderson Japan Opportunities Fund	1,633	6.97%	6.93%

Concentration Data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for each fund as at 31 October 2018:

Issuer	Market value of collateral received £000	Issuer	Market value of collateral received £000
Janus Henderson Asia Pacific Capital Growth Fund		Janus Henderson Institutional Overseas Bond Fund	
Enel	451	Government of Japan	10,614
Intesa Sanpaolo	369	Shire	3,358
Société Générale	293	Intesa Sanpaolo	3,358
Banco Bilbao Vizcaya Argentaria	261	Mitsubishi UFJ Financial	3,137
Anheuser-Busch InBev	212	Mizuho Financial	1,546
Agricultural Bank of China 'H'	211	Eiffage	1,418
Lockheed Martin	209	PNC Financial Services	1,373
Intuitive Surgical	185	Standard Chartered	1,357
China Telecom 'H'	172	Aeva	1,295
Banco Santander Central Hispano	171	Micron Technology	1,209

Janus Henderson Japan Opportunities Fund

Government of Japan	798
Banco Santander Central Hispano	97
Enel	97
Deutsche Pfandbriefbank	97
Shire	97
Ocado	96
Royal Dutch Shell	96
Unicredit	94
Norsk Hydro	83
Fiat Chrysler Automobiles	83

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Concentration data (continued)

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

Counterparty	Market value of securities on loan £000	Settlement basis	Counterparty	Market value of securities on loan £000	Settlement basis
Janus Henderson Asia Pacific Capital Growth Fund			Janus Henderson Institutional Overseas Bond Fund		
Natixis	3,177	Triparty	Société Générale	30,221	Triparty
JP Morgan	2,179	Triparty	Royal Bank of Scotland	10,080	Triparty
Deutsche Bank	1,884	Triparty	ING Bank	466	Triparty
	7,240			40,767	
Janus Henderson Japan Opportunities Fund					
Citigroup	875	Triparty			
Morgan Stanley	758	Triparty			
	1,633				

All counterparties have been included

Aggregate transaction data

The following tables provide an analysis of the collateral received by each fund in respect of each type of SFTs as at 31 October 2018:

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
Janus Henderson Asia Pacific Capital Growth Fund							
Deutsche Bank	Germany	Equity	Main market listing	CHF	Triparty	BNP Paribas	150
Deutsche Bank	Germany	Equity	Main market listing	EUR	Triparty	BNP Paribas	1,231
Deutsche Bank	Germany	Equity	Main market listing	GBP	Triparty	BNP Paribas	65
Deutsche Bank	Germany	Equity	Main market listing	HKD	Triparty	BNP Paribas	96
Deutsche Bank	Germany	Equity	Main market listing	JPY	Triparty	BNP Paribas	2
Deutsche Bank	Germany	Equity	Main market listing	SEK	Triparty	BNP Paribas	30
Deutsche Bank	Germany	Equity	Main market listing	USD	Triparty	BNP Paribas	549
JP Morgan	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	125
JP Morgan	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	874
JP Morgan	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	78
JP Morgan	United States	Equity	Main market listing	HKD	Triparty	BNP Paribas	1,344
Natixis	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	52
Natixis	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	2,246
Natixis	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	282
Natixis	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	188
Natixis	France	Equity	Main market listing	USD	Triparty	BNP Paribas	762
							8,074

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Aggregate transaction data (continued)

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
Janus Henderson Institutional Overseas Bond Fund							
ING Bank	Netherlands	Equity	Main market listing	EUR	Triparty	BNP Paribas	526
Royal Bank of Scotland	United Kingdom	Government Bond	Investment grade	JPY	Triparty	BNP Paribas	10,614
Société Générale	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	312
Société Générale	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	8,215
Société Générale	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	13,246
Société Générale	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	6,353
Société Générale	France	Equity	Main market listing	USD	Triparty	BNP Paribas	5,456
							44,722
Janus Henderson Japan Opportunities Fund							
Citigroup	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	518
Citigroup	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	303
Citigroup	United States	Equity	Main market listing	NOK	Triparty	BNP Paribas	83
Citigroup	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	68
Morgan Stanley	United States	Government Bond	Investment grade	JPY	Triparty	BNP Paribas	798
							1,770

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 ended 31 October 2018:

Fund	Total gross amount of securities lending income £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000	% return of the securities lending agent	% return of the fund
Janus Henderson Asia Pacific Capital Growth Fund	14	2	12	15%	85%
Janus Henderson Institutional Overseas Bond Fund	41	6	35	15%	85%
Janus Henderson Japan Opportunities Fund	5	1	4	15%	85%
Janus Henderson World Select Fund	8	1	7	15%	85%

Appendix - additional information (unaudited) (continued)

Remuneration policy

Following the implementation of the UCITS V in the UK from 18 March 2016, all authorised UCITS Management Companies are required to comply with the UCITS Remuneration Code. Under the Code, the Remuneration Committee of Janus Henderson Group plc in its oversight of 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 funds 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 Global Funds 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 inconsistent with the risk profiles, rules or instruments of incorporation of each AFM and the funds they manage. This policy applies to HIFL and Janus Henderson Global Funds.

Further information with respect to Janus Henderson Group plc's Remuneration Policy is available in Janus Henderson Group plc's annual report as at 31 December 2017.

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson Asia Pacific Capital Growth Fund	1,943	869
of which		
Fixed Remuneration	1,943	396
Variable Remuneration	1,933	473
Carried Interest	n/a	-
Janus Henderson Asia Pacific Capital Growth Fund Remuneration Code Staff	175	830
of which		
Senior Management (4)	27	33
Other Code Staff (5)	148	797
Janus Henderson Global Technology Fund	1,943	1,100
of which		
Fixed Remuneration	1,943	565
Variable Remuneration	1,933	535
Carried Interest	n/a	-
Janus Henderson Global Technology Fund Remuneration Code Staff	176	958
of which		
Senior Management (4)	27	121
Other Code Staff (5)	149	837
Janus Henderson Institutional Global Buy & Maintain Fund	1,943	102
of which		
Fixed Remuneration	1,943	59
Variable Remuneration	1,933	43
Carried Interest	n/a	-
Janus Henderson Institutional Global Buy & Maintain Fund Remuneration Code Staff	174	85
of which		
Senior Management (4)	27	14
Other Code Staff (5)	147	71

Appendix - additional information (unaudited) (continued)

Remuneration policy (continued)

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson Institutional Overseas Bond Fund	1,943	339
of which		
Fixed Remuneration	1,943	178
Variable Remuneration	1,933	161
Carried Interest	n/a	-
Janus Henderson Institutional Overseas Bond Fund Remuneration Code Staff	175	299
of which		
Senior Management (4)	27	34
Other Code Staff (5)	148	265
Janus Henderson Japan Opportunities Fund	1,943	191
of which		
Fixed Remuneration	1,943	68
Variable Remuneration	1,933	123
Carried Interest	n/a	-
Janus Henderson Japan Opportunities Fund Remuneration Code Staff	174	186
of which		
Senior Management (4)	27	4
Other Code Staff (5)	147	182
Janus Henderson World Select Fund	1,943	111
of which		
Fixed Remuneration	1,943	67
Variable Remuneration	1,933	44
Carried Interest	n/a	-
Janus Henderson World Select Fund Remuneration Code Staff	173	90
of which		
Senior Management (4)	27	17
Other Code Staff (5)	146	73

1. This is the actual number of employees who are fully or partly involved in the activities of Janus Henderson Global Funds – no attempt has been made to apportion the time spent specifically in support of each fund within Janus Henderson Global Funds 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 Janus Henderson Group, 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 each of the funds of Janus Henderson Global Funds for the year, rather than the total remuneration for the year – for this purpose, remuneration has been apportioned between the provision of services to each of the funds of Janus Henderson Global Funds and to other entities in Janus Henderson Group plc, as follows:
 - in respect of fixed pay and annual/long term incentive bonuses:
 - where fixed pay is directly attributable to each of the funds of Janus Henderson Global Funds (for example, fees for HIFL), 100% of those fees;
 - for Investment Fund Managers, pro-rated using the average assets under management (AUM) of each of the funds of Janus Henderson Global Funds 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 each of the funds of Janus Henderson Global Funds (as a proportion of the aggregate average AUM of Janus Henderson Group plc) as a proxy.
4. Senior Management includes the Janus Henderson Executive Committee and other Group Board members and the Board of HIFL.
5. Other Code Staff includes all other UCITS Code Staff not covered by the above, including Investment Fund Managers who manage AUM within each of the funds of Janus Henderson Global Funds.

Further information

Shareholder enquiries

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

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

The following line is also available:

Client Services: **0800 832 832**

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

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

Important Information

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

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

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