



INTERIM REPORT & ACCOUNTS

For the six months ended
31 December 2018

Janus Henderson
— INVESTORS —

Janus Henderson UK & Europe 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 31 December 2018, we had approximately US\$329bn 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

We are pleased to present the Interim Report and Accounts for Janus Henderson UK & Europe Funds (the "Company") for the period ended 31 December 2018.

Authorised status

The Company is an investment company with variable capital incorporated in England and Wales under registered number IC70 and authorised by the Financial Conduct Authority (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 (UCITS). The Company has an unlimited duration.

The Company is a UCITS scheme structured as an umbrella company, in that different funds may be established from time to time by the ACD with the approval of the FCA. The fund comprises eleven sub funds ("funds"). On the introduction of any new fund or class, a revised prospectus will be prepared setting out the relevant details of each fund or class.

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.

Authorised Corporate Director's (ACD) responsibilities

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

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.

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.



R Chaudhuri
(Director)

28 February 2019

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

Service providers

	Name	Address	Regulator
Authorised Corporate Director (ACD)	Henderson Investment Funds Limited Member of the Investment Association The ultimate holding company is Janus Henderson Group plc	Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531. 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 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 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

Overview

Markets plummeted in the final quarter of the year, taking aggregate returns for the period into negative territory. The MSCI World index fell 5.6% in sterling terms and 8.9% in US dollar terms over the period. Investor sentiment was affected by persistent trade friction, gradual monetary tightening, and the evolving economic and corporate earnings slowdown.

UK

The FTSE All-Share index fell 11.0% in sterling terms. The sell-off in UK equities owed much to the downwards trend in global equity markets. Brexit, however, played its part, as developments regarding the UK's withdrawal from the EU took a dramatic turn. The draft withdrawal agreement – which was signed by the EU and the UK government, and released in November – provoked an avalanche of criticism from both sides of the political divide. Its publication led, in quick succession, to further ministerial resignations, the postponement of the meaningful vote in Parliament and a no-confidence motion in Theresa May, which she survived. Sterling weakened along with UK equities. On the economic front, growth was relatively subdued although a warm summer and a rebound in consumer spending saw GDP recover in the third quarter, growing 1.5% year on year. Unemployment touched 4.0% in the summer months, the lowest level since 1975, before rising slightly to 4.1%. Both nominal and real wage growth accelerated after several years of relative stagnation. The Bank of England raised interest rates in early August to 0.75%, the second hike this cycle.

Europe

European equities did not escape the global market rout at the end of the year and ended the period weaker. The FTSE World Europe ex UK index fell 8.1% in sterling terms and by 10.0% in euros over the period. European markets took fright from several sources: global trade tensions, slowing economic growth, tightening monetary policy, a fracas over Italian budget plans, and Brexit. The slowdown in Europe's economic momentum was pronounced. The eurozone's GDP growth rate declined over the period, falling to 1.6% (annualised) in the third quarter of 2018, down from 2.4% in the first quarter. The German economy, the largest in Europe, suffered negative quarterly growth in the third quarter. Additionally, the market became increasingly unsettled by the apparent determination of the European Central Bank (ECB) to shut down its bond purchasing scheme at year-end. However, the ECB has been at pains to remind markets that interest rate hikes are very unlikely in the near term. There were fireworks between the EU and the Italian government over the latter's spending plans, which could potentially breach EU budget deficit rules. The Italian coalition government had defused the situation somewhat by the end of the period, as it proposed reduced spending plans. Meanwhile, Angela Merkel announced her intention to step down as leader of her CDU party by year-end and as German chancellor in 2021.

US

The US market was one of the best performing major markets over the period but was not immune from the selling pressure in the final quarter, which pushed the market into negative territory for the review period. The MSCI US index fell 3.8% in sterling (-7.2% in dollars). This was despite the S&P 500, the Dow Jones and the Nasdaq indices hitting new all-time highs earlier in the period. In August, the S&P 500 also officially broke the record for its longest-ever bull market run. However, October saw US equities dive and December witnessed the weakest December returns since 1931. Technology shares, which had been at the forefront of the market rise, led the market down. Worries escalated about the fallout from trade tariffs between the US and China, tightening monetary policy and slowing economic and earnings growth. Investors feared that steadily rising interest rates in the US could become a risk to US and global growth. The US Federal Reserve (Fed) raised interest rates twice during the period, with a combined hike of 0.5%, to finish the year at a target range of 2.25–2.50%. The Fed guided to two further rate hikes in 2019, down from an original plan of three, in a seeming softening of its stance. President Trump's battle against China's trade practices showed no signs of a let-up. Hopes for a material breakthrough in talks, especially at the G20 meeting in Argentina in early December, did not materialise. US GDP growth waned somewhat in the third quarter, falling back to 3.4% annualised growth, down from 4.2% in the second quarter. Employment data remained robust, with unemployment down at 3.7% in September, the lowest level since 1969.

Japan

Japanese equities, as measured by the TOPIX index, fell 8.7% in sterling and 12.8% in yen. The Japanese market was weak, with all the damage coming in the final months of the year. Concerns around developments in trade intensified while investors feared that global growth was slowing. Prior to that, in early October the Nikkei index had hit its highest level in 27 years. Economic growth in the third quarter was negatively affected by an earthquake in Hokkaido and extreme weather conditions, specifically flooding, in the western part of the country. GDP fell at an annualised pace of 2.5% in the third quarter, the worst quarter of growth since the second quarter of 2014. The Tankan survey (a survey of business conditions in Japan) for the three months to December flattened out after falls in the three previous figures, although the forecast for the next release in March is for further declines. Incumbent Prime Minister Shinzo Abe put personal problems aside and easily won the LDP leadership election. The yen strengthened materially in the final weeks of the year, especially against the US dollar, which created pressure on Japanese exporting companies.

Asia

Asian equity markets fell over the six months (the MSCI AC Asia Pacific ex Japan returned -6.7% in sterling, -10.0% in dollars). The trade dispute between China and the US hit the region hard, given that many countries affected are heavily dependent on US and Chinese trade. Korea and Taiwan were particularly weak because of their high exposure to global trade; foreign investors were substantial sellers of these markets. China's economy continued to slow, with the annualised GDP growth rate falling to 6.5% in the third quarter, the weakest growth rate since 2009. The Chinese authorities also cut reserve requirements for banks, in an effort to boost liquidity in the system. Retail sales growth fell to its lowest rate in more than 15 years in November. The renminbi also fell markedly over the period against the US dollar. Australian equities also fell back on trade concerns after reaching 10-year highs in the summer to post their worst annual return since 2011.

Emerging markets

Emerging markets suffered declines over the period (the MSCI Emerging Markets returned -4.9% in sterling, -8.3% in dollars). Trade friction between the US and China was a major negative influence on emerging markets, as was the relative strength in the US dollar. Fears about monetary tightening and slowing global growth rates were additional factors causing unease among investors. Meanwhile, China's annualised GDP growth fell back to its weakest growth rate for almost 10 years. Indian GDP growth remained robust, with the third quarter experiencing 7.1% growth, down from 8.2% in the second quarter. The Reserve Bank of India raised interest rates by a further 0.25%, to 6.5%, as food and fuel inflationary pressures mounted. However, the Indian market, having hit an all-time high in the late summer, sold off dramatically in October before recovering in the final months of the year to post a positive return. In Russia, the central bank raised interest rates to 7.75%, aiming to forestall a rise in inflation ahead of a VAT hike. Brazil was the best performing emerging market over the period. The market rallied following the election of far-right candidate Jair Bolsonaro as president, with investors excited by his promises of reform as well as a recovery in the local currency. The market hit an all-time high in December. The Argentine market and its currency recovered a little from the dramatic declines in the summer months but still posted negative returns for the period.

Fixed Income and commodities

Within fixed income, core government bond markets were positive in aggregate, in both sterling and US dollar terms (the JPM Global Government Bond index +3.9% in sterling and 0.3% in dollars). Government bond markets largely outperformed both corporate and high yield bond markets, which were affected by creeping expectations of falling economic growth. In the US, tightening monetary policy and rising inflation expectations saw the 10-year government bond yield rise above 3.2% in the autumn to the highest level since 2011. However, the yield fell back towards the end of the period on expectations of slowing growth. The US yield curve inverted in December for the first time since the global financial crisis as five-year yields fell below those of two- and three-year yields. This unsettled investors as an inverted yield curve often precedes a recession. The UK government bond market ended the year largely flat after recovering from a marked sell-off in October, when the 10-year yield went above 1.7%. Ten-year German bund yields rose on higher oil prices and renewed inflationary expectations in the autumn but fell back towards the end of the period, producing a positive return in sterling and local currency terms for the period.

Commodities fell in tandem with equity markets and as the global growth outlook weakened. Oil prices experienced a spectacular fall, down over 30% (both Brent Crude and West Texas) as OPEC and non-OPEC nations found it difficult to agree on production cuts while supply, especially from the US, remained abundant. The copper price fell to the lowest levels for over a year during the period as demand weakened. Conversely, the gold price benefited from the state of flux in markets and rose to six-month highs.

Aggregated notes to the financial statements for the six months ended 31 December 2018

Accounting policies

Basis of preparation

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

The accounting policies, distribution policy and potential risks are consistent with those of the financial statements for the year ended 30 June 2018 and are described in those annual accounts.

Cross-holdings

As at 31 December 2018 there were no sub fund cross holdings within Janus Henderson UK & Europe Funds.

Events after the Balance sheet date

Please note the Janus Henderson Absolute Return Fixed Income Fund launched on 25 February 2019.

Janus Henderson All Stocks Credit fund

Authorised Corporate Director's (ACD) report

Investment Fund Managers

Philip Payne and Hartej Singh

Investment objective and policy

To provide a return by investing primarily in sterling denominated investment grade corporate bonds. The fund may invest in other transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

Performance summary

Cumulative performance	Six months	One year	Five years	Since launch
	30 Jun 18 - 31 Dec 18	31 Dec 17 - 31 Dec 18	31 Dec 13 - 31 Dec 18	4 Sep 00 - 31 Dec 18
	%	%	%	%
Class A income	(0.8)	(2.3)	22.1	119.8
Class I accumulation	(0.6)	(2.0)	24.9	137.1
iBoxx GBP Non-Gilts All Maturities TR Index	(0.2)	(1.5)	28.2	182.2

Discrete performance	31 Dec 17 -	31 Dec 16 -	31 Dec 15 -	31 Dec 14 -	31 Dec 13 -
	31 Dec 18	31 Dec 17	31 Dec 16	31 Dec 15	31 Dec 14
	%	%	%	%	%
Class A income	(2.3)	4.4	9.1	(1.2)	11.0
Class I accumulation	(2.0)	4.9	9.7	(0.6)	11.5

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

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

Significant portfolio changes for the six months ended 31 December 2018

Largest purchases	£000	Largest sales/maturities	£000
Aroundtown 3.25% 18/07/2027	7,396	UK Treasury 1.50% 22/07/2047	14,479
KFW 5.5% 18/06/2025	7,337	UK Treasury 0.50% 22/07/2022	8,828
CYBG 4.00% 25/09/2026	7,270	Arqiva Broadcast Finance 9.50% 31/03/2020	8,703
UK Treasury 1.50% 22/07/2047	7,068	UK Treasury 4.50% 07/09/2034	7,969
UK Treasury 4.50% 07/09/2034	6,034	Air France-KLM 3.75% 12/10/2022	6,254
Informa 3.125% 05/07/2026	5,899	BAT International Finance 4.00% 04/09/2026	6,250
Goldman Sachs 3.125% 25/07/2029	5,739	Royal Bank of Scotland 6.625% 17/09/2018	5,932
UK Treasury 1.75% 07/09/2022	4,835	E*TRADE Financial 4.50% 20/06/2028	5,472
AT&T 2.90% 04/12/2026	4,632	TP ICAP 5.25% 26/01/2024	5,445
UK Treasury 4.75% 07/12/2038	4,552	Bank of America 7.00% 31/07/2028	5,338
Total purchases	240,670	Total sales/maturities	461,978

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

Investment review

The fund generated a negative return of -0.8% (based on Class A income) during the period under review, against the iBoxx GBP Non-Gilts All Maturities TR Index negative return of -0.2%.

The second half of 2018 was a tale of two halves. We went into the third quarter with much of the same issues occupying markets as in the first half, namely increasing political risks, trade wars, Brexit headlines and end of the easy monetary policy era looming large. Nevertheless, returns for risk assets generally held up well over the third quarter. Credit spreads continued to compress, investment grade excess returns stayed positive and high yield outperformed globally.

Volatility then returned to bond markets in the last quarter of 2018. Outflows, poor liquidity, intensifying Brexit concerns, tightening monetary policy and economic slowdown concerns weighed heavily on market sentiment. This general risk-off sentiment across global credit markets led to sharp spread widening and negative total and excess returns. Over the period, sterling investment grade corporate bond spreads widened to 2016 levels. Despite gilt yields falling towards year end, both total returns and excess returns remained negative.

At the asset allocation level performance was hurt by the funds overweight to banks through UK issuers such as CYBG, HSBC and Nationwide; this naturally higher beta area suffered with the rising concerns regarding Brexit. Given the weak market, it was typically our overweights that detracted from performance; these included US healthcare company HCA and hybrid bonds from German real estate investment trust (REIT) Aroundtown.

The defensive positioning in the utilities sector benefited performance, as apprehensions regarding Brexit and an increased risk of a general election weighed on UK issuers. On a single name basis, positive performance came from an underweight to British American Tobacco (BAT), as bonds from the issuer suffered due to increased risks regarding the restriction of e-cigarettes in the US and a ban on menthol flavoured tobacco products.

Given the spread moves in late 2018, we believe valuations have become more compelling. Fundamentals are also in decent shape and we don't expect default rates to rise any time soon. However, while valuations look more attractive, the political and macroeconomic landscape remains worrisome. Concerns regarding the turning of the cycle combined with the escalation of idiosyncratic weakness is also weighing on credit spreads. Nevertheless, we don't expect a deep recession or another financial crisis, as leverage is mostly sitting on defensive non-financial corporates' balance sheets, whereas financials cleaned up and strengthened their balance sheets.

For now, we remain fairly cautious and will stay underweight credit risk versus the benchmark. Fund activity is likely to focus on maintaining our underweights to expensive and vulnerable parts of the market where fundamentals are not as strong, and utilising periods of volatility and primary markets to make use of attractive opportunities.

Comparative tables for the six months ended 31 December 2018

	Class A accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	156.09	155.53	147.89	138.30
Return before operating charges*	(0.31)	1.99	9.63	12.02
Operating charges	(0.70)	(1.43)	(1.63)	(1.63)
Return after operating charges*	(1.01)	0.56	8.00	10.39
Distributions on accumulation shares	(1.82)	(3.75)	(3.66)	(4.01)
Retained distributions on accumulation shares^	1.82	3.75	3.30	3.21
Closing net asset value per share	155.08	156.09	155.53	147.89
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	(0.65%)	0.36%	5.41%	7.51%
Other information				
Closing net asset value (£000s)	2,033	2,158	2,879	2,923
Closing number of shares	1,310,963	1,382,628	1,850,983	1,976,710
Operating charges (annualised)	0.90%	0.91%	1.06%	1.16%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	158.20	159.60	159.30	147.80
Lowest share price (pence)	154.30	154.60	148.90	137.80

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

	Class A income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	131.00	133.69	129.86	124.22
Return before operating charges*	(0.25)	1.72	8.12	10.51
Operating charges	(0.59)	(1.22)	(1.42)	(2.01)
Return after operating charges*	(0.84)	0.50	6.70	8.50
Distributions on income shares	(1.52)	(3.19)	(2.87)	(2.86)
Closing net asset value per share	128.64	131.00	133.69	129.86
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	(0.64%)	0.37%	5.16%	6.84%
Other information				
Closing net asset value (£000s)	2,712	2,846	5,884	6,783
Closing number of shares	2,108,018	2,172,612	4,400,881	5,223,526
Operating charges (annualised)	0.90%	0.91%	1.06%	1.16%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	132.80	137.20	139.90	130.40
Lowest share price (pence)	128.70	131.30	130.20	122.90

Comparative tables (continued)

	Class I accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	256.86	255.01	241.33	224.48
Return before operating charges*	(0.48)	3.24	15.79	19.68
Operating charges	(0.70)	(1.39)	(1.36)	(1.24)
Return after operating charges*	(1.18)	1.85	14.43	18.44
Distributions on accumulation shares	(3.47)	(7.11)	(7.29)	(7.97)
Retained distributions on accumulation shares [^]	3.47	7.11	6.54	6.38
Closing net asset value per share	255.68	256.86	255.01	241.33
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	(0.46%)	0.73%	5.98%	8.21%
Other information				
Closing net asset value (£000s)	424,626	435,345	14,934	11,752
Closing number of shares	166,078,162	169,487,530	5,856,229	4,869,869
Operating charges (annualised)	0.54%	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	260.50	262.00	260.20	241.10
Lowest share price (pence)	254.30	254.00	243.60	223.70

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

	Class I income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	132.26	134.98	131.09	125.34
Return before operating charges*	(0.20)	1.73	8.14	9.95
Operating charges	(0.36)	(0.73)	(0.73)	(0.68)
Return after operating charges*	(0.56)	1.00	7.41	9.27
Distributions on income shares	(1.39)	(3.72)	(3.52)	(3.52)
Closing net asset value per share	130.31	132.26	134.98	131.09
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	(0.42%)	0.74%	5.65%	7.40%
Other information				
Closing net asset value (£000s)	14,703	179,376	13,885	21,398
Closing number of shares	11,283,213	135,628,630	10,286,999	16,323,443
Operating charges (annualised)	0.54%	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	134.10	138.60	141.30	131.80
Lowest share price (pence)	130.00	132.60	131.50	124.10

Comparative tables (continued)

	Class Z accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	237.68	234.80	220.44	202.59
Return before operating charges*	(0.43)	2.98	14.45	17.93
Operating charges	(0.05)	(0.10)	(0.09)	(0.08)
Return after operating charges*	(0.48)	2.88	14.36	17.85
Distributions on accumulation shares	(3.83)	(7.75)	(7.86)	(8.30)
Retained distributions on accumulation shares	3.83	7.75	7.86	8.30
Closing net asset value per share	237.20	237.68	234.80	220.44
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	(0.20%)	1.23%	6.51%	8.81%
Other information				
Closing net asset value (£000s)	463,489	524,790	569,826	508,336
Closing number of shares	195,399,417	220,797,397	242,688,820	230,602,762
Operating charges (annualised)	0.04%	0.04%	0.04%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	241.20	241.90	239.50	220.20
Lowest share price (pence)	235.80	234.60	223.30	201.90

	Class A income gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	134.07	130.20	124.50
Return before operating charges*	1.07	8.51	10.77
Operating charges	(0.31)	(1.43)	(1.46)
Return after operating charges*	0.76	7.08	9.31
Distributions on income shares	(0.83)	(3.21)	(3.61)
Final cancellation price	(134.00) ¹	-	-
Closing net asset value per share	-	134.07	130.20
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.57%	5.44%	7.48%
Other information			
Closing net asset value (£000s)	-	64	80
Closing number of shares	-	47,922	61,307
Operating charges (annualised)	0.91%	1.06%	1.16%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	137.60 ²	140.40	130.90
Lowest share price (pence)	134.00 ²	130.60	123.30

¹ Class A income gross closed on 2 October 2017 and this is the final cancellation price.

² to 2 October 2017

Comparative tables (continued)

	Class I accumulation gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	285.43	269.33	248.76
Return before operating charges*	2.27	17.62	21.95
Operating charges	(0.40)	(1.52)	(1.38)
Return after operating charges*	1.87	16.10	20.57
Distributions on accumulation shares	(2.03)	(8.17)	(8.89)
Retained distributions on accumulation shares	2.03	8.17	8.89
Final cancellation price	(287.30) ³	-	-
Closing net asset value per share	-	285.43	269.33
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.66%	5.98%	8.27%
Other information			
Closing net asset value (£000s)	-	485,487	727,590
Closing number of shares	-	170,087,074	270,149,704
Operating charges (annualised)	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	293.10 ⁴	291.10	269.10
Lowest share price (pence)	285.20 ⁴	272.40	247.90

³ Class I accumulation gross closed on 2 October 2017 and this is the final cancellation price.

⁴ to 2 October 2017

Comparative tables (continued)

	Class I income gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	136.35	132.43	126.62
Return before operating charges*	1.11	8.65	10.98
Operating charges	(0.19)	(0.75)	(0.70)
Return after operating charges*	0.92	7.90	10.28
Distributions on income shares	(0.97)	(3.98)	(4.47)
Final cancellation price	(136.30) ⁵	-	-
Closing net asset value per share	-	136.35	132.43
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.67%	5.97%	8.12%
Other information			
Closing net asset value (£000s)	-	175,443	386
Closing number of shares	-	128,669,409	291,214
Operating charges (annualised)	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	140.00 ⁶	142.90	133.40
Lowest share price (pence)	136.30 ⁶	132.90	125.50

⁵ Class I income gross closed on 2 October 2017 and this is the final cancellation price.

⁶ to 2 October 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 close of business and on a bid basis 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 period.

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 period, except for expenses that are explicitly excluded by regulation.

	31/12/18 %	30/06/18 %
Class A	0.90	0.91
Class I	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).

Risk and reward profile

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



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

The value of an investment 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 classes appear 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. Under normal market conditions the following risks may apply:

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

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

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

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

Hedging Risk If the fund or a specific share class of the fund seeks to reduce risks (such as exchange rate movements), the measures designed to do so may be ineffective, unavailable or detrimental.

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

Leverage Risk Leverage arises from entering into contracts or derivatives whose terms have the effect of magnifying an outcome, meaning profits and losses from investment can be greater.

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

There has been no change to the risk ratings during the period.

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

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

Portfolio statement as at 31 December 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 94.99% (30/06/2018: 97.17%)		
	Australia 0.42% (30/06/2018: 0.40%)		
	Fixed Rate Bond 0.27% (30/06/2018: 0.25%)		
GBP 1,954,000	BHP Finance 4.3% 25/09/2042	2,394	0.27
	Variable Rate Bond 0.15% (30/06/2018: 0.15%)		
GBP 1,275,000	BHP Finance VAR 22/10/2077	1,401	0.15
	Austria 0.00% (30/06/2018: 0.29%)		
	Fixed Rate Bond 0.00% (30/06/2018: 0.29%)		
	Belgium 0.70% (30/06/2018: 0.78%)		
	Zero / Discount Rate Bond 0.70% (30/06/2018: 0.78%)		
GBP 5,308,000	Anheuser-Busch InBev 1.75% 07/03/2025	5,056	0.56
GBP 1,444,000	Anheuser-Busch InBev 2.85% 25/05/2037	1,284	0.14
		6,340	0.70
	Canada 0.28% (30/06/2018: 0.26%)		
	Fixed Rate Bond 0.28% (30/06/2018: 0.26%)		
GBP 2,549,000	Liberty Living Finance 2.625% 28/11/2024	2,500	0.28
	Czech Republic 0.16% (30/06/2018: 0.28%)		
	Fixed Rate Bond 0.16% (30/06/2018: 0.28%)		
EUR 1,699,000	CPI Property 4.375% Perpetual	1,418	0.16
	France 5.99% (30/06/2018: 6.00%)		
	Fixed Rate Bond 4.48% (30/06/2018: 4.09%)		
GBP 4,500,000	Banque Fédérative du Crédit Mutuel 1.375% 20/12/2021	4,436	0.49
GBP 3,400,000	Banque Fédérative du Crédit Mutuel 1.875% 13/12/2022	3,385	0.37
GBP 6,000,000	Dexia Credit Local 1.125% 15/06/2022	5,920	0.65
GBP 2,450,000	Électricité de France 5.125% 22/09/2050	2,946	0.32
GBP 5,400,000	Électricité de France 5.50% 17/10/2041	6,714	0.74
GBP 900,000	Électricité de France 5.50% 27/03/2037	1,100	0.12
GBP 2,000,000	Électricité de France 6.00% 23/01/2114	2,541	0.28
GBP 2,600,000	Électricité de France 6.125% 02/06/2034	3,411	0.38
GBP 1,572,000	LVMH Moët Hennessy Louis Vuitton 1.00% 14/06/2022	1,546	0.17
GBP 1,911,000	Orange 1.00% 12/05/2025	2,271	0.25
GBP 3,585,000	Total Capital International 1.75% 07/07/2025	3,549	0.39
EUR 1,500,000	Unibail-Rodamco 2.125% Perpetual	1,268	0.14
GBP 1,150,000	Veolia Environnement 6.125% 29/10/2037	1,597	0.18
		40,684	4.48
	Variable Rate Bond 1.51% (30/06/2018: 1.91%)		
GBP 2,129,000	AXA 5.625% 16/01/2054	2,186	0.24
GBP 3,333,000	AXA 6.772% Perpetual	3,403	0.37
EUR 2,400,000	Électricité de France 4.125% Perpetual	2,189	0.24
GBP 2,400,000	Électricité de France 6.00% Perpetual	2,324	0.26
GBP 1,450,000	Orange 5.75% Perpetual	1,513	0.17
GBP 1,980,000	Orange 5.875% Perpetual	2,078	0.23
		13,693	1.51

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Germany 8.82% (30/06/2018: 5.71%)			
Fixed Rate Bond 8.01% (30/06/2018: 4.69%)			
GBP 5,097,000	Aroundtown 3.00% 16/10/2029	4,633	0.51
GBP 6,456,000	Aroundtown 3.25% 18/07/2027	6,160	0.68
GBP 4,163,000	BMW International Investment 1.75% 19/04/2022	4,132	0.46
GBP 3,857,000	BMW International Investment 1.875% 11/09/2023	3,807	0.42
GBP 2,300,000	Daimler Internation Finance 2.00% 04/09/2023	2,262	0.25
GBP 4,332,000	Deutsche Telekom International Finance 6.50% 08/04/2022	4,959	0.55
GBP 1,450,000	E.ON International Finance 5.875% 30/10/2037	1,882	0.21
GBP 2,300,000	E.ON International Finance 6.00% 30/10/2019	2,382	0.26
GBP 1,850,000	E.ON International Finance 6.75% 27/01/2039	2,644	0.29
GBP 5,700,000	FMS Wertmanagement 0.875% 14/02/2022	5,645	0.62
GBP 2,500,000	innogy Finance 5.50% 06/07/2022	2,797	0.31
GBP 1,100,000	innogy Finance 6.125% 06/07/2039	1,481	0.16
GBP 2,449,000	innogy Finance 6.25% 03/06/2030	3,151	0.35
GBP 2,230,000	KFW 1.375% 01/02/2021	2,243	0.25
GBP 1,699,000	KFW 5.00% 09/06/2036	2,475	0.27
GBP 4,970,000	KFW 5.5% 18/06/2025	6,218	0.68
GBP 4,400,000	KFW 5.75% 07/06/2032	6,461	0.70
EUR 3,716,000	Unitymedia Hessen 3.75% 15/01/2027	3,417	0.38
GBP 3,174,000	Volkswagen Financial Services 1.50% 12/04/2021	3,125	0.34
GBP 2,900,000	Volkswagen Financial Services 1.875% 07/09/2021	2,871	0.32
		<u>72,745</u>	<u>8.01</u>
Variable Rate Bond 0.81% (30/06/2018: 1.02%)			
GBP 2,300,000	Munich Reinsurance 6.625% 26/05/2042	2,585	0.28
GBP 4,700,000	RWE Finance 7.00% Perpetual	4,723	0.53
		<u>7,308</u>	<u>0.81</u>
Ireland 0.34% (30/06/2018: 0.65%)			
Fixed Rate Bond 0.34% (30/06/2018: 0.65%)			
GBP 3,414,000	Ardagh Packaging Finance 4.75% 15/07/2027	3,073	0.34
Israel 0.12% (30/06/2018: 0.11%)			
Fixed Rate Bond 0.12% (30/06/2018: 0.11%)			
EUR 1,190,000	Teva Pharmaceutical Finance Netherlands II 4.50% 01/03/2025	1,080	0.12
Italy 1.07% (30/06/2018: 1.40%)			
Fixed Rate Bond 0.46% (30/06/2018: 0.80%)			
GBP 2,014,000	Enel Finance International 5.625% 14/08/2024	2,280	0.26
GBP 491,000	Enel Finance International 5.75% 14/09/2040	578	0.06
USD 1,735,000	Leonardo US 6.25% 15/01/2040	1,274	0.14
		<u>4,132</u>	<u>0.46</u>
Variable Rate Bond 0.61% (30/06/2018: 0.60%)			
GBP 655,000	Enel 6.625% 15/09/2076	684	0.08
GBP 4,672,000	Enel 7.75% 10/09/2075	4,921	0.53
		<u>5,605</u>	<u>0.61</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Japan 0.72% (30/06/2018: 0.00%)		
	Fixed Rate Bond 0.72% (30/06/2018: 0.00%)		
GBP 1,963,000	JT International Financial Services 2.75% 28/09/2033	1,921	0.21
EUR 2,549,000	Takeda Pharmaceutical 2.25% 21/11/2026	2,336	0.26
EUR 2,464,000	Takeda Pharmaceutical 3.00% 21/11/2030	2,250	0.25
		<u>6,507</u>	<u>0.72</u>
	Luxembourg 0.00% (30/06/2018: 0.65%)		
	Fixed Rate Bond 0.00% (30/06/2018: 0.65%)		
	Netherlands 1.50% (30/06/2018: 1.87%)		
	Fixed Rate Bond 1.50% (30/06/2018: 1.87%)		
GBP 5,100,000	ABN AMRO Bank 1.00% 30/06/2020	5,047	0.56
EUR 2,804,000	Lincoln Finance 6.875% 15/04/2021	2,569	0.28
GBP 5,578,000	Cooperatieve Rabobank 4.625% 23/05/2029	5,991	0.66
		<u>13,607</u>	<u>1.50</u>
	Romania 0.32% (30/06/2018: 0.31%)		
	Fixed Rate Bond 0.32% (30/06/2018: 0.31%)		
EUR 3,398,000	Globalworth Real Estate Investments 3.00% 29/03/2025	2,868	0.32
	Spain 0.34% (30/06/2018: 0.32%)		
	Fixed Rate Bond 0.34% (30/06/2018: 0.32%)		
GBP 2,500,000	Iberdrola Finanzas 7.375% 29/01/2024	3,105	0.34
	Supranational 3.59% (30/06/2018: 3.23%)		
	Fixed Rate Bond 3.59% (30/06/2018: 3.23%)		
GBP 4,251,000	European Investment Bank 3.875% 08/06/2037	5,438	0.60
GBP 3,505,600	European Investment Bank 4.25% 07/12/2021	3,813	0.42
GBP 2,475,000	European Investment Bank 4.50% 07/03/2044	3,610	0.40
GBP 1,366,000	European Investment Bank 5.00% 15/04/2039	2,025	0.22
GBP 3,170,000	European Investment Bank 5.625% 07/06/2032	4,548	0.50
GBP 7,536,000	European Investment Bank 6.00% 07/12/2028	10,410	1.15
GBP 1,861,000	International Bank for Reconstruction & Development 5.75% 07/06/2032	2,733	0.30
		<u>32,577</u>	<u>3.59</u>
	Sweden 0.38% (30/06/2018: 1.23%)		
	Fixed Rate Bond 0.38% (30/06/2018: 1.23%)		
EUR 2,549,000	Akelius Residential 3.875% 05/10/2078	2,219	0.24
GBP 1,275,000	Scania 1.875% 28/06/2022	1,250	0.14
		<u>3,469</u>	<u>0.38</u>
	Switzerland 1.93% (30/06/2018: 2.03%)		
	Fixed Rate Bond 1.47% (30/06/2018: 1.59%)		
EUR 3,483,000	Richemont International 1.00% 26/03/2026	3,104	0.34
EUR 4,842,000	Richemont International 1.50% 26/03/2030	4,313	0.48
USD 1,827,000	Syngenta Finance 4.892% 24/04/2025	1,356	0.15
USD 1,134,000	Syngenta Finance 5.182% 24/04/2028	826	0.09
GBP 3,738,000	UBS 1.25% 10/12/2020	3,711	0.41
		<u>13,310</u>	<u>1.47</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Variable Rate Bond 0.46% (30/06/2018: 0.44%)		
GBP 3,820,000	Zurich Finance UK 6.625% Perpetual	4,164	0.46
	United Kingdom 55.82% (30/06/2018: 58.07%)		
	Asset Backed 2.56% (30/06/2018: 1.88%)		
GBP 483,782	Canary Wharf Finance 6.455% 22/10/2033	603	0.07
GBP 3,286,695	Connect Plus M25 Issuer 2.607% 31/03/2039	3,304	0.36
GBP 1,643,316	Juturna 5.0636% 10/08/2033	1,974	0.22
GBP 3,634,928	Longstone Finance 4.791% 19/04/2036	4,159	0.46
GBP 2,057,000	Metropolitan Funding 4.125% 05/04/2048	2,324	0.26
GBP 1,254,080	Telereal Securitisation 5.3887% 10/12/2033	1,489	0.16
GBP 2,557,296	Tesco Property Finance 3 5.744% 13/04/2040	2,875	0.32
GBP 1,389,508	Tesco Property Finance 6.0517% 13/10/2039	1,603	0.18
GBP 3,988,734	White City Property Finance 5.1202% 17/04/2035	4,901	0.53
		23,232	2.56
	Fixed Rate Bond 48.93% (30/06/2018: 51.62%)		
GBP 2,819,000	AA Bond 2.875% 31/01/2022	2,607	0.29
GBP 1,293,000	AA Bond 4.248% 31/07/2020	1,318	0.15
GBP 1,296,000	AA Bond 4.875% 31/07/2024	1,231	0.14
GBP 2,871,000	AA Bond 5.5% 31/07/2022	2,293	0.25
GBP 3,333,000	Affordable Housing Finance 2.893% 11/08/2043	3,713	0.41
GBP 2,464,000	Anglian Water Services Financing 2.75% 26/10/2029	2,465	0.27
GBP 2,719,000	Annington Funding 2.646% 12/07/2025	2,620	0.29
GBP 1,028,000	Annington Funding 3.685% 12/07/2034	976	0.11
GBP 2,996,000	Arqiva Financing 4.04% 30/06/2020	3,072	0.34
GBP 2,549,000	Assura Financing 3.00% 19/07/2028	2,523	0.28
GBP 4,889,000	A2Dominion 3.50% 15/11/2028	4,955	0.55
GBP 5,737,000	Heathrow Funding 6.75% 03/12/2026	7,412	0.82
GBP 2,220,000	Bank of Scotland 9.375% 15/05/2021	2,554	0.28
GBP 1,281,000	Barclays Bank 9.50% 07/08/2021	1,480	0.16
GBP 5,182,000	Barclays 2.375% 06/10/2023	5,022	0.55
GBP 5,364,000	BAT International Finance 1.75% 05/07/2021	5,319	0.59
GBP 1,054,000	BAT International Finance 4.00% 04/09/2026	1,115	0.12
GBP 4,877,000	BAT International Finance 6.375% 12/12/2019	5,080	0.56
GBP 4,587,000	Bazalgette Finance 2.375% 29/11/2027	4,483	0.49
GBP 2,659,000	Blend Funding 3.459% 21/09/2047	2,665	0.29
GBP 3,069,000	British Telecommunications 3.125% 21/11/2031	2,946	0.32
GBP 3,530,000	Broadgate Financing 4.821% 05/07/2036	4,500	0.50
GBP 2,973,000	Bromford 3.125% 03/05/2048	2,907	0.32
GBP 4,248,000	Bunzl Finance 2.25% 11/06/2025	4,115	0.45
GBP 5,390,000	BUPA Finance 5.00% 08/12/2026	5,643	0.62
GBP 2,540,000	BUPA Finance 5.00% 25/04/2023	2,700	0.30
GBP 2,133,000	Cadent Finance 1.125% 22/09/2021	2,103	0.23
GBP 2,294,000	Catalyst Housing 3.125% 31/10/2047	2,221	0.24
GBP 1,869,000	Centrica 4.375% 13/03/2029	2,064	0.23
GBP 4,417,000	Centrica 7.00% 19/09/2033	6,154	0.68
GBP 2,549,000	Clarion Housing 3.125% 19/04/2048	2,449	0.27
GBP 3,921,000	Coventry Building Society 5.875% 28/09/2022	4,419	0.49
GBP 2,195,000	CPUK Finance 4.25% 28/08/2022	2,098	0.23
GBP 5,165,000	CYBG 4.00% 25/09/2026	4,781	0.53

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 6,232,027	Delamare Finance 5.5457% 19/02/2029	6,967	0.77
GBP 1,614,000	Dwr Cymru Financing 2.50% 31/03/2036	1,551	0.17
GBP 2,546,000	Dwr Cymru Financing 6.015% 31/03/2028	3,324	0.37
GBP 4,389,000	Eastern Power Networks 4.75% 30/09/2021	4,748	0.52
GBP 1,105,000	Eastern Power Networks 6.25% 12/11/2036	1,540	0.17
GBP 3,185,000	EE Finance 4.375% 28/03/2019	3,205	0.35
GBP 5,182,000	Experian Finance 2.125% 27/09/2024	5,185	0.57
GBP 2,598,000	Experian Finance 3.50% 15/10/2021	2,718	0.30
GBP 948,000	FirstGroup 8.75% 08/04/2021	1,055	0.12
GBP 1,045,000	Gatwick Funding 5.25% 23/01/2024	1,185	0.13
GBP 935,000	GKN 5.375% 19/09/2022	976	0.11
GBP 1,834,000	GlaxoSmithKline Capital 4.25% 18/12/2045	2,221	0.24
GBP 2,251,000	GlaxoSmithKline Capital 5.25% 10/04/2042	3,070	0.34
GBP 3,004,000	GlaxoSmithKline Capital 5.25% 19/12/2033	3,930	0.43
GBP 4,389,000	Heathrow Funding 2.75% Perpetual	3,747	0.41
GBP 3,311,000	Heathrow Funding 6.00% 20/03/2020	3,475	0.38
GBP 2,235,000	Heathrow Funding 6.45% 10/12/2031	3,040	0.33
GBP 932,000	Heathrow Funding 7.125% 14/02/2024	1,120	0.12
GBP 4,682,000	HSBC 4.75% 24/03/2046	5,026	0.55
GBP 1,360,000	HSBC 5.375% 22/08/2033	1,568	0.17
GBP 3,143,000	HSBC 2.175% 27/06/2023	3,099	0.34
GBP 1,815,000	Imperial Tobacco Finance 5.50% 28/09/2026	2,071	0.23
GBP 2,553,000	Imperial Tobacco Finance 7.75% 24/06/2019	2,622	0.29
GBP 1,911,000	Imperial Tobacco Finance 9.00% 17/02/2022	2,282	0.25
GBP 5,012,000	Informa 3.125% 05/07/2026	5,036	0.55
GBP 1,105,000	Karbon Homes 3.375% 15/11/2047	1,119	0.12
GBP 892,000	Land Securities Capital Markets 2.375% 29/03/2027	895	0.10
GBP 600,000	Land Securities Capital Markets 2.625% 22/09/2037	570	0.06
GBP 4,502,000	Land Securities Capital Markets 2.75% 22/09/2057	4,102	0.45
GBP 5,984,000	LCR Finance 4.50% 07/12/2028	7,546	0.83
GBP 1,869,000	Legal & General 5.125% 14/11/2048	1,850	0.20
GBP 1,699,000	Lloyds Bank 4.875% 30/03/2027	2,051	0.23
GBP 2,345,000	Lloyds Bank 5.125% 07/03/2025	2,787	0.31
GBP 5,067,000	Lloyds Bank 6.00% 08/02/2029	6,763	0.75
GBP 2,688,000	Lloyds Bank 6.50% 17/09/2040	3,950	0.44
GBP 1,605,000	Lloyds Bank 9.625% 06/04/2023	2,026	0.22
GBP 4,332,000	London & Quadrant Housing 2.25% 20/07/2029	4,162	0.46
GBP 935,000	London & Quadrant Housing 2.75% 20/07/2057	804	0.09
GBP 1,896,000	London & Quadrant Housing 3.75% Perpetual	2,030	0.22
GBP 3,105,000	Longstone Finance 4.896% 19/04/2036	3,515	0.39
GBP 4,406,000	Motability Operations 3.625% 10/03/2036	4,867	0.54
GBP 3,030,000	National Westminster Bank 6.50% 07/09/2021	3,328	0.37
EUR 3,653,000	Nationwide Building Society 2.00% 25/07/2029	3,041	0.34
GBP 4,205,000	Network Rail Infrastructure Finance 3.00% 07/09/2023	4,554	0.50
GBP 8,452,000	Network Rail Infrastructure Finance 4.375% 09/12/2030	10,825	1.19
GBP 3,738,000	NIE Finance 2.50% 27/10/2025	3,747	0.41
GBP 407,000	Northern Gas Networks Finance 4.875% 15/11/2035 'B'	499	0.05
GBP 1,529,000	Notting Hill Housing Trust 3.25% 12/10/2048	1,449	0.16
GBP 1,147,000	Optivo 3.283% 22/03/2048	1,142	0.13
GBP 2,039,000	Orbit Capital 3.375% 14/06/2048	2,022	0.22

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 2,276,000	Orbit Capital 3.50% 24/03/2045	2,301	0.25
GBP 2,039,000	Peabody Capital No 2 3.25% 14/09/2048	1,981	0.22
GBP 595,000	Peabody Energy 4.625% 12/12/2053	745	0.08
GBP 2,888,000	Pennon 2.875% Perpetual	2,863	0.32
GBP 1,105,000	Pension Insurance 5.625% 20/09/2030	1,046	0.12
GBP 4,837,000	Phoenix 4.125% 20/07/2022	4,785	0.53
GBP 4,171,000	Places for People Treasury 2.875% 17/08/2026	4,047	0.45
GBP 3,529,000	Prudential 5.00% 20/07/2055	3,502	0.39
GBP 1,784,000	Prudential 5.625% 20/10/2051	1,776	0.20
GBP 765,000	Prudential 6.125% 19/12/2031	944	0.10
GBP 650,000	Prudential 6.25% 20/10/2068	634	0.07
GBP 1,699,000	Quilter 4.478% 28/02/2028	1,658	0.18
GBP 3,532,000	RAC Bond 4.565% 06/05/2023	3,463	0.38
GBP 2,525,000	RAC Bond 4.87% 06/05/2026	2,401	0.26
GBP 4,757,000	Royal Bank of Scotland 2.875% 19/09/2026	4,549	0.50
USD 1,658,000	Royal Bank of Scotland 7.648% Perpetual	1,603	0.18
GBP 3,313,000	Santander UK 1.625% 10/05/2021	3,290	0.36
GBP 8,743,000	Santander UK 1.875% 17/02/2020	8,750	0.96
GBP 3,620,000	Santander UK 5.125% 14/04/2021	3,920	0.43
GBP 3,718,000	Santander UK 5.75% 02/03/2026	4,672	0.51
GBP 7,079,000	Scottish Widows 5.50% 16/06/2023	7,646	0.84
GBP 2,379,000	Severn Trent Water Utilities 3.625% 16/01/2026	2,529	0.28
GBP 850,000	South Eastern Power Networks 5.625% 30/09/2030	1,067	0.12
GBP 1,614,000	Southern Gas Network 3.10% 15/09/2036	1,566	0.17
GBP 2,840,000	Southern Water Services 6.125% 31/03/2019	2,870	0.32
GBP 2,151,000	SP Manweb 4.875% 20/09/2027	2,521	0.28
GBP 1,954,000	TC Dudgeon OFTO 3.158% 12/11/2038	2,023	0.22
GBP 2,695,000	Tesco 6.00% 14/12/2029	3,164	0.35
GBP 1,624,000	Tesco 6.125% 24/02/2022	1,793	0.20
GBP 1,614,000	Thames Water Utilities Cayman Finance 2.625% 24/01/2032	1,501	0.17
GBP 3,650,000	Thames Water Utilities Cayman Finance 4.00% 19/06/2025	3,950	0.44
GBP 850,000	Thames Water Utilities Cayman Finance 4.625% 04/06/2046	991	0.11
GBP 3,615,000	THFC Funding No.3 5.20% 11/10/2043	4,671	0.51
GBP 3,069,000	Transport for London 3.875% 23/07/2042	3,587	0.40
GBP 595,000	Transport for London 4.00% 07/04/2064	769	0.08
GBP 5,012,000	Tritax Big Box REIT 2.625% 14/12/2026	4,861	0.54
GBP 680,000	Tritax Big Box REIT 3.125% 14/12/2031	649	0.07
GBP 8,626,072	UK Treasury 1.50% 22/07/2047	8,007	0.88
GBP 4,818,550	UK Treasury 1.75% 07/09/2037	4,820	0.53
GBP 1,393,025	UK Treasury 3.50% 22/01/2045	1,869	0.21
GBP 4,123,862	UK Treasury 4.25% 07/09/2039	5,893	0.65
GBP 1,257,120	UK Treasury 4.25% 07/12/2040	1,819	0.20
GBP 2,925,184	UK Treasury 4.50% 07/09/2034	4,089	0.45
GBP 7,761,489	UK Treasury 4.50% 07/12/2042	11,819	1.31
GBP 3,520,785	UK Treasury 4.75% 07/12/2038	5,308	0.58
GBP 3,986,000	Unite USAF 3.374% 30/06/2023	4,220	0.46
GBP 1,614,000	Unite 3.50% 15/10/2028	1,619	0.18
GBP 2,124,000	Vodafone 3.00% 12/08/2056	1,698	0.19
GBP 2,464,000	Vodafone 4.875% 03/10/2078	2,329	0.26
GBP 1,699,000	Wales & West Utilities Finance 3.00% 03/08/2038	1,658	0.18

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 778,000	Wellcome Trust Finance 4.00% 09/05/2059	1,063	0.12
GBP 3,039,000	Wessex Water Services Finance 4.00% 24/09/2021	3,227	0.36
GBP 3,902,000	Western Power Distribution East Midlands 5.25% 17/01/2023	4,383	0.48
GBP 1,100,000	Western Power Distribution South West 5.75% 23/03/2040	1,472	0.16
GBP 3,483,000	Western Power Distribution 3.50% 16/10/2026	3,490	0.38
GBP 1,614,000	Whitbread 3.375% 16/10/2025	1,636	0.18
GBP 982,000	WM Morrison Supermarkets 3.50% 27/07/2026	1,018	0.11
GBP 1,085,000	WM Morrison Supermarkets 4.75% 04/07/2029	1,221	0.13
		444,154	48.93
Stepped Rate Bond 0.21% (30/06/2018: 0.02%)			
GBP 1,866,000	Co-Operative Bank 6.875% 08/07/2020	1,940	0.21
Variable Rate Bond 4.12% (30/06/2018: 4.55%)			
GBP 3,870,000	Aviva 6.125% Perpetual	4,003	0.44
GBP 2,764,000	Aviva 6.625% 03/06/2041	2,981	0.33
GBP 1,191,000	Aviva 6.875% 20/05/2058	1,326	0.15
GBP 6,459,000	CYBG 5.00% 09/02/2026	6,182	0.68
GBP 2,719,000	HSBC 5.375% 04/11/2030	3,067	0.34
GBP 5,768,000	HSBC 5.844% Perpetual	6,857	0.75
GBP 1,954,000	National Grid Finance 5.625% 18/06/2073	2,056	0.23
GBP 2,634,000	Prudential 5.70% 19/12/2063	2,830	0.31
GBP 1,825,000	RSA Insurance VAR 10/10/2045	1,878	0.21
GBP 2,127,000	Southern Water Services 4.50% 31/03/2038	2,265	0.25
GBP 3,570,000	Standard Life Aberdeen 5.50% 04/12/2042	3,902	0.43
		37,347	4.12
United States 12.49% (30/06/2018: 13.58%)			
Asset Backed 0.00% (30/06/2018: 0.00%)			
GBP 705,166	Lehman Brothers Holdings 7.875% 08/05/2018 ¹	19	-
Fixed Rate Bond 12.49% (30/06/2018: 13.58%)			
GBP 2,114,000	Apple 3.60% 31/07/2042	2,399	0.26
GBP 3,993,000	AT&T 2.90% 04/12/2026	3,909	0.43
GBP 718,000	AT&T 4.25% 01/06/2043	719	0.08
GBP 3,211,000	AT&T 4.375% 14/09/2029	3,434	0.38
GBP 3,738,000	AT&T 4.875% 01/06/2044	4,075	0.45
GBP 1,450,000	AT&T 7.00% 30/04/2040	2,011	0.22
GBP 7,480,000	Bank of America 2.30% 25/07/2025	7,377	0.81
GBP 4,235,000	Bank of America 5.50% 04/12/2019	4,386	0.48
GBP 3,400,000	Bank of America 6.125% 15/09/2021	3,771	0.42
GBP 1,400,000	Bank of America 7.00% 31/07/2028	1,882	0.21
GBP 1,614,000	Becton Dickinson 3.02% 24/05/2025	1,614	0.18
GBP 2,621,000	Citigroup 5.15% 21/05/2026	3,049	0.34
GBP 1,487,000	Citigroup 5.875% 01/07/2024	1,706	0.19
GBP 1,445,000	Citigroup 6.80% 25/06/2038	2,137	0.24
GBP 717,000	Citigroup 7.375% 01/09/2039	1,126	0.12
GBP 1,699,000	Digital Stout 3.75% 17/10/2030	1,681	0.19
GBP 3,495,000	Digital Stout 4.75% 13/10/2023	3,792	0.42
GBP 2,212,000	GE Capital UK Funding 5.875% 18/01/2033	2,453	0.27

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 1,722,000	General Electric Capital 5.25% 07/12/2028	1,824	0.20
GBP 1,020,000	General Electric Capital 5.375% 18/12/2040	1,053	0.12
GBP 4,927,000	Goldman Sachs 3.125% 25/07/2029	4,733	0.52
GBP 1,275,000	Goldman Sachs 4.25% 29/01/2026	1,365	0.15
USD 4,417,000	HCA 5.50% 15/06/2047	3,286	0.36
GBP 1,950,000	Johnson & Johnson 5.50% 06/11/2024	2,357	0.26
GBP 2,691,000	JPMorgan Chase 1.875% 10/02/2020	2,700	0.30
GBP 5,283,000	McKesson 3.125% 17/02/2029	5,162	0.57
GBP 1,275,000	Morgan Stanley 2.625% 09/03/2027	1,258	0.14
GBP 3,228,000	New York Life Global Funding 1.75% 15/12/2022	3,238	0.36
GBP 2,266,000	Procter & Gamble 1.375% 03/05/2025	2,214	0.24
GBP 584,000	Time Warner Cable 5.25% 15/07/2042	628	0.07
GBP 3,018,000	Time Warner Cable 5.75% 02/06/2031	3,438	0.38
GBP 3,398,000	Verizon Communications 3.375% 27/10/2036	3,328	0.37
GBP 5,708,000	Walmart 5.625% 27/03/2034	7,975	0.87
GBP 5,946,000	Walmart 5.75% 19/12/2030	8,132	0.89
GBP 8,200,000	Wells Fargo 5.25% 01/08/2023	9,183	1.00
		<u>113,395</u>	<u>12.49</u>
Derivatives (0.06%) (30/06/2018: (0.07%))			
Futures (0.04%) (30/06/2018: 0.02%)			
(31)	CBT US Ultra Bond March 2019	(214)	(0.03)
(106)	EUX Euro-Bobl March 2019	(25)	-
(94)	EUX Euro-Bund March 2019	(78)	(0.01)
121	ICE Long Gilt March 2019	(32)	-
		<u>(349)</u>	<u>(0.04)</u>
Swaps (0.05%) (30/06/2018: (0.04%))²			
Credit Default Swaps (0.05%) (30/06/2018: (0.04%))²			
6,500,000	CDS 1% 20/12/202 EUR Airbus Pay EUR	(144)	(0.02)
2,400,000	CDS 5% 20/12/2023 REXEL Pay EUR	(303)	(0.03)
		<u>(447)</u>	<u>(0.05)</u>
Forward Foreign Exchange Contracts 0.03% (30/06/2018: (0.05%))²			
	Buy EUR 2,000,729 : Sell GBP 1,799,349 January 2019	(2)	-
	Buy GBP 34,402 : Sell USD 43,600 January 2019 ³	-	-
	Buy GBP 34,655,437 : Sell EUR 38,352,285 January 2019	197	0.02
	Buy GBP 42,102 : Sell EUR 46,764 January 2019 ³	-	-
	Buy GBP 45,876 : Sell USD 58,100 January 2019 ³	-	-
	Buy GBP 9,699,962 : Sell USD 12,263,455 January 2019	85	0.01
	Buy USD 1,154,876 : Sell GBP 908,496 January 2019	(3)	-
	Buy USD 255,842 : Sell GBP 201,532 January 2019	(1)	-
		<u>276</u>	<u>0.03</u>
Investment assets including investment liabilities		861,547	94.93
Other net assets		46,016	5.07
Total net assets		907,563	100.00

¹ Defaulted

² Unquoted securities

³ Due to rounding to nearest £1,000

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

Credit ratings

	Market value £000	Percentage of net assets %
31/12/18		
Investments		
Investment grade (AAA - BBB)	780,425	85.99
Below investment grade (BB and below)	58,132	6.41
Unrated	23,510	2.59
Total debt securities	862,067	94.99
Derivatives	(520)	(0.06)
Investment assets including investment liabilities	861,547	94.93
Other net assets	46,016	5.07
Total net assets	907,563	100.00
	Market value £000	Percentage of net assets %
30/06/18		
Investments		
Investment grade (AAA - BBB)	977,824	85.43
Below investment grade (BB and below)	102,901	8.99
Unrated	31,433	2.75
Total debt securities	1,112,158	97.17
Derivatives	(862)	(0.07)
Investment assets including investment liabilities	1,111,296	97.10
Other net assets	33,219	2.90
Total net assets	1,144,515	100.00

Statement of total return (unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(20,079)		8,787
Revenue	17,819		21,469	
Expenses	<u>(1,703)</u>		<u>(2,010)</u>	
Net revenue before taxation	16,116		19,459	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>16,116</u>		<u>19,459</u>
Total return before distributions		(3,963)		28,246
Distributions		(16,116)		(19,461)
Change in net assets attributable to shareholders from investment activities		<u>(20,079)</u>		<u>8,785</u>

Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Opening net assets attributable to shareholders*		1,144,515		1,268,402
Amounts receivable on issue of shares	23,398		500,150	
Amounts payable on inspecie transfer**	(160,216)		-	
Amounts payable on cancellation of shares	<u>(93,798)</u>		<u>(509,942)</u>	
		(230,616)		(9,792)
Dilution adjustment		292		-
Change in net assets attributable to shareholders from investment activities		(20,079)		8,785
Retained distributions on accumulation shares		13,451		16,704
Closing net assets attributable to shareholders		<u>907,563</u>		<u>1,284,099</u>

* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

**In specie redemption

Balance sheet (unaudited) as at 31 December 2018

	31/12/18	30/06/18
	£000	£000
Assets:		
Investments	862,349	1,112,718
Current assets:		
Debtors	12,594	19,313
Cash and bank balances	45,382	30,564
Total assets	<u>920,325</u>	<u>1,162,595</u>
Liabilities:		
Investment liabilities	802	1,422
Creditors:		
Amounts held at derivatives clearing houses and brokers	14	514
Bank overdrafts	8,337	7,887
Distribution payable	70	1,223
Other creditors	3,539	7,034
Total liabilities	<u>12,762</u>	<u>18,080</u>
Net assets attributable to shareholders	<u>907,563</u>	<u>1,144,515</u>

Distribution tables for the six months ended 31 December 2018 (in pence per share)

Interim interest distribution (accounting date 30 September 2018, paid on 30 November 2018)

Group 1: shares purchased prior to 1 July 2018

Group 2: shares purchased on or after 1 July 2018

	Distribution per share	Equalisation	Total distribution per share 30/11/18	Total distribution per share 30/11/17
Class A accumulation				
Group 1	0.9184	-	0.9184	0.9583
Group 2	0.3323	0.5861	0.9184	0.9583
Class A income				
Group 1	0.7703	-	0.7703	0.8238
Group 2	0.4479	0.3224	0.7703	0.8238
Class I accumulation				
Group 1	1.7508	-	1.7508	1.8110
Group 2	1.0970	0.6538	1.7508	1.8110
Class I income				
Group 1	0.9015	-	0.9015	0.9586
Group 2	0.6064	0.2951	0.9015	0.9586
Class Z accumulation				
Group 1	1.9185	-	1.9185	1.9678
Group 2	1.6452	0.2733	1.9185	1.9678
Class A income gross ¹				
Group 1	n/a	n/a	n/a	0.8265
Group 2	n/a	n/a	n/a	0.8265
Class I accumulation gross ¹				
Group 1	n/a	n/a	n/a	2.0272
Group 2	n/a	n/a	n/a	2.0272
Class I income gross ¹				
Group 1	n/a	n/a	n/a	0.9684
Group 2	n/a	n/a	n/a	0.9684

¹ Class A income gross, Class I accumulation gross and Class I income gross closed on 2 October 2017.

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2018, paid on 28 February 2019)

Group 1 : shares purchased prior to 1 October 2018

Group 2 : shares purchased on or after 1 October 2018

	Distribution per share	Equalisation	Total distribution per share 28/02/19	Total distribution per share 28/02/18
Class A accumulation				
Group 1	0.8983	-	0.8983	0.9639
Group 2	0.3433	0.5550	0.8983	0.9639
Class A income				
Group 1	0.7493	-	0.7493	0.8235
Group 2	0.3117	0.4376	0.7493	0.8235
Class I accumulation				
Group 1	1.7205	-	1.7205	1.8242
Group 2	0.7001	1.0204	1.7205	1.8242
Class I income				
Group 1	0.4837	-	0.4837	0.9587
Group 2	-	0.4837	0.4837	0.9587
Class Z accumulation				
Group 1	1.9164	-	1.9164	1.9829
Group 2	1.0482	0.8682	1.9164	1.9829

Janus Henderson European Smaller Companies Fund

Authorised Corporate Director's (ACD) report

Investment Fund Managers

Ollie Beckett and Rory Stokes

Investment objective and policy

To aim to provide capital growth by investing primarily in European smaller companies, excluding the United Kingdom.

Performance summary

	Six months 30 Jun 18 - 31 Dec 18 %	One year 31 Dec 17 - 31 Dec 18 %	Five years 31 Dec 13 - 31 Dec 18 %	Since launch 31 Jan 85 - 31 Dec 18 %
Class A accumulation	(14.5)	(14.2)	66.1	3,882.0
Class I accumulation	(14.2)	(13.4)	73.3	4,388.0
Euromoney Smaller Europe (ex UK) Index	(13.3)	(12.7)	52.7	-*

Discrete performance	31 Dec 17 - 31 Dec 18 %	31 Dec 16 - 31 Dec 17 %	31 Dec 15 - 31 Dec 16 %	31 Dec 14 - 31 Dec 15 %	31 Dec 13 - 31 Dec 14 %
Class A accumulation	(14.2)	32.7	25.8	20.8	(4.0)
Class I accumulation	(13.4)	33.9	26.8	21.9	(3.2)

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

* Benchmark return is not quoted as the fund inception date is earlier than the benchmark inception 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 six months ended 31 December 2018

Largest purchases	£000	Largest sales	£000
Nilfisk	3,659	Nemetschek	3,919
Zooplus	3,381	Nilfisk	2,710
Portucel Soporcel	3,061	SLM Solutions	2,680
BE Semiconductor Industries	2,627	Spectrum	2,657
Wacker Neuson	2,336	Thule	2,479
Aareal Bank	2,267	Valmet	2,150
Odfjell Drilling	2,225	Aareal Bank	2,061
doBank	2,161	Agfa Gevaert	2,010
AlzChem	1,454	Dalata Hotel	1,989
JDC	1,372	Lenzing	1,900
Total purchases	46,862	Total sales	57,486

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

Investment review

The fund generated a negative return of -14.5% (based on Class A accumulation) during the period under review, against the Eurormoney Smaller Europe Index negative return of -13.3%.

The second half of the year was volatile for most assets classes. This was largely caused by the same issues that have concerned investors throughout 2018, namely Italy, the US-China trade war, Brexit and the shift away from quantitative easing. In addition, the market had to contend with a sharply falling oil price after the announcement of growing crude stockpiles in the US.

The biggest positive contribution came from Aspire Global, which provides online casino platforms and solutions. The company announced results that beat expectations and showed a meaningful growth acceleration. Dialog Semiconductor, a position we added to over the summer, also added value. The company announced that it has sold part of the business to Apple, which served to highlight the sum of the parts valuation that attracted us to the shares. Another positive contributor was Spanish speciality pharmaceutical company Laboratorios Farmacéuticos Rovi. The company has internally developed a long acting drug release technology that could prove particularly useful in the treatment of schizophrenia. We also had good returns from Gaztransport et Technigaz, a liquified natural gas liner manufacturer with good order momentum, as regulatory and environmental concerns has seen gas take market share from other traditional energy sources.

Among the biggest detractors was Outotec, which designs and supplies tailored plants for the minerals and metals processing industries. The company announced one off costs relating to a problem project in Saudi Arabia which involves a smelting furnace rebuild. The cost to Outotec is still uncertain, but the underlying business momentum appears to be improving. We have kept our holding as there is a good chance the market has overreacted. Finnish construction company Lehto also acted as a drag; the company has suffered losses in its renovation division but is now looking to focus on its modular building concept that has huge growth potential. Einhell Germany fell following poor sales of its battery operated lawn mowers. Low liquidity in the shares exacerbated the falls, so we took the opportunity to add a little to the holding.

In terms of other changes, we added Zooplus, a large online pet food retailer, to the portfolio. The valuation looked attractive as we believe the market is focusing too much on short term profitability. We like the long term prospects for the company as it has a strong balance sheet, is cash generative and is self funding strong revenue growth. We bought back into pulp and paper company Navigator, as threats of heavy US tariffs (that have since dramatically reduced) provided a good re-entry point. We also built a position in BE Semiconductor Industries following a period of weak share price performance. Slowing smart phone demand has caused the whole semiconductor sector to fall and our entry point may still be too early, but with a strong balance sheet and demand from a broad array of industries, we feel BE is well placed long term.

We took profit in Spectrum (oil services), Nemetschek (construction software) and Thule (roof boxes). We also sold SLM Solutions. While we like the company's 3D printing technology, we have grown weary of a disappointing sales pipeline. We take a more benign view of economic growth than the consensus, which is largely pricing a recession in 2019. While this outcome cannot be discounted, trade tensions should subside, policy should ease in China and economic indicators should begin to improve once again. The fund is sensibly positioned for such a scenario.

Comparative tables for the six months ended 31 December 2018

	Class A accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	2,318.97	2,147.73	1,450.34	1,305.99
Return before operating charges*	(308.22)	210.64	727.96	167.57
Operating charges	(19.30)	(39.40)	(30.57)	(23.22)
Return after operating charges*	(327.52)	171.24	697.39	144.35
Distributions on accumulation shares	-	-	(3.76)	(6.74)
Retained distributions on accumulation shares	-	-	3.76	6.74
Closing net asset value per share	1,991.45	2,318.97	2,147.73	1,450.34
* after direct transaction costs of:	0.49	2.29	2.35	1.72

Performance

Return after charges	(14.12%)	7.97%	48.08%	11.05%
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Other information

Closing net asset value (£000s)	54,363	66,677	64,078	42,971
Closing number of shares	2,729,808	2,875,294	2,983,528	2,962,853
Operating charges (annualised)	1.70%	1.71%	1.71%	1.72%
Direct transaction costs	0.02%	0.10%	0.13%	0.13%

Prices

Highest share price (pence)	2,428.00	2,426.00	2,207.00	1,466.00
Lowest share price (pence)	1,960.00	2,140.00	1,441.00	1,228.00

	Class I accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	2,602.41	2,389.36	1,599.77	1,428.30
Return before operating charges*	(347.03)	235.25	806.96	184.49
Operating charges	(10.86)	(22.20)	(17.37)	(13.02)
Return after operating charges*	(357.89)	213.05	789.59	171.47
Distributions on accumulation shares	-	(19.97)	(17.26)	(23.32)
Retained distributions on accumulation shares	-	19.97	17.26	23.32
Closing net asset value per share	2,244.52	2,602.41	2,389.36	1,599.77
* after direct transaction costs of:	0.55	2.57	2.65	1.91

Performance

Return after charges	(13.75%)	8.92%	49.36%	12.01%
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Other information

Closing net asset value (£000s)	148,233	183,994	74,533	27,386
Closing number of shares	6,604,242	7,070,143	3,119,374	1,711,859
Operating charges (annualised)	0.85%	0.86%	0.86%	0.87%
Direct transaction costs	0.02%	0.10%	0.13%	0.13%

Prices

Highest share price (pence)	2,727.00	2,713.00	2,454.00	1,616.00
Lowest share price (pence)	2,209.00	2,381.00	1,590.00	1,350.00

Comparative tables (continued)

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

Performance values are close of business and on a bid basis 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 period.

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 period, except for expenses that are explicitly excluded by regulation.

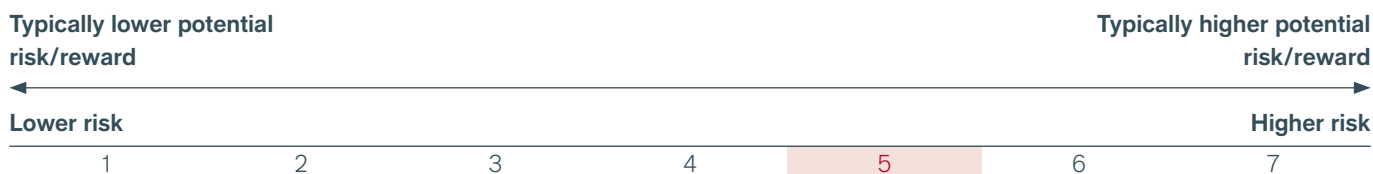
	31/12/18 %	30/06/18 %
Class A	1.70	1.71
Class I	0.85	0.86

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 class 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 classes appear 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. Under normal market conditions the following risks may apply:

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

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

Country or Region Risk If a fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a fund which is more broadly diversified.

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

Equities Risk Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.

Exchange Rate Risk Changes in currency exchange rates may cause the value of your investment and any income from it to rise or fall.

Hedging Risk If the fund or a specific share class of the fund seeks to reduce risks (such as exchange rate movements), the measures designed to do so may be ineffective, unavailable or detrimental.

Smaller Companies Risk Shares of small and mid-size companies can be more volatile than shares of larger companies, and at times it may be difficult to value or sell shares at the desired times and prices, increasing the risk of losses.

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 ratings in the period.

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

Portfolio statement as at 31 December 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 98.63% (30/06/2018: 97.01%)		
	Austria 0.60% (30/06/2018: 1.46%)		
	Basic Materials 0.60% (30/06/2018: 1.46%)		
17,026	Lenzing	1,213	0.60
	Belgium 4.75% (30/06/2018: 5.02%)		
	Health Care 0.21% (30/06/2018: 0.53%)		
36,440	Ion Beam Applications	418	0.21
	Industrials 4.54% (30/06/2018: 4.49%)		
941,060	Agfa Gevaert	2,813	1.39
45,376	Barco	4,028	1.98
30,624	CFE	2,369	1.17
		9,210	4.54
	Denmark 3.68% (30/06/2018: 3.38%)		
	Consumer Goods 0.93% (30/06/2018: 0.92%)		
172,901	TCM	1,892	0.93
	Industrials 1.35% (30/06/2018: 1.14%)		
68,717	FLSmidth	2,421	1.20
11,099	Nilfisk	306	0.15
		2,727	1.35
	Technology 1.40% (30/06/2018: 1.32%)		
532,050	Better Collective	2,828	1.40
	Estonia 0.00% (30/06/2018: 0.52%)		
	Consumer Services 0.00% (30/06/2018: 0.52%)		
	Finland 4.99% (30/06/2018: 6.86%)		
	Consumer Goods 1.65% (30/06/2018: 2.23%)		
526,139	Altia	3,348	1.65
	Consumer Services 0.00% (30/06/2018: 0.20%)		
	Health Care 0.60% (30/06/2018: 0.52%)		
313,247	Silmaasema	1,212	0.60
	Industrials 2.74% (30/06/2018: 3.91%)		
329,281	Lehto	1,255	0.62
590,375	Outotec	1,625	0.80
166,082	Valmet	2,662	1.32
		5,542	2.74
	France 11.67% (30/06/2018: 10.23%)		
	Consumer Goods 1.28% (30/06/2018: 1.08%)		
86,618	Kaufman & Broad	2,597	1.28
	Consumer Services 0.62% (30/06/2018: 0.60%)		
178,646	Europcar	1,260	0.62

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Health Care 1.78% (30/06/2018: 1.48%)		
82,039	Vétoquinol	3,608	1.78
	Industrials 0.95% (30/06/2018: 2.67%)		
91,359	Mersen	1,923	0.95
	Oil & Gas 2.52% (30/06/2018: 0.00%)		
84,860	Gaztransport et Technigaz	5,115	2.52
	Technology 4.52% (30/06/2018: 4.40%)		
168,815	Criteo ADS	3,012	1.49
42,542	Devoteam	3,134	1.55
66,133	Soitec	3,001	1.48
		9,147	4.52
	Germany 15.53% (30/06/2018: 15.48%)		
	Consumer Goods 4.00% (30/06/2018: 3.73%)		
47,153	Akasol	1,447	0.71
42,594	Einhell Germany Preference Shares	2,164	1.07
61,678	Helma Eigenheimbau	1,796	0.89
25,190	Zooplus	2,689	1.33
		8,096	4.00
	Consumer Services 1.42% (30/06/2018: 1.74%)		
46,743	CEWE Stiftung	2,602	1.28
28,249	home24	282	0.14
		2,884	1.42
	Financials 1.72% (30/06/2018: 1.51%)		
101,525	Aareal Bank	2,451	1.21
166,555	JDC	1,035	0.51
		3,486	1.72
	Health Care 1.33% (30/06/2018: 1.37%)		
131,735	Dermapharm	2,685	1.33
	Industrials 2.44% (30/06/2018: 3.31%)		
22,053	Basler	2,434	1.20
109,782	SUSS MircoTec	842	0.42
112,273	Wacker Neuson	1,669	0.82
		4,945	2.44
	Technology 4.62% (30/06/2018: 3.82%)		
753,400	AlzChem	1,488	0.73
210,346	Dialog Semiconductor	4,262	2.11
73,403	Mensch und Maschine Software	1,660	0.82
139,103	USU Software	1,948	0.96
		9,358	4.62

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Ireland 1.40% (30/06/2018: 2.30%)		
	Consumer Goods 0.90% (30/06/2018: 0.83%)		
349,271	Origin Enterprises	1,818	0.90
	Consumer Services 0.50% (30/06/2018: 1.47%)		
238,790	Dalata Hotel	1,017	0.50
	Italy 9.21% (30/06/2018: 7.76%)		
	Consumer Goods 0.00% (30/06/2018: 0.48%)		
	Financials 7.89% (30/06/2018: 6.40%)		
764,246	Anima	2,210	1.09
836,517	Banca Farmafactoring	3,377	1.67
716,811	BPER Banca	2,164	1.07
269,632	doBank	2,234	1.10
372,466	FinecoBank	2,933	1.45
216,071	Gruppo MutuiOnline	3,060	1.51
		<u>15,978</u>	<u>7.89</u>
	Industrials 1.32% (30/06/2018: 0.88%)		
330,613	Carel Industries	2,681	1.32
	Luxembourg 3.09% (30/06/2018: 2.37%)		
	Consumer Services 1.64% (30/06/2018: 1.25%)		
280,627	B&S	3,325	1.64
	Industrials 1.45% (30/06/2018: 1.12%)		
632,286	Ahlsell	2,931	1.45
	Malta 1.98% (30/06/2018: 1.08%)		
	Consumer Services 1.98% (30/06/2018: 1.08%)		
917,072	Aspire Global	4,016	1.98
	Netherlands 8.34% (30/06/2018: 8.22%)		
	Financials 3.39% (30/06/2018: 2.86%)		
312,927	Intertrust	4,117	2.03
154,828	Van Lanschot Kempen	2,754	1.36
		<u>6,871</u>	<u>3.39</u>
	Industrials 2.02% (30/06/2018: 2.88%)		
212,894	Brunel International	2,069	1.02
107,492	Kendrion	2,017	1.00
		<u>4,086</u>	<u>2.02</u>
	Oil & Gas 0.58% (30/06/2018: 1.18%)		
173,183	Fugro	1,173	0.58
	Technology 2.35% (30/06/2018: 1.30%)		
170,303	BE Semiconductor Industries	2,825	1.40
205,973	ICT	1,932	0.95
		<u>4,757</u>	<u>2.35</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Norway 3.58% (30/06/2018: 5.13%)		
	Consumer Services 0.98% (30/06/2018: 1.00%)		
739,467	Bygghemma Group First	1,975	0.98
	Financials 1.10% (30/06/2018: 1.12%)		
298,968	Sparebank 1	2,245	1.10
	Industrials 0.65% (30/06/2018: 0.88%)		
491,565	Wallenius Wilhelmsen Logistics	1,322	0.65
	Oil & Gas 0.81% (30/06/2018: 1.23%)		
885,292	Odfjell Drilling	1,650	0.81
	Technology 0.85% (30/06/2018: 0.90%)		
882,412	Data Respons	1,720	0.85
	Portugal 1.26% (30/06/2018: 0.00%)		
	Basic Materials 1.26% (30/06/2018: 0.00%)		
796,155	Navigator	2,563	1.26
	Spain 4.48% (30/06/2018: 3.82%)		
	Health Care 1.69% (30/06/2018: 0.99%)		
220,358	Laboratorios Farmaceúticos Rovi	3,422	1.69
	Industrials 2.79% (30/06/2018: 2.83%)		
320,149	Applus	2,785	1.37
328,977	Fluidra	2,878	1.42
		5,663	2.79
	Sweden 12.62% (30/06/2018: 12.71%)		
	Basic Materials 2.30% (30/06/2018: 1.96%)		
430,318	Ahlstrom-Munksjö	4,650	2.30
	Consumer Goods 1.38% (30/06/2018: 2.07%)		
293,339	MIPS	2,806	1.38
	Consumer Services 4.42% (30/06/2018: 4.30%)		
593,522	AcadeMedia	2,063	1.02
352,829	Dustin	2,275	1.12
935,042	Europris	1,959	0.97
367,492	Kindred	2,652	1.31
		8,949	4.42
	Financials 1.44% (30/06/2018: 0.81%)		
191,340	JM	2,920	1.44
	Health Care 1.41% (30/06/2018: 1.10%)		
372,658	Ambea	2,855	1.41

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials 1.67% (30/06/2018: 2.47%)		
105,844	Alimak	1,031	0.51
529,067	Balco	2,348	1.16
		<u>3,379</u>	<u>1.67</u>
	Switzerland 9.46% (30/06/2018: 9.26%)		
	Consumer Goods 1.18% (30/06/2018: 0.00%)		
2,184	Forbo	2,401	1.18
	Consumer Services 1.59% (30/06/2018: 1.56%)		
45,146	Zur Rose	3,225	1.59
	Health Care 2.29% (30/06/2018: 2.23%)		
785,737	Handicare	2,300	1.14
8,804	Siegfried	2,349	1.15
		<u>4,649</u>	<u>2.29</u>
	Industrials 4.40% (30/06/2018: 5.47%)		
26,469	Comet	1,681	0.83
2,748	Interroll	3,173	1.57
42,630	Klingelberg	1,294	0.64
312,749	OC Oerlikon	2,748	1.36
		<u>8,896</u>	<u>4.40</u>
	United Kingdom 1.99% (30/06/2018: 1.41%)¹		
	Industrials 1.18% (30/06/2018: 1.41%)		
371,197	Grafton	2,386	1.18
	Derivatives 0.00% (30/06/2018: 0.00%)		
	Forward Foreign Exchange Contracts 0.00% (30/06/2018: 0.00%)²		
	Buy EUR 110,300 : Sell SEK 1,131,480 January 2019	(1)	-
	Buy EUR 12,212 : Sell GBP 10,933 January 2019 ³	-	-
	Buy EUR 26,458 : Sell SEK 273,204 January 2019 ³	-	-
	Buy GBP 30,387 : Sell EUR 33,619 January 2019 ³	-	-
		<u>(1)</u>	<u>-</u>
	Investment assets including investment liabilities	199,822	98.63
	Other net assets	2,774	1.37
	Total net assets	<u>202,596</u>	<u>100.00</u>

¹ These stocks are incorporated and domiciled in Europe and are permitted investments, the country of risk is United Kingdom.

² Unquoted securities

³ Due to rounding to nearest £1,000

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

Statement of total return (unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(32,449)		12,669
Revenue	761		437	
Expenses	(1,278)		(1,081)	
Interest payable and similar charges	(10)		(11)	
Net expense before taxation	(527)		(655)	
Taxation	(36)		1	
Net expense after taxation		(563)		(654)
Total return before distributions		(33,012)		12,015
Distributions		-		-
Change in net assets attributable to shareholders from investment activities		(33,012)		12,015

Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Opening net assets attributable to shareholders*		250,671		138,611
Amounts receivable on issue of shares	11,545		72,752	
Amounts payable on cancellation of shares	(26,608)		(9,485)	
		(15,063)		63,267
Dilution adjustment		-		17
Change in net assets attributable to shareholders from investment activities		(33,012)		12,015
Closing net assets attributable to shareholders		202,596		213,910

* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

Balance sheet (unaudited) as at 31 December 2018

	31/12/18 £000	30/06/18 £000
Assets:		
Investments	199,823	243,189
Current assets:		
Debtors	585	3,815
Cash and bank balances	3,445	10,702
Total assets	<u>203,853</u>	<u>257,706</u>
Liabilities:		
Investment liabilities	1	1
Creditors:		
Bank overdrafts	777	1,194
Other creditors	479	5,840
Total liabilities	<u>1,257</u>	<u>7,035</u>
Net assets attributable to shareholders	<u>202,596</u>	<u>250,671</u>

Janus Henderson Index Linked Bond Fund

Authorised Corporate Director's (ACD) report

Investment Fund Managers

Andrew Mulliner and Bethany Payne

Investment objective and policy

To provide a return by investing primarily in United Kingdom Government issued index linked securities. The fund may invest in other transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

Performance summary

Cumulative performance	Six months	One year	Five years	Since launch
	30 Jun 18 - 31 Dec 18	31 Dec 17 - 31 Dec 18	31 Dec 13 - 31 Dec 18	4 Sep 00 - 31 Dec 18
	%	%	%	%
Class A income	(0.6)	(2.5)	45.2	198.5
Class I income	(0.4)	(2.1)	48.8	220.6
FTSE Index Linked (Over 5 years) Index	0.6	(0.4)	56.0	259.5

Discrete performance	31 Dec 17 -	31 Dec 16 -	31 Dec 15 -	31 Dec 14 -	31 Dec 13 -
	31 Dec 18	31 Dec 17	31 Dec 16	31 Dec 15	31 Dec 14
	%	%	%	%	%
Class A income	(2.5)	1.7	26.0	(1.9)	18.4
Class I income	(2.1)	2.0	26.6	(1.3)	19.3

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

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

Significant portfolio changes for the six months ended 31 December 2018

Largest purchases	£000	Largest sales	£000
UK Treasury 0.625% Index-Linked 22/11/2042	3,606	UK Treasury 0.125% Index-Linked 22/03/2024	4,065
UK Treasury 0.125% Index-Linked 10/08/2048	2,891	UK Treasury 0.625% Index-Linked 22/11/2042	3,591
UK Treasury 0.75% Index-Linked 22/11/2047	1,899	UK Treasury 0.75% Index-Linked 22/11/2047	2,987
UK Treasury 0.125% Index-Linked 22/03/2046	1,692	UK Treasury 0.125% Index-Linked 10/08/2048	2,875
UK Treasury 0.125% Index-Linked 10/08/2041	1,306	UK Treasury 0.125% Index-Linked 22/11/2065	2,011
UK Treasury 0.125% Index-Linked 22/11/2056	1,260	UK Treasury 2.00% Index-Linked 26/01/2035	1,687
UK Treasury 0.125% Index-Linked 10/08/2028	1,208	UK Treasury 0.375% Index-Linked 22/03/2062	1,534
UK Treasury 2.00% Index-Linked 26/01/2035	988	UK Treasury 1.25% Index-Linked 22/11/2055	1,461
UK Treasury 1.25% Index-Linked 22/11/2027	760	UK Treasury 0.125% Index-Linked 22/11/2056	1,337
UK Treasury 0.375% Index-Linked 22/03/2062	473	UK Treasury 0.125% Index-Linked 22/03/2068	1,272
Total purchases	16,082	Total sales	31,788

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

Investment review

The fund generated a return of -0.6% (based on Class A income) during the period under review, against the FTSE Index Linked (Over 5 years) Index positive return of 0.6%.

The latter part of 2018 was a tale of two halves. We started the period seeing the same issues that occupied markets in the first half, namely political risk, intensifying trade wars, Brexit headlines and a shift away from ultra-accommodative monetary policy by central banks. Nevertheless, returns for risk assets generally held up well for most of the period, with credit markets performing well while government bonds delivered negative returns. Volatility then returned to bond markets in the second half as declines in equity markets, soft global economic data and a sharp fall in the oil price negatively impacted demand for risk assets. Core government bond markets were the main beneficiary, with yields falling (and prices rising) sharply in the fourth quarter.

Over the period, UK government bond yields were broadly unchanged from their 30 June levels, with underperformance in September offset by late-period strength as core government bond markets rallied around the world. In the UK, index-linked gilts outperformed conventional gilts, with market inflation expectations rising due to sterling weakness and Brexit concerns (in contrast with other markets, where the sharp fall in oil prices led inflation expectations lower).

The fund was positioned for yields to fall in Canada, Australia and New Zealand relative to other markets, such as Japan. In the third quarter, Canadian yields continued to rise against our expectations, with better than expected GDP and retail sales data despite signs of slowing economic activity and consumer credit. We exited this position in October. The pick-up in market volatility from that month led to choppier market conditions and a flight to quality. We held a tactical short to US Treasuries, which was closed for a loss as investors increasingly favoured 'safe haven' assets. Positions in Australia and New Zealand rates performed well in December. However, against this our negative view on Japan expecting yields to rise detracted.

We expected steeper yield curves (shorter maturity rates to outperform relative to longer maturity rates), and this thinking worked well in the US towards the end of the year, as shorter maturity debt benefited from expectations that the Federal Reserve (Fed) would have to reassess (slow) the trajectory of planned interest rate hikes. However, yield curve positioning detracted in Japan and Mexico. In Japan, the risk-off environment led to the outperformance of longer-dated debt (which had performed poorly earlier in the year), while positioning for two-year rates to outperform 10-year equivalents in Mexico (now closed) detracted as a result of the central bank being more hawkish than expected and as uncertainty surrounding the plans of the new Obrador administration lessened.

Within the UK, we positioned for longer-dated debt to outperform given relatively low supply in the fourth quarter and our expectations that UK inflation would fall from elevated levels. The current pricing in shorter-dated inflation markets in the UK is at odds with the fall in oil prices and assumes a significant depreciation in sterling to be justified.

In currency activity, positions expecting Scandinavian currencies to appreciate contributed positively, as those central banks look set to embark on interest rate hikes. Within emerging markets, exposure to the Colombian peso detracted as stress on emerging markets increased in August. We subsequently established a position expecting the Brazilian real to appreciate around the election, which performed very well. At the end of the period, we increased our positive position in the Norwegian krone held against a basket consisting of the euro, Swedish krona and Canadian dollar.

The final quarter of 2018 saw extreme turbulence in equities and credit markets, with government bonds performing strongly. Government bond yields have rallied sharply, particularly in the US, with current markets pricing no further rate hikes from the Fed. While economic data is rolling over globally, we believe the current level of market pricing to be too low in the US relative to other developed markets (where markets still price hikes) and expect US bonds to underperform those of other markets from here. More broadly, however, economic growth looks to have rolled over following weaker growth in Europe and Asia, suggesting that the balance of risks to yields may be to the downside overall.

Comparative tables for the six months ended 31 December 2018

	Class A income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	454.05	450.27	424.16	366.51
Return before operating charges*	0.11	7.89	30.26	60.94
Operating charges	(2.04)	(4.11)	(4.15)	(3.29)
Return after operating charges*	(1.93)	3.78	26.11	57.65
Distributions on income shares	-	-	-	-
Closing net asset value per share	452.12	454.05	450.27	424.16
* after direct transaction costs of:	-	-	-	0.01
Performance				
Return after charges	(0.43%)	0.84%	6.16%	15.73%
Other information				
Closing net asset value (£000s)	11,656	13,050	13,769	15,070
Closing number of shares	2,578,189	2,874,205	3,057,838	3,552,976
Operating charges (annualised)	0.90%	0.91%	0.91%	0.91%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	473.00	475.30	488.90	422.40
Lowest share price (pence)	438.40	434.30	418.20	358.00
	Class D accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	347.01	342.02	319.96	274.77
Return before operating charges*	0.08	5.99	23.05	46.00
Operating charges	(0.49)	(1.00)	(0.99)	(0.81)
Return after operating charges*	(0.41)	4.99	22.06	45.19
Distributions on accumulation shares	-	-	-	(0.57)
Retained distributions on accumulation shares	-	-	-	0.57
Closing net asset value per share	346.60	347.01	342.02	319.96
* after direct transaction costs of:	-	-	-	0.01
Performance				
Return after charges	(0.12%)	1.46%	6.89%	16.45%
Other information				
Closing net asset value (£000s)	28	29	31	309
Closing number of shares	8,097	8,250	8,950	96,495
Operating charges (annualised)	0.28%	0.29%	0.29%	0.29%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	362.50	361.50	370.90	318.80
Lowest share price (pence)	335.50	330.20	315.70	268.50

Comparative tables (continued)

	Class I accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	542.61	536.15	502.78	432.82
Return before operating charges*	0.16	9.37	36.30	72.45
Operating charges	(1.46)	(2.91)	(2.93)	(2.41)
Return after operating charges*	(1.30)	6.46	33.37	70.04
Distributions on accumulation shares	-	-	-	(0.39)
Retained distributions on accumulation shares [^]	-	-	-	0.31
Closing net asset value per share	541.31	542.61	536.15	502.78
* after direct transaction costs of:	-	-	-	0.01

Performance

Return after charges	(0.24%)	1.20%	6.64%	16.18%
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Other information

Closing net asset value (£000s)	98,814	108,056	21,211	15,311
Closing number of shares	18,254,702	19,914,073	3,956,259	3,045,261
Operating charges (annualised)	0.53%	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	566.20	566.30	581.70	501.00
Lowest share price (pence)	524.30	517.50	496.10	422.90

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

	Class I income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	470.78	465.17	436.23	375.80
Return before operating charges*	0.14	8.13	31.48	62.79
Operating charges	(1.27)	(2.52)	(2.54)	(2.09)
Return after operating charges*	(1.13)	5.61	28.94	60.70
Distributions on income shares	-	-	-	(0.27)
Closing net asset value per share	469.65	470.78	465.17	436.23
* after direct transaction costs of:	-	-	-	0.01

Performance

Return after charges	(0.24%)	1.21%	6.63%	16.15%
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Other information

Closing net asset value (£000s)	39,040	43,329	62,656	51,976
Closing number of shares	8,312,644	9,203,548	13,469,458	11,914,841
Operating charges (annualised)	0.53%	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	491.30	491.40	504.70	434.70
Lowest share price (pence)	454.90	449.00	430.40	367.20

Comparative tables (continued)

	Class Z accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	318.26	312.90	292.00	250.15
Return before operating charges*	0.09	5.49	21.03	41.95
Operating charges	(0.06)	(0.13)	(0.13)	(0.10)
Return after operating charges*	0.03	5.36	20.90	41.85
Distributions on accumulation shares	-	(0.09)	-	(0.85)
Retained distributions on accumulation shares	-	0.09	-	0.85
Closing net asset value per share	318.29	318.26	312.90	292.00
* after direct transaction costs of:	-	-	-	0.01
Performance				
Return after charges	0.01%	1.71%	7.16%	16.73%
Other information				
Closing net asset value (£000s)	14,095	14,005	15,408	15,783
Closing number of shares	4,428,273	4,400,659	4,924,252	5,405,032
Operating charges (annualised)	0.03%	0.04%	0.04%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	332.90	330.80	339.10	290.90
Lowest share price (pence)	307.90	302.10	288.20	244.50
		Class A income gross		
		Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share		456.10	429.01	370.26
Return before operating charges*		(2.08)	30.84	61.75
Operating charges		(1.32)	(3.75)	(3.00)
Return after operating charges*		(3.40)	27.09	58.75
Distributions on income shares		-	-	-
Final cancellation price		(452.70) ¹	-	-
Closing net asset value per share		-	456.10	429.01
* after direct transaction costs of:		-	-	0.01
Performance				
Return after charges		(0.75%)	6.31%	15.87%
Other information				
Closing net asset value (£000s)		-	3,401	1,381
Closing number of shares		-	745,709	321,916
Operating charges (annualised)		0.81%	0.81%	0.81%
Direct transaction costs		0.00%	0.00%	0.00%
Prices				
Highest share price (pence)		481.50 ²	495.10	427.40
Lowest share price (pence)		440.20 ²	423.10	361.70

¹ Class A income gross closed on 2 October 2017 and this is the final cancellation price.

² to 2 October 2017

Comparative tables (continued)

	Class I accumulation gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	548.07	514.03	442.52
Return before operating charges*	(2.63)	37.02	73.97
Operating charges	(1.04)	(2.98)	(2.46)
Return after operating charges*	(3.67)	34.04	71.51
Distributions on accumulation shares	-	-	(0.36)
Retained distributions on accumulation shares	-	-	0.36
Final cancellation price	(544.40) ³	-	-
Closing net asset value per share	-	548.07	514.03
* after direct transaction costs of:	-	-	0.01
Performance			
Return after charges	(0.67%)	6.62%	16.16%
Other information			
Closing net asset value (£000s)	-	95,410	190,316
Closing number of shares	-	17,408,180	37,024,417
Operating charges (annualised)	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	578.90 ⁴	594.60	512.50
Lowest share price (pence)	529.00 ⁴	507.20	432.40

³ Class I accumulation gross closed on 2 October 2017 and this is the final cancellation price.

⁴ to 2 October 2017

Comparative tables (continued)

	Class I income gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	466.97	437.96	377.35
Return before operating charges*	(2.28)	31.56	63.02
Operating charges	(0.89)	(2.55)	(2.10)
Return after operating charges*	(3.17)	29.01	60.92
Distributions on income shares	-	-	(0.31)
Final cancellation price	(463.80) ⁵	-	-
Closing net asset value per share	-	466.97	437.96
* after direct transaction costs of:	-	-	0.01
Performance			
Return after charges	(0.68%)	6.62%	16.14%
Other information			
Closing net asset value (£000s)	-	10,463	5,078
Closing number of shares	-	2,240,706	1,159,567
Operating charges (annualised)	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	493.30 ⁶	506.60	436.40
Lowest share price (pence)	450.70 ⁶	432.10	368.70

⁵ Class I income gross closed on 2 October 2017 and this is the final cancellation price.

⁶ to 2 October 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 close of business and on a bid basis 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 period.

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 period, except for expenses that are explicitly excluded by regulation.

	31/12/18 %	30/06/18 %
Class A	0.90	0.91
Class D	0.28	0.29
Class I	0.53	0.54
Class Z	0.03	0.04

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

Risk and reward profile

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



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

The value of an investment 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 classes appear 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. Under normal market conditions the following risks may apply:

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

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

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

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

Hedging Risk If the fund or a specific share class of the fund seeks to reduce risks (such as exchange rate movements), the measures designed to do so may be ineffective, unavailable or detrimental.

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

Leverage Risk Leverage arises from entering into contracts or derivatives whose terms have the effect of magnifying an outcome, meaning profits and losses from investments can be greater.

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

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

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

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

Portfolio statement as at 31 December 2018

Holding	Investment	Market value £000	Percentage of total net assets %
Bonds 99.26% (30/06/2018: 99.43%)			
United Kingdom 99.26% (30/06/2018: 99.43%)			
Index Linked Bond 99.26% (30/06/2018: 99.43%)			
GBP 970,949	UK Treasury 0.125% Index-Linked 10/08/2028	1,211	0.74
GBP 880,241	UK Treasury 0.125% Index-Linked 10/08/2041	1,327	0.81
GBP 1,760,127	UK Treasury 0.125% Index-Linked 10/08/2048	2,943	1.80
GBP 1,154,019	UK Treasury 0.125% Index-Linked 22/03/2024	1,524	0.93
GBP 3,948,845	UK Treasury 0.125% Index-Linked 22/03/2026	5,078	3.10
GBP 4,112,913	UK Treasury 0.125% Index-Linked 22/03/2029	6,065	3.71
GBP 4,168,529	UK Treasury 0.125% Index-Linked 22/03/2044	7,449	4.55
GBP 3,262,837	UK Treasury 0.125% Index-Linked 22/03/2046	5,612	3.43
GBP 3,074,724	UK Treasury 0.125% Index-Linked 22/03/2058	6,277	3.84
GBP 3,250,624	UK Treasury 0.125% Index-Linked 22/03/2068	8,058	4.92
GBP 2,752,032	UK Treasury 0.125% Index-Linked 22/11/2036	4,212	2.57
GBP 1,592,261	UK Treasury 0.125% Index-Linked 22/11/2056	3,092	1.89
GBP 2,042,846	UK Treasury 0.125% Index-Linked 22/11/2065	4,639	2.84
GBP 3,315,402	UK Treasury 0.25% Index-Linked 22/03/2052	6,843	4.18
GBP 3,329,098	UK Treasury 0.375% Index-Linked 22/03/2062	8,457	5.17
GBP 3,249,266	UK Treasury 0.50% Index-Linked 22/03/2050	7,820	4.78
GBP 3,774,946	UK Treasury 0.625% Index-Linked 22/03/2040	7,842	4.79
GBP 3,803,838	UK Treasury 0.625% Index-Linked 22/11/2042	8,459	5.17
GBP 3,937,816	UK Treasury 0.75% Index-Linked 22/03/2034	6,986	4.27
GBP 3,107,349	UK Treasury 0.75% Index-Linked 22/11/2047	7,786	4.76
GBP 3,508,475	UK Treasury 1.125% Index-Linked 22/11/2037	8,118	4.96
GBP 4,369,731	UK Treasury 1.25% Index-Linked 22/11/2027	8,454	5.17
GBP 3,565,915	UK Treasury 1.25% Index-Linked 22/11/2032	6,992	4.27
GBP 2,602,840	UK Treasury 1.25% Index-Linked 22/11/2055	9,008	5.50
GBP 2,425,518	UK Treasury 2.00% Index-Linked 26/01/2035	6,663	4.07
GBP 1,804,971	UK Treasury 2.50% Index-Linked 17/07/2024	6,578	4.02
GBP 1,338,122	UK Treasury 4.125% Index-Linked 22/07/2030	4,939	3.02
		162,432	99.26
Derivatives (0.08%) (30/06/2018: (0.13%))			
Futures (0.02%) (30/06/2018: (0.02%))			
(23)	EUX Euro-Buxl 30 Year Bond March 2019	(18)	(0.01)
(11)	OSE Japan 10 Year Bond March 2019	(49)	(0.03)
102	SFE Australia 3 Year Bond March 2019	27	0.02
		(40)	(0.02)
Options 0.00% (30/06/2018: 0.03%)			
(575,000)	BRL/USD Put 3.85 March 2019	(10)	(0.01)
(1,725,000)	BRL/USD Put 3.85 March 2019	(29)	(0.02)
2,300,000	USD/BRL Put 3.85 March 2019	38	0.03
1,700,000	USD/CLP Put 633 March 2019	2	-
1,750,000	USD/GBP Call 1.38 February 2019	2	-
1,750,000	USD/GBP Call 1.38 February 2019	2	-
		5	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Swaptions 0.00% (30/06/2018: (0.01%))			
26,800,000	Swaption January 2019 USD 3 Month LIBOR 2.5725%	12	0.01
(11,200,000)	Swaption January 2019 USD 3 Month LIBOR 2.595%	(24)	(0.01)
		<u>(12)</u>	<u>-</u>
Swaps (0.03%) (30/06/2018: (0.11%))¹			
Inflation Index Swaps (0.06%) (30/06/2018: 0.00%)¹			
6,400,000	IIS 3.48% 15/09/2023 UKRPI Receive Fixed GBP	(87)	(0.06)
600,000	IIS 3.56% 15/12/2048 UKRPI Pay Floating GBP	(17)	(0.01)
6,400,000	IIS 3.6225% 15/12/2023 UKRPI Receive Fixed GBP	16	0.01
		<u>(88)</u>	<u>(0.06)</u>
Interest Rate Swaps 0.03% (30/06/2018: (0.11%))¹			
6,894,100,000	IRS 0.1100% EURIBOR 6 month 0.00% Received Floating 0.00% JPY	101	0.06
1,388,000,000	IRS 0.4465% LIBOR 6 month 0.00% Received Floating 0.00% JPY	(265)	(0.16)
1,800,000	IRS 1.4651% EURIBOR 6 month 0.00% Received Floating 0.00% EUR	35	0.02
1,800,000	IRS 1.5078% EURIBOR 6 month 0.00% Received Floating 0.00% EUR	51	0.03
18,200,000	IRS 2.53% BBALIBOR 3 Month Receive Fixed NZD	56	0.03
29,300,000	IRS 2.7075% CDOR 3 Month Receive Fixed CAD	334	0.21
62,600,000	IRS 2.8150% LIBOR 3 month 0.00% Received Floating 0.00% USD	186	0.11
13,800,000	IRS 2.9490% LIBOR 3 month 0.00% Received Floating 0.00% USD	(173)	(0.11)
7,000,000	IRS 3.0250% LIBOR 3 month 0.00% Received Floating 0.00% USD	(123)	(0.08)
31,500,000	IRS 3.0460% LIBOR 3 month 0.00% Received Floating 0.00% USD	206	0.13
22,400,000	IRS 3.056% LIBOR 3 Month Receive Floating USD	(361)	(0.21)
		<u>47</u>	<u>0.03</u>
Forward Foreign Exchange Contracts (0.03%) (30/06/2018: (0.02%))¹			
	Buy AUD 21,600 : Sell GBP 12,338 January 2019 ²	-	-
	Buy AUD 4,427,994 : Sell GBP 2,520,035 March 2019	(78)	(0.04)
	Buy CAD 111,245 : Sell GBP 65,505 January 2019	(2)	-
	Buy CAD 23,717 : Sell GBP 13,627 January 2019 ²	-	-
	Buy CAD 302,433 : Sell GBP 178,843 January 2019	(5)	-
	Buy CAD 37,239 : Sell GBP 21,729 January 2019 ²	-	-
	Buy CAD 43,353 : Sell GBP 25,052 January 2019 ²	-	-
	Buy CAD 43,845 : Sell GBP 26,094 January 2019	(1)	-
	Buy CAD 50,193 : Sell GBP 29,716 January 2019	(1)	-
	Buy CAD 59,447 : Sell GBP 34,972 January 2019	(1)	-
	Buy CAD 62,774 : Sell GBP 36,787 January 2019	(1)	-
	Buy CAD 79,697 : Sell GBP 46,221 January 2019 ²	-	-
	Buy CHF 11,947 : Sell GBP 9,619 January 2019 ²	-	-
	Buy CHF 1,256 : Sell GBP 1,001 January 2019 ²	-	-
	Buy CHF 16,956 : Sell GBP 13,552 January 2019 ²	-	-
	Buy CHF 3,503 : Sell GBP 2,806 January 2019 ²	-	-
	Buy CHF 35,607 : Sell GBP 28,515 January 2019 ²	-	-
	Buy CHF 3,827 : Sell GBP 3,055 January 2019 ²	-	-
	Buy EUR 1,400,000 : Sell SEK 14,469,420 March 2019	(25)	(0.02)
	Buy EUR 1,400,000 : Sell SEK 14,512,260 March 2019	(28)	(0.02)
	Buy EUR 156,828 : Sell GBP 141,690 January 2019	(1)	-
	Buy EUR 39,688 : Sell GBP 35,796 January 2019 ²	-	-
	Buy GBP 11,140 : Sell CAD 18,737 January 2019 ²	-	-
	Buy GBP 12,193 : Sell CAD 20,613 January 2019 ²	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts¹ (continued)			
	Buy GBP 1,234 : Sell CHF 1,546 January 2019 ²	-	-
	Buy GBP 126,602 : Sell JPY 18,034,879 January 2019	(3)	-
	Buy GBP 12,672 : Sell CHF 15,870 January 2019 ²	-	-
	Buy GBP 12,704 : Sell JPY 1,800,000 January 2019 ²	-	-
	Buy GBP 1,407,131 : Sell EUR 1,574,924 March 2019	(10)	(0.01)
	Buy GBP 1,610,980 : Sell CAD 2,752,647 March 2019	31	0.02
	Buy GBP 17,960 : Sell JPY 2,508,000 January 2019 ²	-	-
	Buy GBP 1,890 : Sell NZD 3,497 January 2019 ²	-	-
	Buy GBP 194,499 : Sell USD 245,900 January 2019	2	-
	Buy GBP 19,769 : Sell CAD 33,363 January 2019	1	-
	Buy GBP 2,024 : Sell NZD 3,841 January 2019 ²	-	-
	Buy GBP 22,787 : Sell CAD 39,182 January 2019 ²	-	-
	Buy GBP 24,749 : Sell USD 31,443 January 2019 ²	-	-
	Buy GBP 27,037 : Sell USD 33,962 January 2019 ²	-	-
	Buy GBP 300,353 : Sell EUR 332,394 January 2019	2	-
	Buy GBP 333,232 : Sell CAD 569,766 January 2019	6	-
	Buy GBP 33,389 : Sell CHF 41,526 January 2019 ²	-	-
	Buy GBP 3,459,137 : Sell USD 4,426,104 March 2019	(5)	-
	Buy GBP 4,809 : Sell CHF 6,027 January 2019 ²	-	-
	Buy GBP 4,974 : Sell NZD 9,202 January 2019 ²	-	-
	Buy GBP 5,420 : Sell JPY 762,650 January 2019 ²	-	-
	Buy GBP 54,570 : Sell CAD 94,386 January 2019 ²	-	-
	Buy GBP 63,860 : Sell MXN 1,598,814 January 2019	1	-
	Buy GBP 63,953 : Sell EUR 70,600 January 2019	1	-
	Buy GBP 6,496 : Sell CHF 8,127 January 2019 ²	-	-
	Buy GBP 66,922 : Sell MXN 1,687,770 January 2019 ²	-	-
	Buy GBP 83,662 : Sell AUD 149,773 January 2019	1	-
	Buy GBP 86,369 : Sell USD 109,382 January 2019	1	-
	Buy GBP 99,318 : Sell NZD 187,142 January 2019	1	-
	Buy JPY 2,508,000 : Sell GBP 17,949 January 2019 ²	-	-
	Buy JPY 38,632,238 : Sell GBP 274,927 January 2019	2	-
	Buy MXN 3,095,356 : Sell GBP 121,761 January 2019	1	-
	Buy MXN 57,768 : Sell GBP 2,279 January 2019 ²	-	-
	Buy NOK 18,400,000 : Sell SEK 18,865,520 March 2019	(6)	-
	Buy NOK 18,564,508 : Sell GBP 1,714,008 March 2019	(31)	(0.02)
	Buy NOK 27,845,348 : Sell EUR 2,800,000 March 2019	5	-
	Buy NOK 9,011,651 : Sell EUR 900,000 March 2019	7	-
	Buy NZD 124,596 : Sell GBP 68,064 January 2019	(3)	-
	Buy NZD 1,474,652 : Sell AUD 1,400,000 March 2019	3	-
	Buy NZD 1,690,901 : Sell GBP 913,061 March 2019	(25)	(0.02)
	Buy NZD 38,457 : Sell GBP 20,404 January 2019 ²	-	-
	Buy NZD 4,059 : Sell GBP 2,170 January 2019 ²	-	-
	Buy NZD 4,177 : Sell GBP 2,260 January 2019 ²	-	-
	Buy NZD 5,320 : Sell GBP 2,874 January 2019 ²	-	-
	Buy NZD 5,325 : Sell GBP 2,889 January 2019 ²	-	-
	Buy NZD 5,774 : Sell GBP 3,125 January 2019 ²	-	-
	Buy NZD 7,702 : Sell GBP 4,083 January 2019 ²	-	-
	Buy NZD 8,273 : Sell GBP 4,536 January 2019 ²	-	-
	Buy SEK 14,415,550 : Sell EUR 1,400,000 March 2019	20	0.01
	Buy SEK 14,943,726 : Sell GBP 1,309,800 March 2019	16	0.01

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Forward Foreign Exchange Contracts¹ <small>(continued)</small>		
	Buy USD 2,101,465 : Sell AUD 2,900,000 March 2019	44	0.04
	Buy USD 2,120,865 : Sell NZD 3,100,000 March 2019	31	0.02
	Buy USD 327,057 : Sell GBP 257,904 January 2019	(1)	-
	Buy USD 35,263 : Sell GBP 27,875 January 2019 ²	-	-
	Buy USD 46,770 : Sell GBP 36,954 January 2019 ²	-	-
	Buy USD 62,864 : Sell GBP 49,334 January 2019 ²	-	-
		<u>(51)</u>	<u>(0.03)</u>
	Investment assets including investment liabilities	162,293	99.18
	Other net assets	1,340	0.82
	Total net assets	163,633	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.

Credit ratings

	Market value £000	Percentage of net assets %
31/12/18		
Investments		
Investment grade (AAA - BBB)	162,432	99.26
Total debt securities	162,432	99.26
Derivatives	(139)	(0.08)
Investment assets including investment liabilities	162,293	99.18
Other net assets	1,340	0.82
Total net assets	163,633	100.00

	Market value £000	Percentage of net assets %
30/06/18		
Investments		
Investment grade (AAA - BBB)	177,450	99.43
Total debt securities	177,450	99.43
Derivatives	(227)	(0.13)
Investment assets including investment liabilities	177,223	99.30
Other net assets	1,246	0.70
Total net assets	178,469	100.00

Statement of total return (unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(2,325)		3,534
Revenue	2,381		2,742	
Expenses	<u>(452)</u>		<u>(537)</u>	
Net revenue before taxation	1,929		2,205	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>1,929</u>		<u>2,205</u>
Total return before distributions		(396)		5,739
Distributions		-		(4)
Change in net assets attributable to shareholders from investment activities		<u>(396)</u>		<u>5,735</u>

Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Opening net assets attributable to shareholders*		178,469		222,349
Amounts receivable on issue of shares	5,495		8,190	
Amounts payable on cancellation of shares	<u>(19,942)</u>		<u>(52,375)</u>	
		(14,447)		(44,185)
Dilution adjustment		7		20
Change in net assets attributable to shareholders from investment activities		(396)		5,735
Retained distributions on accumulation shares		-		3
Closing net assets attributable to shareholders		<u>163,633</u>		<u>183,922</u>

* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

Balance sheet (unaudited) as at 31 December 2018

	31/12/18 £000	30/06/18 £000
Assets:		
Investments	163,676	177,728
Current assets:		
Debtors	431	431
Cash and bank balances	2,063	2,119
Total assets	166,170	180,278
Liabilities:		
Investment liabilities	1,383	505
Creditors:		
Amounts held at derivatives clearing houses and brokers	588	57
Bank overdrafts	144	997
Other creditors	422	250
Total liabilities	2,537	1,809
Net assets attributable to shareholders	163,633	178,469

Distribution tables for the six months ended 31 December 2018 (in pence per share)

Interim interest distribution (accounting date 30 September 2018, paid on 30 November 2018)

Group 1: shares purchased prior to 1 July 2018

Group 2: shares purchased on or after 1 July 2018

	Distribution per share	Equalisation	Total distribution per share 30/11/18	Total distribution per share 30/11/17
Class A income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class D accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class Z accumulation				
Group 1	-	-	-	0.0023
Group 2	-	-	-	0.0023

Interim interest distribution (accounting date 31 December 2018, paid on 28 February 2019)

Group 1 : shares purchased prior to 1 October 2018

Group 2 : shares purchased on or after 1 October 2018

	Distribution per share	Equalisation	Total distribution per share 28/02/19	Total distribution per share 28/02/18
Class A income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class D accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class Z accumulation				
Group 1	-	-	-	0.0675
Group 2	-	-	-	0.0675

Janus Henderson Institutional Long Dated Credit Fund

Authorised Corporate Director's (ACD) report

Investment Fund Managers

Philip Payne and Hartej Singh

Investment objective and policy

To provide a return by investing primarily in long dated sterling denominated investment grade corporate bonds. In line with the scheme's benchmark index the term Corporate Bond will include debt instruments issued by any entity other than a Government or local authority. The fund may also invest in other transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

Performance summary

Cumulative performance

	Six months 30 Jun 18 - 31 Dec 18	One year 31 Dec 17 - 31 Dec 18	Five years 31 Dec 13 - 31 Dec 18	Since launch 18 Apr 97 - 31 Dec 18
	%	%	%	%
Class A income	(2.2)	(4.9)	33.7	298.5
Class I accumulation	(2.0)	(4.5)	37.1	185.6
iBoxx GBP Non Gilt +15 years Index	(1.4)	(4.1)	41.4	207.4

Discrete performance

	31 Dec 17 - 31 Dec 18	31 Dec 16 - 31 Dec 17	31 Dec 15 - 31 Dec 16	31 Dec 14 - 31 Dec 15	31 Dec 13 - 31 Dec 14
	%	%	%	%	%
Class A income	(4.9)	5.6	16.9	(2.6)	17.0
Class I accumulation	(4.5)	6.0	17.5	(2.0)	17.7

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

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

Significant portfolio changes for the six months ended 31 December 2018

Largest purchases	£000	Largest sales	£000
UK Treasury 4.25% 07/12/2040	7,988	UK Treasury 4.75% 07/12/2038	6,200
UK Treasury 1.50% 22/07/2047	6,134	UK Treasury 1.75% 07/09/2037	6,000
UK Treasury 4.50% 07/12/2042	2,533	UK Treasury 1.50% 22/07/2047	5,705
Goldman Sachs 3.125% 25/07/2029	2,527	UK Treasury 4.50% 07/12/2042	3,491
UK Treasury 4.75% 07/12/2038	2,453	Scottish Widows 7.00% 16/06/2043	2,713
UK Treasury 4.50% 07/09/2034	2,367	Goldman Sachs 3.125% 25/07/2029	2,488
Blend Funding 3.459% 21/09/2047	2,160	Centrica 4.375% 13/03/2029	1,901
Tesco Property Finance 6 5.4111% 13/07/2044	2,070	AT&T 5.20% 18/11/2033	1,873
UK Treasury 1.75% 07/09/2037	1,762	Citigroup 6.80% 25/06/2038	1,831
Veolia Environnement 6.125% 29/10/2037	1,550	UK Treasury 4.25% 07/12/2040	1,758
Total purchases	66,472	Total sales	68,570

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

Investment review

The fund generated a return of -2.2% (based on Class A income) during the period under review, against the iBoxx GBP Non Gilt +15 years Index negative return of -1.4%.

The second half of 2018 was a tale of two halves. We went into the third quarter with many of the same issues occupying markets as were seen in the first half, namely increasing political risks, intensifying trade wars, Brexit headlines and the end of the easy monetary policy era looming large. Nevertheless, returns for risk assets generally held up well over the third quarter. Credit spreads continued to compress, investment grade excess returns stayed positive and high yield outperformed globally.

Volatility then returned to bond markets in the last quarter of 2018. Outflows, poor liquidity, intensifying Brexit concerns, tightening monetary policy and economic slowdown worries weighed heavily on market sentiment. This general risk-off sentiment across global credit markets led to sharp spread widening and negative total and excess returns. Over the period, sterling investment grade corporate bond spreads widened to 2016 levels, and despite gilt yields falling into year end, both total returns and excess returns remained negative.

Our underweight in overall credit risk terms benefited performance. While our overweights to financials and real estate investment trusts performed well at the beginning of the period, much of the performance was given back towards the end amid a sell-off in credit markets induced by a general feeling of risk aversion.

Over the period, the largest underperformance came from holdings in subordinated bank issuers, in particular HSBC. Our underweight to housing associations also detracted, as the sector performed well. We continue to see issuance in this area and participated in new deals from Karbon Homes, Blend Funding and The Housing Finance Corporation (THFC), as exposure to this sector has been increased. This underperformance was offset by some positive contributors from non-financial sectors such as industrials and utilities. The defensive positioning in the utilities sector was due to our apprehensions regarding Brexit and the increased risk of a general election weighing on UK issuers. On a single name basis, positive performance came from an underweight to British American Tobacco (BAT), as bonds from the issuers suffered due to increased risks regarding the restriction of e-cigarettes in the US and a ban on menthol-flavoured tobacco products. Our security selection also worked well in names such as Électricité de France, Enel and Walmart, and added value over the period.

In terms of activity, we reduced exposure to Annington Funding, General Electric, Anheuser-Busch and Telecom Italia following the ousting of its CEO. The fund also reduced its holding in British American Tobacco.

Given the spread moves in late 2018, we believe valuations have become more compelling. Fundamentals are also in decent shape, and we don't expect default rates to rise any time soon. However, while valuations look more attractive, the political and macroeconomic landscape remains concerning. Worries about the turning of the cycle with the escalation of idiosyncratic weakness is also weighing on credit spreads. Nevertheless, we don't expect a deep recession or another financial crisis, as leverage is mostly sitting on defensive non-financial corporates' balance sheets, and financials have cleaned up and strengthened their balance sheets.

For now, we remain fairly cautious and will aim to stay underweight credit risk versus the benchmark. Fund activity is likely to focus on maintaining our underweights to expensive and vulnerable parts of the market where fundamentals are not as strong and utilising periods of volatility and primary markets to make use of attractive opportunities.

Comparative tables for the six months ended 31 December 2018

	Class A income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	191.92	196.93	188.40	170.41
Return before operating charges*	(2.67)	1.86	15.04	24.26
Operating charges	(0.88)	(1.80)	(2.10)	(2.02)
Return after operating charges*	(3.55)	0.06	12.94	22.24
Distributions on income shares	(2.49)	(5.07)	(4.41)	(4.25)
Closing net asset value per share	185.88	191.92	196.93	188.40
* after direct transaction costs of:	-	-	-	-

Performance

Return after charges	(1.85%)	0.03%	6.87%	13.05%
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Other information

Closing net asset value (£000s)	3,435	3,962	6,295	4,462
Closing number of shares	1,847,948	2,064,220	3,196,884	2,368,342
Operating charges (annualised)	0.91%	0.91%	1.05%	1.16%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	196.50	205.60	217.40	189.20
Lowest share price (pence)	182.40	191.10	187.70	168.40

	Class I accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	373.88	372.45	347.03	304.99
Return before operating charges*	(5.27)	3.47	28.55	46.04
Operating charges	(1.01)	(2.04)	(2.02)	(1.70)
Return after operating charges*	(6.28)	1.43	26.53	44.34
Distributions on accumulation shares	(5.56)	(11.10)	(10.99)	(11.49)
Retained distributions on accumulation shares [^]	5.56	11.10	9.88	9.19
Closing net asset value per share	367.60	373.88	372.45	347.03
* after direct transaction costs of:	-	-	-	-

Performance

Return after charges	(1.68%)	0.38%	7.64%	14.54%
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Other information

Closing net asset value (£000s)	221,551	224,582	1,980	1,053
Closing number of shares	60,268,965	60,067,768	531,722	303,305
Operating charges (annualised)	0.54%	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	383.00	389.20	400.70	346.60
Lowest share price (pence)	358.20	367.20	348.00	302.40

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

Comparative tables (continued)

	Class I income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	196.84	201.94	193.22	174.75
Return before operating charges*	(2.75)	1.94	15.28	24.65
Operating charges	(0.53)	(1.09)	(1.11)	(0.97)
Return after operating charges*	(3.28)	0.85	14.17	23.68
Distributions on income shares	(2.92)	(5.95)	(5.45)	(5.21)
Closing net asset value per share	190.64	196.84	201.94	193.22
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	(1.67%)	0.42%	7.33%	13.55%
Other information				
Closing net asset value (£000s)	166,218	181,546	44,517	21,977
Closing number of shares	87,188,514	92,228,126	22,044,059	11,374,032
Operating charges (annualised)	0.54%	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	201.60	211.00	223.10	194.20
Lowest share price (pence)	187.20	196.10	192.70	172.80
	Class Z accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	234.49	232.55	214.84	186.30
Return before operating charges*	(3.19)	2.01	17.78	28.62
Operating charges	(0.05)	(0.07)	(0.07)	(0.08)
Return after operating charges*	(3.24)	1.94	17.71	28.54
Distributions on accumulation shares	(4.24)	(8.11)	(8.03)	(8.17)
Retained distributions on accumulation shares	4.24	8.11	8.03	8.17
Closing net asset value per share	231.25	234.49	232.55	214.84
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	(1.38%)	0.83%	8.24%	15.32%
Other information				
Closing net asset value (£000s)	1	-	2	2
Closing number of shares	206	206	1,000	1,000
Operating charges (annualised)	0.03%	0.03%	0.03%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	240.50	243.30	248.70	214.60
Lowest share price (pence)	225.20	230.00	216.60	184.80

Comparative tables (continued)

	Class A income gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	198.62	189.96	171.71
Return before operating charges*	1.55	15.72	25.71
Operating charges	(0.46)	(2.11)	(2.05)
Return after operating charges*	1.09	13.61	23.66
Distributions on income shares	(1.31)	(4.95)	(5.41)
Final cancellation price	(198.40) ¹	-	-
Closing net asset value per share	-	198.62	189.96
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.55%	7.16%	13.78%
Other information			
Closing net asset value (£000s)	-	78	74
Closing number of shares	-	39,093	38,811
Operating charges (annualised)	0.91%	1.05%	1.16%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	207.40 ²	219.60	191.00
Lowest share price (pence)	197.80 ²	189.50	169.80

¹ Class A income gross closed on 2 October 2017 and this is the final cancellation price.

² to 2 October 2017

Comparative tables (continued)

	Class I accumulation gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	414.11	384.52	335.12
Return before operating charges*	3.28	31.81	51.28
Operating charges	(0.59)	(2.22)	(1.88)
Return after operating charges*	2.69	29.59	49.40
Distributions on accumulation shares	(3.11)	(12.25)	(12.86)
Retained distributions on accumulation shares	3.11	12.25	12.86
Final cancellation price	(416.80) ³	-	-
Closing net asset value per share	-	414.11	384.52
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.65%	7.70%	14.74%
Other information			
Closing net asset value (£000s)	-	273,249	307,244
Closing number of shares	-	65,985,256	79,903,014
Operating charges (annualised)	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	432.80 ⁴	444.70	384.00
Lowest share price (pence)	412.40 ⁴	386.70	332.30

³ Class I accumulation gross closed on 2 October 2017 and this is the final cancellation price.

⁴ to 2 October 2017

Comparative tables (continued)

	Class I income gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	197.57	188.96	170.79
Return before operating charges*	1.60	15.64	25.58
Operating charges	(0.28)	(1.08)	(0.95)
Return after operating charges*	1.32	14.56	24.63
Distributions on income shares	(1.49)	(5.95)	(6.46)
Final cancellation price	(197.40) ⁵	-	-
Closing net asset value per share	-	197.57	188.96
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.67%	7.71%	14.42%
Other information			
Closing net asset value (£000s)	-	146,282	158,260
Closing number of shares	-	74,039,951	83,751,398
Operating charges (annualised)	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	206.50 ⁶	218.50	190.30
Lowest share price (pence)	196.70 ⁶	188.70	169.00

⁵ Class I income gross closed on 2 October 2017 and this is the final cancellation price.

⁶ to 2 October 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 close of business and on a bid basis 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 period.

Ongoing charge figure

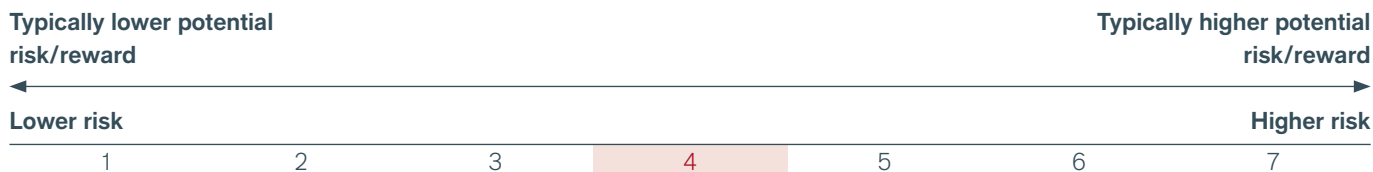
The annualised ongoing charge figure (OCF) of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by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

	31/12/18 %	30/06/18 %
Class A	0.91	0.91
Class I	0.54	0.54
Class Z	0.03	0.03

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

Risk and reward profile

The fund currently has 4 types of share class in issue; A income, I accumulation, I income and Z accumulation. Each type of 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 classes appear 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. Under normal market conditions the following risks may apply:

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

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

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

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

Hedging Risk If the fund or a specific share class of the fund seeks to reduce risks (such as exchange rate movements), the measures designed to do so may be ineffective, unavailable or detrimental.

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

Leverage Risk Leverage arises from entering into contracts or derivatives whose terms have the effect of magnifying an outcome, meaning profits and losses from investment can be greater.

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

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

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

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

Portfolio statement as at 31 December 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 98.53% (30/06/2018: 98.00%)		
	Australia 1.39% (30/06/2018: 1.33%)		
	Fixed Rate Bond 1.39% (30/06/2018: 1.33%)		
GBP 4,455,000	BHP Finance 4.3% 25/09/2042	5,457	1.39
	Belgium 0.65% (30/06/2018: 0.79%)		
	Zero / Discount Rate Bond 0.65% (30/06/2018: 0.79%)		
GBP 2,850,000	Anheuser-Busch InBev 2.85% 25/05/2037	2,534	0.65
	France 10.38% (30/06/2018: 9.15%)		
	Fixed Rate Bond 9.78% (30/06/2018: 8.55%)		
GBP 4,300,000	Électricité de France 5.125% 22/09/2050	5,171	1.32
GBP 6,200,000	Électricité de France 5.50% 17/10/2041	7,708	1.97
GBP 2,100,000	Électricité de France 5.50% 27/03/2037	2,568	0.66
GBP 3,900,000	Électricité de France 6.00% 23/01/2114	4,954	1.27
GBP 850,000	Orange 5.375% 22/11/2050	1,136	0.29
GBP 1,260,000	Orange 5.625% 23/01/2034	1,632	0.42
GBP 2,900,000	Engie 5.00% 01/10/2060	4,062	1.04
GBP 1,047,000	Reseau Ferre de France 4.83% 25/03/2060	1,678	0.43
GBP 2,028,000	Reseau Ferre de France 5.00% 11/03/2052	3,156	0.81
GBP 1,446,000	Reseau Ferre de France 5.25% 31/01/2035	2,004	0.51
GBP 3,000,000	Veolia Environnement 6.125% 29/10/2037	4,166	1.06
		<u>38,235</u>	<u>9.78</u>
	Variable Rate Bond 0.60% (30/06/2018: 0.60%)		
GBP 2,300,000	AXA 5.625% 16/01/2054	2,361	0.60
	Germany 4.47% (30/06/2018: 4.15%)		
	Fixed Rate Bond 4.47% (30/06/2018: 4.15%)		
GBP 2,400,000	Aroundtown 3.00% 16/10/2029	2,181	0.56
GBP 2,250,000	E.ON International Finance 5.875% 30/10/2037	2,921	0.75
GBP 2,200,000	E.ON International Finance 6.75% 27/01/2039	3,144	0.80
GBP 1,200,000	innogy Finance 4.75% 31/01/2034	1,371	0.35
GBP 2,550,000	innogy Finance 6.125% 06/07/2039	3,433	0.87
GBP 2,167,000	KFW 5.00% 09/06/2036	3,156	0.81
GBP 1,100,000	Siemens Financieringsmaatschappij 3.75% 10/09/2042	1,272	0.33
		<u>17,478</u>	<u>4.47</u>
	Italy 1.39% (30/06/2018: 1.78%)		
	Fixed Rate Bond 1.39% (30/06/2018: 1.78%)		
GBP 2,505,000	Enel Finance International 5.75% 14/09/2040	2,950	0.75
GBP 1,600,000	Enel Finance International 5.75% 22/06/2037	1,870	0.48
USD 840,000	Leonardo US 6.25% 15/01/2040	617	0.16
		<u>5,437</u>	<u>1.39</u>
	Japan 0.30% (30/06/2018: 0.00%)		
	Fixed Rate Bond 0.30% (30/06/2018: 0.00%)		
GBP 1,210,000	JT International Financial Services 2.75% 28/09/2033	1,184	0.30

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Mexico 0.51% (30/06/2018: 0.52%)		
	Fixed Rate Bond 0.51% (30/06/2018: 0.52%)		
GBP 2,100,000	United Mexican States 5.625% 19/03/2114	1,988	0.51
	Netherlands 0.28% (30/06/2018: 0.41%)		
	Fixed Rate Bond 0.28% (30/06/2018: 0.41%)		
GBP 750,000	Cooperatieve Rabobank 5.375% 03/08/2060	1,107	0.28
	Norway 0.32% (30/06/2018: 0.00%)		
	Fixed Rate Bond 0.32% (30/06/2018: 0.00%)		
GBP 1,000,000	Equinor 4.25% 10/04/2041	1,244	0.32
	Supranational 4.09% (30/06/2018: 4.00%)		
	Fixed Rate Bond 4.09% (30/06/2018: 4.00%)		
GBP 2,900,000	European Investment Bank 3.875% 08/06/2037	3,710	0.95
GBP 3,560,000	European Investment Bank 4.50% 07/03/2044	5,192	1.32
GBP 2,076,000	European Investment Bank 4.625% 12/10/2054	3,409	0.87
GBP 2,500,000	European Investment Bank 5.00% 15/04/2039	3,707	0.95
		16,018	4.09
	Sweden 0.52% (30/06/2018: 0.21%)		
	Fixed Rate Bond 0.52% (30/06/2018: 0.21%)		
GBP 1,344,000	Vattenfall 6.875% 15/04/2039	2,052	0.52
	Switzerland 0.14% (30/06/2018: 0.13%)		
	Fixed Rate Bond 0.14% (30/06/2018: 0.13%)		
USD 751,000	Syngenta Finance 5.182% 24/04/2028	547	0.14
	United Kingdom 60.93% (30/06/2018: 62.15%)		
	Asset Backed 1.89% (30/06/2018: 1.56%)		
GBP 1,150,000	Canary Wharf 5.952% 22/10/2037	1,606	0.41
GBP 1,000,000	Housing & Care 21 3.288% 08/11/2049	988	0.25
GBP 790,000	Metropolitan Funding 4.125% 05/04/2048	892	0.23
GBP 1,165,055	Tesco Property Finance 3 5.744% 13/04/2040	1,310	0.33
GBP 1,835,582	Tesco Property Finance 6 5.4111% 13/07/2044	1,986	0.52
GBP 516,546	Tesco Property Finance 6.0517% 13/10/2039	596	0.15
		7,378	1.89
	Fixed Rate Bond 56.27% (30/06/2018: 57.78%)		
GBP 1,192,000	Affinity Sutton Capital Markets 5.981% 17/09/2038	1,686	0.43
GBP 5,610,000	Affordable Housing Finance 2.893% 11/08/2043	6,249	1.60
GBP 2,200,000	Affordable Housing Finance 3.80% 20/05/2042	2,801	0.72
GBP 2,520,000	Annington Funding 3.685% 12/07/2034	2,392	0.61
GBP 1,800,000	Annington Funding 3.935% 12/07/2047	1,670	0.43
GBP 2,200,000	Heathrow Funding 4.625% 31/10/2046	2,608	0.67
GBP 1,500,000	Heathrow Funding 5.875% 13/05/2041	2,041	0.52
GBP 1,700,000	BAT International Finance 2.25% 09/09/2052	1,116	0.29
GBP 2,500,000	BAT International Finance 6.00% 24/11/2034	3,116	0.80
GBP 2,500,000	BG Energy Capital 5.00% 04/11/2036	3,323	0.85
GBP 2,160,000	Blend Funding 3.459% 21/09/2047	2,165	0.55
GBP 2,200,000	British Telecommunications 3.625% 21/11/2047	1,998	0.51

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 1,535,000	Broadgate Financing 4.821% 05/07/2036	1,957	0.50
GBP 2,300,000	Bromford 3.125% 03/05/2048	2,249	0.57
GBP 1,600,000	Cadent Finance 2.625% 22/09/2038	1,413	0.36
GBP 1,000,000	Cadent Finance 2.75% 22/09/2046	857	0.22
GBP 1,900,000	Catalyst Housing 3.125% 31/10/2047	1,839	0.47
GBP 1,900,000	Centrica 4.25% 12/09/2044	2,014	0.51
GBP 1,500,000	Centrica 7.00% 19/09/2033	2,090	0.53
GBP 1,500,000	Clarion Housing 3.125% 19/04/2048	1,441	0.37
GBP 1,232,322	Delamare Finance 5.5457% 19/02/2029	1,378	0.35
GBP 2,000,000	Dwr Cymru Financing 2.50% 31/03/2036	1,921	0.49
GBP 600,000	Dwr Cymru Financing 4.473% 31/03/2057	809	0.21
GBP 1,800,000	Eastern Power Networks 6.25% 12/11/2036	2,508	0.64
GBP 1,700,000	Gatwick Funding 3.125% 28/09/2039	1,599	0.41
GBP 2,100,000	Gatwick Funding 4.625% 27/03/2034	2,427	0.62
GBP 1,300,000	Gatwick Funding 5.75% 23/01/2037	1,685	0.43
GBP 2,600,000	GlaxoSmithKline Capital 4.25% 18/12/2045	3,148	0.80
GBP 3,100,000	GlaxoSmithKline Capital 5.25% 10/04/2042	4,228	1.08
GBP 702,000	GlaxoSmithKline Capital 5.25% 19/12/2033	918	0.23
GBP 2,504,000	GlaxoSmithKline Capital 6.375% 09/03/2039	3,764	0.96
GBP 852,161	Harbour Funding 5.28% 31/03/2044	1,072	0.27
GBP 3,350,000	Heathrow Funding 2.75% Perpetual	2,860	0.73
GBP 3,700,000	HSBC 4.75% 24/03/2046	3,972	1.02
GBP 1,700,000	HSBC 6.00% 29/03/2040	2,029	0.52
GBP 1,950,000	HSBC 7.00% 07/04/2038	2,602	0.67
GBP 700,000	Karbon Homes 3.375% 15/11/2047	709	0.18
GBP 2,900,000	Land Securities Capital Markets 2.75% 22/09/2057	2,642	0.68
GBP 2,600,000	LCR Finance 4.50% 07/12/2038	3,653	0.93
GBP 1,725,000	LCR Finance 5.10% 07/03/2051	2,931	0.75
GBP 3,800,000	Lloyds Bank 6.50% 17/09/2040	5,584	1.43
GBP 2,100,000	London & Quadrant Housing 2.75% 20/07/2057	1,806	0.46
GBP 1,600,000	London & Quadrant Housing 3.75% Perpetual	1,713	0.44
GBP 3,120,000	Longstone Finance 4.896% 19/04/2036	3,532	0.90
GBP 1,510,000	Manchester Airport Group Funding 4.75% 31/03/2034	1,793	0.46
GBP 4,600,000	Motability Operations 3.625% 10/03/2036	5,081	1.30
GBP 5,750,000	Network Rail Infrastructure Finance 4.75% 29/11/2035	8,046	2.07
GBP 1,235,000	Northern Gas Networks Finance 4.875% 15/11/2035 'B'	1,514	0.39
GBP 626,000	Northern Gas Networks Finance 5.625% 23/03/2040	845	0.22
GBP 2,000,000	Notting Hill Housing Trust 3.25% 12/10/2048	1,896	0.48
GBP 390,000	Notting Hill Housing Trust 4.375% 20/02/2054	460	0.12
GBP 1,400,000	Optivo 3.283% 22/03/2048	1,394	0.36
GBP 1,200,000	Orbit Capital 3.375% 14/06/2048	1,190	0.30
GBP 3,381,000	Orbit Capital 3.50% 24/03/2045	3,419	0.87
GBP 1,300,000	Peabody Capital No 2 3.25% 14/09/2048	1,263	0.32
GBP 1,710,000	Peabody Energy 4.625% 12/12/2053	2,140	0.55
GBP 3,400,000	Prudential 5.00% 20/07/2055	3,374	0.86
GBP 1,500,000	Prudential 6.25% 20/10/2068	1,463	0.37
GBP 800,000	RAC Bond 4.87% 06/05/2026	761	0.19
GBP 2,980,000	Sanctuary Capital 5.00% 26/04/2047	3,912	1.00
GBP 1,100,000	Scottish Widows 7.00% 16/06/2043	1,265	0.32
GBP 1,370,000	Southern Electric Power 4.625% 20/02/2037	1,574	0.40

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 1,500,000	Southern Gas Network 3.10% 15/09/2036	1,456	0.37
GBP 1,067,000	Sovereign Housing Capital 4.768% 01/06/2043	1,347	0.34
GBP 150,000	Tesco 5.20% 05/03/2057	168	0.04
GBP 830,000	Tesco 6.00% 14/12/2029	974	0.25
GBP 1,200,000	Thames Water Utilities Cayman Finance 4.375% 03/07/2034	1,333	0.34
GBP 1,600,000	Thames Water Utilities Cayman Finance 4.625% 04/06/2046	1,866	0.48
GBP 2,700,000	Thames Water Utilities Cayman Finance 5.50% 11/02/2041	3,470	0.89
GBP 2,410,000	THFC Funding No 2 6.35% 08/07/2039	3,460	0.88
GBP 3,100,000	THFC Funding No.3 5.20% 11/10/2043	4,006	1.02
GBP 800,000	Transport for London 3.625% 15/05/2045	903	0.23
GBP 2,800,000	Transport for London 3.875% 23/07/2042	3,272	0.84
GBP 1,100,000	Transport for London 4.00% 07/04/2064	1,422	0.36
GBP 1,500,000	Tritax Big Box REIT 3.125% 14/12/2031	1,431	0.37
GBP 8,189,736	UK Treasury 1.50% 22/07/2047	7,602	1.95
GBP 1,563,000	UK Treasury 1.75% 07/09/2037	1,564	0.40
GBP 950,000	UK Treasury 3.50% 22/01/2045	1,275	0.33
GBP 1,185,000	UK Treasury 4.25% 07/09/2039	1,693	0.43
GBP 6,035,000	UK Treasury 4.25% 07/12/2040	8,733	2.24
GBP 2,450,000	UK Treasury 4.25% 07/12/2049	3,866	0.99
GBP 788,000	UK Treasury 4.50% 07/09/2034	1,101	0.28
GBP 725,000	UK Treasury 4.50% 07/12/2042	1,104	0.28
GBP 534,000	United Utilities Water 5.00% 28/02/2035	672	0.17
GBP 2,000,000	University of Cambridge 2.35% 27/06/2078	1,831	0.47
GBP 1,610,000	University of Cambridge 3.75% 17/10/2052	2,064	0.53
GBP 800,000	University of Liverpool 3.375% 25/06/2055	915	0.23
GBP 800,000	University of Manchester 4.25% 04/07/2053	1,067	0.27
GBP 1,300,000	University of Southampton 2.25% 11/04/2057	1,123	0.29
GBP 3,500,000	Vodafone 3.00% 12/08/2056	2,799	0.72
GBP 1,100,000	Vodafone 3.375% Perpetual	964	0.25
GBP 1,100,000	Wales & West Utilities Finance 3.00% 03/08/2038	1,074	0.27
GBP 1,900,000	Wellcome Trust Finance 4.00% 09/05/2059	2,595	0.66
GBP 1,500,000	Wellcome Trust Finance 4.625% 25/07/2036	1,977	0.51
GBP 400,000	Western Power Distribution South Wales 5.75% 23/03/2040	535	0.14
GBP 1,050,000	Western Power Distribution South West 5.75% 23/03/2040	1,406	0.36
GBP 850,000	Yorkshire Water Services Financial 5.50% 28/05/2037	1,132	0.29
GBP 1,350,000	Yorkshire Water Services Financial 6.375% 19/08/2039	1,996	0.51
		220,101	56.27
Stepped Rate Bond 0.00% (30/06/2018: 0.02%)			
Variable Rate Bond 2.77% (30/06/2018: 2.79%)			
GBP 2,250,000	Aviva 6.875% 20/05/2058	2,505	0.64
GBP 1,113,000	HBOS Sterling Finance Jersey 7.881% Perpetual	1,507	0.39
GBP 3,044,000	HSBC 5.844% Perpetual	3,618	0.92
GBP 3,000,000	Prudential 5.70% 19/12/2063	3,223	0.82
		10,853	2.77

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
United States 13.16% (30/06/2018: 13.38%)			
Fixed Rate Bond 13.16% (30/06/2018: 13.38%)			
GBP 2,100,000	Apple 3.60% 31/07/2042	2,383	0.61
GBP 2,800,000	AT&T 4.25% 01/06/2043	2,805	0.72
GBP 4,400,000	AT&T 4.875% 01/06/2044	4,796	1.23
GBP 3,200,000	AT&T 7.00% 30/04/2040	4,438	1.13
GBP 2,400,000	Citigroup 6.80% 25/06/2038	3,549	0.91
GBP 1,997,000	Citigroup 7.375% 01/09/2039	3,136	0.80
GBP 800,000	GE Capital UK Funding 6.25% 05/05/2038	924	0.24
GBP 1,948,000	GE Capital UK Funding 8.00% 14/01/2039	2,577	0.66
GBP 700,000	General Electric Capital 4.875% 18/09/2037	621	0.16
GBP 1,000,000	General Electric Capital 5.375% 18/12/2040	1,032	0.26
GBP 700,000	Goldman Sachs 6.875% 18/01/2038	904	0.23
USD 1,800,000	HCA 5.50% 15/06/2047	1,339	0.34
GBP 3,100,000	Pfizer 2.735% 15/06/2043	3,014	0.77
GBP 1,988,000	Time Warner Cable 5.25% 15/07/2042	2,139	0.55
GBP 2,000,000	Verizon Communications 3.125% 02/11/2035	1,912	0.49
GBP 4,100,000	Verizon Communications 3.375% 27/10/2036	4,016	1.03
GBP 1,050,000	Walmart 4.875% 19/01/2039	1,416	0.36
GBP 1,175,000	Walmart 5.25% 28/09/2035	1,619	0.41
GBP 5,800,000	Walmart 5.625% 27/03/2034	8,102	2.07
GBP 700,000	Welltower REIT 4.50% 01/12/2034	757	0.19
		<u>51,479</u>	<u>13.16</u>
Derivatives (0.06%) (30/06/2018: (0.02%))			
Futures (0.02%) (30/06/2018: 0.02%)			
(12)	CBT US Ultra Bond March 2019	<u>(83)</u>	<u>(0.02)</u>
Swaps (0.05%) (30/06/2018: (0.04%))¹			
Credit Default Swaps (0.05%) (30/06/2018: (0.04%))¹			
2,500,000	CDS 1% 20/12/2023 Airbus Pay EUR	(56)	(0.01)
800,000	CDS 5% 20/12/2023 REXEL Pay EUR	(100)	(0.04)
		<u>(156)</u>	<u>(0.05)</u>
Forward Foreign Exchange Contracts 0.01% (30/06/2018: 0.00%)¹			
	Buy EUR 156,454 : Sell GBP 141,274 January 2019	(1)	-
	Buy GBP 14,793 : Sell EUR 16,431 January 2019 ²	-	-
	Buy GBP 2,576,327 : Sell USD 3,257,195 January 2019	23	0.01
	Buy GBP 26,136 : Sell USD 33,100 January 2019 ²	-	-
	Buy USD 13,742 : Sell GBP 10,941 January 2019 ²	-	-
		<u>22</u>	<u>0.01</u>
Investment assets including investment liabilities		385,236	98.47
Other net assets		<u>5,969</u>	<u>1.53</u>
Total net assets		391,205	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.

Credit ratings

	Market value £000	Percentage of net assets %
31/12/18		
Investments		
Investment grade (AAA - BBB)	356,915	91.24
Below investment grade (BB and below)	8,536	2.18
Unrated	20,002	5.11
Total debt securities	385,453	98.53
Derivatives	(217)	(0.06)
Investment assets including investment liabilities	385,236	98.47
Other net assets	5,969	1.53
Total net assets	391,205	100.00
	Market value £000	Percentage of net assets %
30/06/18		
Investments		
Investment grade (AAA - BBB)	372,071	90.73
Below investment grade (BB and below)	8,823	2.16
Unrated	20,960	5.11
Total debt securities	401,854	98.00
Derivatives	(63)	(0.02)
Investment assets including investment liabilities	401,791	97.98
Other net assets	8,299	2.02
Total net assets	410,090	100.00

Statement of total return (unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(12,554)		6,732
Revenue	7,070		8,405	
Expenses	<u>(1,090)</u>		<u>(1,302)</u>	
Net revenue before taxation	5,980		7,103	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>5,980</u>		<u>7,103</u>
Total return before distributions		(6,574)		13,835
Distributions		(5,980)		(7,104)
Change in net assets attributable to shareholders from investment activities		<u>(12,554)</u>		<u>6,731</u>

Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Opening net assets attributable to shareholders*		410,090		472,403
Amounts receivable on issue of shares	2,273		8,708	
Amounts payable on cancellation of shares	<u>(11,951)</u>		<u>(25,268)</u>	
		(9,678)		(16,560)
Change in net assets attributable to shareholders from investment activities		(12,554)		6,731
Retained distributions on accumulation shares		3,347		4,085
Closing net assets attributable to shareholders		<u>391,205</u>		<u>466,659</u>

* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

Balance sheet (unaudited) as at 31 December 2018

	31/12/18	30/06/18
	£000	£000
Assets:		
Investments	385,476	401,962
Current assets:		
Debtors	6,524	6,031
Cash and bank balances	4,670	7,279
Total assets	<u>396,670</u>	<u>415,272</u>
Liabilities:		
Investment liabilities	240	171
Creditors:		
Amounts held at derivatives clearing houses and brokers	280	108
Bank overdrafts	2,653	2,499
Distribution payable	1,297	1,356
Other creditors	995	1,048
Total liabilities	<u>5,465</u>	<u>5,182</u>
Net assets attributable to shareholders	<u>391,205</u>	<u>410,090</u>

Distribution tables for the six months ended 31 December 2018 (in pence per share)

Interim interest distribution (accounting date 30 September 2018, paid on 30 November 2018)

Group 1: shares purchased prior to 1 July 2018

Group 2: shares purchased on or after 1 July 2018

	Distribution per share	Equalisation	Total distribution per share 30/11/18	Total distribution per share 30/11/17
Class A income				
Group 1	1.2414	-	1.2414	1.2936
Group 2	0.4491	0.7923	1.2414	1.2936
Class I accumulation				
Group 1	2.7676	-	2.7676	2.8014
Group 2	1.2588	1.5088	2.7676	2.8014
Class I income				
Group 1	1.4584	-	1.4584	1.5190
Group 2	0.6462	0.8122	1.4584	1.5190
Class Z accumulation				
Group 1	2.1819	-	2.1819	2.0700
Group 2	2.1819	-	2.1819	2.0700
Class A income gross¹				
Group 1	n/a	n/a	n/a	1.3060
Group 2	n/a	n/a	n/a	1.3060
Class I accumulation gross¹				
Group 1	n/a	n/a	n/a	3.1140
Group 2	n/a	n/a	n/a	3.1140
Class I income gross¹				
Group 1	n/a	n/a	n/a	1.4857
Group 2	n/a	n/a	n/a	1.4857

¹ Class A income gross, Class I accumulation gross and Class I income gross closed on 2 October 2017.

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2018, paid on 28 February 2019)

Group 1 : shares purchased prior to 1 October 2018

Group 2 : shares purchased on or after 1 October 2018

	Distribution per share	Equalisation	Total distribution per share 28/02/19	Total distribution per share 28/02/18
Class A income				
Group 1	1.2525	-	1.2525	1.3038
Group 2	0.4280	0.8245	1.2525	1.3038
Class I accumulation				
Group 1	2.7944	-	2.7944	2.8360
Group 2	1.0697	1.7247	2.7944	2.8360
Class I income				
Group 1	1.4606	-	1.4606	1.5262
Group 2	0.7774	0.6832	1.4606	1.5262
Class Z accumulation				
Group 1	2.0559	-	2.0559	2.1262
Group 2	2.0559	-	2.0559	2.1262

Janus Henderson Institutional Long Dated Gilt fund

Authorised Corporate Director's (ACD) report

Investment Fund Managers

Andrew Mulliner and Bethany Payne

Investment objective and policy

To aim to provide a return by investing primarily in long dated United Kingdom Government securities. The fund may invest in other transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

Performance summary

Cumulative performance	Six months	One year	Five years	Since launch
	30 Jun 18 - 31 Dec 18	31 Dec 17 - 31 Dec 18	31 Dec 13 - 31 Dec 18	4 Sep 00 - 31 Dec 18
	%	%	%	%
Class A income	(2.3)	(1.8)	42.9	135.4
Class I accumulation	(2.2)	(1.5)	45.6	0.0
FTSE Gilts Over 15 Years Index	(0.8)	0.3	55.0	217.1

Discrete performance	31 Dec 17 -	31 Dec 16 -	31 Dec 15 -	31 Dec 14 -	31 Dec 13 -
	31 Dec 18	31 Dec 17	31 Dec 16	31 Dec 15	31 Dec 14
	%	%	%	%	%
Class A income	(1.8)	2.3	17.1	(1.0)	22.8
Class I accumulation	(1.5)	2.7	17.4	(0.6)	23.3

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

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

Significant portfolio changes for the six months ended 31 December 2018

Largest purchases	£000	Largest sales	£000
UK Treasury 4.25% 07/12/2046	1,378	UK Treasury 3.75% 22/07/2052	2,100
UK Treasury 1.50% 22/07/2047	1,241	UK Treasury 4.50% 07/12/2042	1,669
UK Treasury 4.50% 07/12/2042	1,145	UK Treasury 4.25% 07/12/2046	1,321
UK Treasury 3.50% 22/07/2068	913	UK Treasury 1.50% 22/07/2047	1,217
UK Treasury 2.50% 22/07/2065	900	UK Treasury 2.50% 22/07/2065	1,104
UK Treasury 1.75% 07/09/2037	758	UK Treasury 3.25% 22/01/2044	1,071
UK Treasury 1.625% 22/10/2071	689	UK Treasury 4.00% 22/01/2060	950
UK Treasury 4.50% 07/09/2034	671	UK Treasury 4.25% 07/12/2040	935
UK Treasury 3.25% 22/01/2044	658	UK Treasury 3.50% 22/07/2068	866
UK Treasury 4.25% 07/12/2040	545	UK Treasury 4.25% 07/03/2036	751
Total purchases	10,572	Largest sales	16,256

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

Investment review

The fund generated a return of -2.3% (based on Class A income) during the period under review, against the FTSE Gilts Over 15 Years Index negative return of -0.8%.

The latter part of 2018 was a tale of two halves. We started the period seeing the same issues that occupied markets in the first half, namely political risk, intensifying trade wars, Brexit headlines and a shift away from ultra-accommodative monetary policy by central banks. Nevertheless, returns for risk assets generally held up well for most of the period, with credit markets performing well while government bonds delivered negative returns. Volatility then returned to bond markets in the second half as declines in equity markets, soft global economic data and a sharp fall in the oil price negatively impacted demand for risk assets. Core government bond markets were the main beneficiary, with yields falling (and prices rising) sharply in the fourth quarter.

Over the period, UK government bond yields were broadly unchanged from their 30 June levels, with underperformance in September offset by late-period strength as core government bond markets rallied around the world. In the UK, index-linked gilts outperformed conventional gilts, with market inflation expectations rising due to sterling weakness and Brexit concerns (in contrast with other markets, where the sharp fall in oil prices led inflation expectations lower).

The fund was positioned for yields to fall in Canada, Australia and New Zealand relative to other markets, such as Japan. In the third quarter, Canadian yields continued to rise against our expectations, with better than expected GDP and retail sales data despite signs of slowing economic activity and consumer credit. We exited this position in October. The pick-up in market volatility from that month led to choppier market conditions and a flight to quality. We held a tactical short to US Treasuries, which was closed for a loss as investors increasingly favoured 'safe haven' assets. Positions in Australia and New Zealand rates performed well in December. However, against this our negative view on Japan expecting yields to rise detracted.

We expected steeper yield curves (shorter maturity rates to outperform relative to longer maturity rates), and this thinking worked well in the US towards the end of the year, as shorter maturity debt benefited from expectations that the Federal Reserve (Fed) would have to reassess (slow) the trajectory of planned interest rate hikes. However, yield curve positioning detracted in Japan and Mexico. In Japan, the risk-off environment led to the outperformance of longer-dated debt (which had performed poorly earlier in the year), while positioning for two-year rates to outperform 10-year equivalents in Mexico (now closed) detracted as a result of the central bank being more hawkish than expected and as uncertainty surrounding the plans of the new Obrador administration lessened.

Within the UK, we positioned for longer-dated debt to outperform given relatively low supply in the fourth quarter and our expectations that UK inflation would fall from elevated levels. The current pricing in shorter-dated inflation markets in the UK is at odds with the fall in oil prices and assumes a significant depreciation in sterling to be justified.

In currency activity, positions expecting Scandinavian currencies to appreciate contributed positively, as those central banks look set to embark on interest rate hikes. Within emerging markets, exposure to the Colombian peso detracted as stress on emerging markets increased in August. We subsequently established a position expecting the Brazilian real to appreciate around the election, which performed very well. At the end of the period, we increased our positive position in the Norwegian krone held against a basket consisting of the euro, Swedish krona and Canadian dollar.

The final quarter of 2018 saw extreme turbulence in equities and credit markets, with government bonds performing strongly. Government bond yields have rallied sharply, particularly in the US, with current markets pricing no further rate hikes from the Fed. While economic data is rolling over globally, we believe the current level of market pricing to be too low in the US relative to other developed markets (where markets still price hikes) and expect US bonds to underperform those of other markets from here. More broadly, however, economic growth looks to have rolled over following weaker growth in Europe and Asia, suggesting that the balance of risks to yields may be to the downside overall.

Comparative tables for the six months ended 31 December 2018

	Class A accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	220.49	214.10	220.09	180.03
Return before operating charges*	(3.07)	8.38	(3.73)	42.45
Operating charges	(0.99)	(1.99)	(2.02)	(1.74)
Return after operating charges*	(4.06)	6.39	(5.75)	40.71
Distributions on accumulation shares	(1.28)	(2.77)	(2.55)	(3.27)
Retained distributions on accumulation shares [^]	1.28	2.77	2.31	2.62
Closing net asset value per share	216.43	220.49	214.10	220.09
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	(1.84%)	2.98%	(2.61%)	22.61%
Other information				
Closing net asset value (£000s)	877	867	845	940
Closing number of shares	405,376	393,126	394,635	427,233
Operating charges (annualised)	0.92%	0.92%	0.92%	0.92%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	223.70	224.10	241.30	218.00
Lowest share price (pence)	205.60	206.70	203.70	175.70

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

	Class A income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	198.74	195.44	203.04	168.33
Return before operating charges*	(2.79)	7.63	(3.62)	38.77
Operating charges	(0.89)	(1.81)	(1.86)	(1.62)
Return after operating charges*	(3.68)	5.82	(5.48)	37.15
Distributions on income shares	(1.15)	(2.52)	(2.12)	(2.44)
Closing net asset value per share	193.91	198.74	195.44	203.04
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	(1.85%)	2.98%	(2.70%)	22.07%
Other information				
Closing net asset value (£000s)	7,164	8,216	10,682	16,299
Closing number of shares	3,694,162	4,134,156	5,465,468	8,027,616
Operating charges (annualised)	0.92%	0.92%	0.92%	0.92%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	201.60	204.50	222.60	201.70
Lowest share price (pence)	184.70	187.50	187.60	164.20

Comparative tables (continued)

	Class I accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	326.97	316.32	324.13	264.37
Return before operating charges*	(4.55)	12.41	(5.54)	62.48
Operating charges	(0.90)	(1.76)	(1.78)	(1.56)
Return after operating charges*	(5.45)	10.65	(7.32)	60.92
Distributions on accumulation shares	(2.47)	(5.28)	(4.96)	(5.79)
Retained distributions on accumulation shares [^]	2.47	5.28	4.47	4.63
Closing net asset value per share	321.52	326.97	316.32	324.13
* after direct transaction costs of:	-	0.01	-	-
Performance				
Return after charges	(1.67%)	3.37%	(2.26%)	23.04%
Other information				
Closing net asset value (£000s)	13,347	19,470	14,494	6,858
Closing number of shares	4,151,174	5,954,904	4,582,010	2,115,830
Operating charges (annualised)	0.55%	0.55%	0.55%	0.55%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	331.70	331.30	355.50	321.10
Lowest share price (pence)	305.10	306.10	300.50	258.00

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

	Class Z accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	237.52	228.64	232.76	188.05
Return before operating charges*	(3.28)	9.00	(4.00)	44.81
Operating charges	(0.07)	(0.12)	(0.12)	(0.10)
Return after operating charges*	(3.35)	8.88	(4.12)	44.71
Distributions on accumulation shares	(2.40)	(4.99)	(4.74)	(5.18)
Retained distributions on accumulation shares	2.40	4.99	4.74	5.18
Closing net asset value per share	234.17	237.52	228.64	232.76
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	(1.41%)	3.88%	(1.77%)	23.78%
Other information				
Closing net asset value (£000s)	13,707	13,279	12,355	9,937
Closing number of shares	5,853,544	5,590,541	5,403,725	4,269,359
Operating charges (annualised)	0.05%	0.05%	0.05%	0.05%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	241.10	240.20	255.70	230.60
Lowest share price (pence)	222.00	221.90	216.60	183.60

Comparative tables (continued)

	Class I accumulation gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	342.52	350.39	284.50
Return before operating charges*	(1.04)	(5.90)	67.56
Operating charges	(0.48)	(1.97)	(1.67)
Return after operating charges*	(1.52)	(7.87)	65.89
Distributions on accumulation shares	(1.36)	(5.35)	(6.30)
Retained distributions on accumulation shares	1.36	5.35	6.30
Final cancellation price	(341.00) ¹	-	-
Closing net asset value per share	-	342.52	350.39
* after direct transaction costs of:	0.01	-	-
Performance			
Return after charges	(0.44%)	(2.25%)	23.16%
Other information			
Closing net asset value (£000s)	-	6,533	35,291
Closing number of shares	-	1,907,427	10,071,678
Operating charges (annualised)	0.55%	0.55%	0.55%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	358.70 ²	384.60	347.20
Lowest share price (pence)	336.90 ²	325.30	277.70

¹ Class I accumulation gross closed on 2 October 2017 and this is the final cancellation price.

² to 2 October 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 close of business and on a bid basis 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 period.

Ongoing charge figure

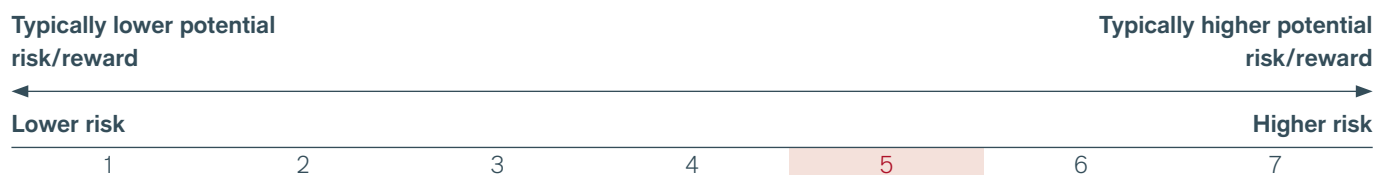
The annualised ongoing charge figure (OCF) of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months. Ongoing charges are all expenses deducted from the assets of the fund during the period, except for expenses that are explicitly excluded by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

	31/12/18 %	30/06/18 %
Class A	0.92	0.92
Class I	0.55	0.55
Class Z	0.05	0.05

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

Risk and reward profile

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



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

The value of an investment 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 classes appear 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. Under normal market conditions the following risks may apply:

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

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

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

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

Hedging Risk If the fund or a specific share class of the fund seeks to reduce risks (such as exchange rate movements), the measures designed to do so may be ineffective, unavailable or detrimental.

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

Leverage Risk Leverage arises from entering into contracts or derivatives whose terms have the effect of magnifying an outcome, meaning profits and losses from investment can be greater.

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

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

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

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

Portfolio statement as at 31 December 2018

Holding	Investment	Market value £000	Percentage of total net assets %
Bonds 97.97% (30/06/2018: 98.02%)			
United Kingdom 97.97% (30/06/2018: 98.02%)			
Fixed Rate Bond 97.97% (30/06/2018: 98.02%)			
GBP 1,666,545	UK Treasury 1.50% 22/07/2047	1,547	4.41
GBP 826,813	UK Treasury 1.625% 22/10/2071	802	2.28
GBP 1,425,875	UK Treasury 1.75% 07/09/2037	1,426	4.06
GBP 268,367	UK Treasury 1.75% 22/01/2049	264	0.75
GBP 1,231,322	UK Treasury 1.75% 22/07/2057	1,237	3.53
GBP 1,127,906	UK Treasury 2.50% 22/07/2065	1,412	4.02
GBP 1,554,558	UK Treasury 3.25% 22/01/2044	1,992	5.68
GBP 1,566,113	UK Treasury 3.50% 22/01/2045	2,101	5.99
GBP 1,354,377	UK Treasury 3.50% 22/07/2068	2,151	6.13
GBP 276,915	UK Treasury 3.75% 22/07/2052	416	1.19
GBP 1,204,026	UK Treasury 4.00% 22/01/2060	2,010	5.73
GBP 1,493,044	UK Treasury 4.25% 07/03/2036	2,065	5.88
GBP 1,290,751	UK Treasury 4.25% 07/09/2039	1,844	5.26
GBP 1,408,496	UK Treasury 4.25% 07/12/2040	2,038	5.81
GBP 1,593,968	UK Treasury 4.25% 07/12/2046	2,435	6.93
GBP 1,116,398	UK Treasury 4.25% 07/12/2049	1,762	5.02
GBP 1,384,136	UK Treasury 4.25% 07/12/2055	2,327	6.63
GBP 1,519,612	UK Treasury 4.50% 07/09/2034	2,124	6.05
GBP 1,494,163	UK Treasury 4.50% 07/12/2042	2,275	6.48
GBP 1,428,860	UK Treasury 4.75% 07/12/2038	2,154	6.14
		<u>34,382</u>	<u>97.97</u>
Derivatives (0.08%) (30/06/2018: (0.12%))			
Futures (0.01%) (30/06/2018: (0.01%))			
(5)	EUX Euro-Buxl 30 Year Bond March 2019	(4)	(0.01)
3	ICE Long Gilt March 2019	3	0.01
(2)	OSE Japan 10 Year Bond March 2019	(9)	(0.03)
23	SFE Australia 3 Year Bond March 2019	6	0.02
		<u>(4)</u>	<u>(0.01)</u>
Options 0.00% (30/06/2018: 0.03%)			
(112,500)	BRL/USD Put 3.85 March 2019	(2)	(0.01)
(337,500)	BRL/USD Put 3.85 March 2019	(6)	(0.02)
450,000	USD/BRL Put 3.85 March 2019	9	0.03
330,000	USD/CLP Put 633 March 2019	-	-
350,000	USD/GBP Call 1.38 February 2019	-	-
350,000	USD/GBP Call 1.38 February 2019	-	-
		<u>1</u>	<u>-</u>
Swaptions (0.01%) (30/06/2018: 0.01%)			
6,270,000	Swaption January 2019 USD 3 Month LIBOR 2.5725%	3	0.01
(2,620,000)	Swaption January 2019 USD 3 Month LIBOR 2.595%	(6)	(0.02)
		<u>(3)</u>	<u>(0.01)</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Swaps (0.04%) (30/06/2018: (0.11%))¹			
Inflation Index Swaps (0.05%) (30/06/2018: 0.00%)¹			
1,250,000	IIS 3.48% 15/09/2023 UKRPI Receive Fixed GBP	(16)	(0.05)
130,000	IIS 3.56% 15/12/2048 UKRPI Pay Floating GBP	(4)	(0.01)
1,250,000	IIS 3.6225% 15/12/2023 UKRPI Receive Fixed GBP	3	0.01
		<u>(17)</u>	<u>(0.05)</u>
Interest Rate Swaps 0.01% (30/06/2018: (0.11%))¹			
1,258,449,775	IRS 0.11% EURIBOR 6 month 0.00% Receive Floating 0.00% JPY	19	0.05
249,752,258	IRS 0.4465% LIBOR 6 month 0.00% Receive Floating 0.00% JPY	(48)	(0.14)
347,399	IRS 1.4651% EURIBOR 6 month 0.00% Receive Floating 0.00% EUR	7	0.02
440,000	IRS 1.5078% EURIBOR 6 month 0.00% Receive Floating 0.00% EUR	12	0.04
3,580,000	IRS 2.53% BBALIBOR 3 month Receive Fixed NZD	11	0.03
6,170,000	IRS 2.7075% CDOR 3 month Receive Fixed CAD	70	0.20
15,000,000	IRS 2.815% LIBOR 3 month 0.00% Receive Floating 0.00% USD	45	0.13
3,310,000	IRS 2.949% LIBOR 3 month 0.00% Receive Floating 0.00% USD	(41)	(0.12)
672,947	IRS 3.025% LIBOR 3 month 0.00% Receive Floating 0.00% USD	(12)	(0.03)
2,562,919	IRS 3.046% LIBOR 3 month 0.00% Receive Floating 0.00% USD	17	0.05
4,710,000	IRS 3.056% LIBOR 3 month Receive Floating USD	(77)	(0.22)
		<u>3</u>	<u>0.01</u>
Forward Foreign Exchange Contracts (0.02%) (30/06/2018: (0.02%))¹			
	Buy AUD 908,159 : Sell GBP 516,690 March 2019	(17)	(0.04)
	Buy CAD 10,570 : Sell GBP 6,258 January 2019 ²	-	-
	Buy CAD 12,518 : Sell GBP 7,364 January 2019 ²	-	-
	Buy CAD 13,219 : Sell GBP 7,747 January 2019 ²	-	-
	Buy CAD 16,783 : Sell GBP 9,733 January 2019 ²	-	-
	Buy CAD 23,426 : Sell GBP 13,794 January 2019 ²	-	-
	Buy CAD 4,994 : Sell GBP 2,870 January 2019 ²	-	-
	Buy CAD 63,686 : Sell GBP 37,661 January 2019	(1)	-
	Buy CAD 7,842 : Sell GBP 4,576 January 2019 ²	-	-
	Buy CAD 9,129 : Sell GBP 5,275 January 2019 ²	-	-
	Buy CAD 9,233 : Sell GBP 5,495 January 2019 ²	-	-
	Buy CHF 1,714 : Sell GBP 1,370 January 2019 ²	-	-
	Buy CHF 2,274 : Sell GBP 1,818 January 2019 ²	-	-
	Buy CHF 2,519 : Sell GBP 2,028 January 2019 ²	-	-
	Buy CHF 7,507 : Sell GBP 6,012 January 2019 ²	-	-
	Buy EUR 26,840 : Sell GBP 24,208 January 2019 ²	-	-
	Buy EUR 290,000 : Sell SEK 3,006,111 March 2019	(6)	(0.02)
	Buy EUR 300,000 : Sell SEK 3,100,590 March 2019	(5)	(0.01)
	Buy EUR 32,818 : Sell GBP 29,650 January 2019 ²	-	-
	Buy GBP 1,014 : Sell CHF 1,271 January 2019 ²	-	-
	Buy GBP 11,491 : Sell CAD 19,876 January 2019 ²	-	-
	Buy GBP 13,443 : Sell MXN 336,555 January 2019 ²	-	-
	Buy GBP 1,370 : Sell CHF 1,714 January 2019 ²	-	-
	Buy GBP 13,950 : Sell EUR 15,400 January 2019 ²	-	-
	Buy GBP 14,087 : Sell MXN 355,267 January 2019 ²	-	-
	Buy GBP 19,052 : Sell AUD 34,107 January 2019 ²	-	-
	Buy GBP 20,069 : Sell JPY 2,858,927 January 2019 ²	-	-
	Buy GBP 2,148 : Sell JPY 302,200 January 2019 ²	-	-
	Buy GBP 22,097 : Sell USD 27,985 January 2019 ²	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts¹ (continued)			
	Buy GBP 2,346 : Sell CAD 3,946 January 2019 ²	-	-
	Buy GBP 2,519 : Sell NZD 4,682 January 2019 ²	-	-
	Buy GBP 2,568 : Sell CAD 4,341 January 2019 ²	-	-
	Buy GBP 258,129 : Sell EUR 288,886 March 2019	(2)	(0.01)
	Buy GBP 26,297 : Sell AUD 46,000 January 2019	1	-
	Buy GBP 2,672 : Sell CHF 3,346 January 2019 ²	-	-
	Buy GBP 3,265 : Sell JPY 456,000 January 2019 ²	-	-
	Buy GBP 339,639 : Sell CAD 580,301 March 2019	7	0.02
	Buy GBP 398 : Sell NZD 756 January 2019 ²	-	-
	Buy GBP 4,163 : Sell CAD 7,026 January 2019 ²	-	-
	Buy GBP 4,799 : Sell CAD 8,251 January 2019 ²	-	-
	Buy GBP 4,841 : Sell NZD 9,122 January 2019 ²	-	-
	Buy GBP 70,172 : Sell CAD 119,981 January 2019	1	-
	Buy GBP 7,040 : Sell CHF 8,755 January 2019 ²	-	-
	Buy GBP 707,637 : Sell USD 905,482 March 2019	(1)	-
	Buy GBP 8,048 : Sell USD 10,206 January 2019 ²	-	-
	Buy GBP 97,061 : Sell USD 122,712 January 2019	1	-
	Buy GBP 98,279 : Sell EUR 108,763 January 2019	1	-
	Buy JPY 456,000 : Sell GBP 3,263 January 2019 ²	-	-
	Buy JPY 6,357,489 : Sell GBP 45,243 January 2019 ²	-	-
	Buy NOK 1,902,503 : Sell EUR 190,000 March 2019	2	-
	Buy NOK 3,675,431 : Sell GBP 339,288 March 2019	(6)	(0.02)
	Buy NOK 3,900,000 : Sell SEK 3,998,670 March 2019	(1)	-
	Buy NOK 5,767,965 : Sell EUR 580,000 March 2019	1	-
	Buy NZD 2,165 : Sell GBP 1,182 January 2019 ²	-	-
	Buy NZD 2,314 : Sell GBP 1,226 January 2019 ²	-	-
	Buy NZD 2,518 : Sell GBP 1,360 January 2019 ²	-	-
	Buy NZD 315,997 : Sell AUD 300,000 March 2019	1	-
	Buy NZD 342,088 : Sell GBP 184,666 March 2019	(5)	(0.01)
	Buy NZD 7,565 : Sell GBP 4,013 January 2019 ²	-	-
	Buy SEK 2,982,829 : Sell GBP 261,653 March 2019	3	0.01
	Buy SEK 3,089,208 : Sell EUR 300,000 March 2019	4	0.01
	Buy USD 114,652 : Sell GBP 90,192 January 2019 ²	-	-
	Buy USD 22,569 : Sell GBP 17,765 January 2019 ²	-	-
	Buy USD 434,786 : Sell AUD 600,000 March 2019	8	0.03
	Buy USD 437,856 : Sell NZD 640,000 March 2019	6	0.02
		<u>(8)</u>	<u>(0.02)</u>
	Investment assets including investment liabilities	34,354	97.89
	Other net assets	741	2.11
	Total net assets	35,095	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.

Credit ratings

	Market value £000	Percentage of net assets %
31/12/18		
Investments		
Investment grade (AAA - BBB)	34,382	97.97
Total debt securities	34,382	97.97
Derivatives	(28)	(0.08)
Investment assets including investment liabilities	34,354	97.89
Other net assets	741	2.11
Total net assets	35,095	100.00
	Market value £000	Percentage of net assets %
30/06/18		
Investments		
Investment grade (AAA - BBB)	41,003	98.02
Total debt securities	41,003	98.02
Derivatives	(49)	(0.12)
Investment assets including investment liabilities	40,954	97.90
Other net assets	878	2.10
Total net assets	41,832	100.00

Statement of total return (unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(1,063)		837
Revenue	390		497	
Expenses	<u>(83)</u>		<u>(112)</u>	
Net revenue before taxation	307		385	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>307</u>		<u>385</u>
Total return before distributions		(756)		1,222
Distributions		(307)		(385)
Change in net assets attributable to shareholders from investment activities		<u>(1,063)</u>		<u>837</u>

Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Opening net assets attributable to shareholders*		41,832		44,909
Amounts receivable on issue of shares	5,510		5,930	
Amounts payable on cancellation of shares	<u>(11,431)</u>		<u>(8,498)</u>	
		(5,921)		(2,568)
Dilution adjustment		2		-
Change in net assets attributable to shareholders from investment activities		(1,063)		837
Retained distributions on accumulation shares		245		317
Closing net assets attributable to shareholders		<u>35,095</u>		<u>43,495</u>

* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

Balance sheet (unaudited) as at 31 December 2018

	31/12/18	30/06/18
	£000	£000
Assets:		
Investments	34,623	41,074
Current assets:		
Debtors	285	502
Cash and bank balances	677	759
Total assets	<u>35,585</u>	<u>42,335</u>
Liabilities:		
Investment liabilities	269	120
Creditors:		
Amounts held at derivatives clearing houses and brokers	114	20
Bank overdrafts	17	90
Distribution payable	22	25
Other creditors	68	248
Total liabilities	<u>490</u>	<u>503</u>
Net assets attributable to shareholders	<u>35,095</u>	<u>41,832</u>

Distribution tables for the six months ended 31 December 2018 (in pence per share)

Interim interest distribution (accounting date 30 September 2018, paid on 30 November 2018)

Group 1: shares purchased prior to 1 July 2018

Group 2: shares purchased on or after 1 July 2018

	Distribution per share	Equalisation	Total distribution per share 30/11/18	Total distribution per share 30/11/17
Class A accumulation				
Group 1	0.6199	-	0.6199	0.6497
Group 2	0.2220	0.3979	0.6199	0.6497
Class A income				
Group 1	0.5603	-	0.5603	0.5931
Group 2	0.2066	0.3537	0.5603	0.5931
Class I accumulation				
Group 1	1.1985	-	1.1985	1.2571
Group 2	0.3381	0.8604	1.1985	1.2571
Class Z accumulation				
Group 1	1.1839	-	1.1839	1.2003
Group 2	0.7248	0.4591	1.1839	1.2003
Class I accumulation gross¹				
Group 1	n/a	n/a	n/a	1.3617
Group 2	n/a	n/a	n/a	1.3617

¹ Class I accumulation gross closed on 2 October 2017.

Interim interest distribution (accounting date 31 December 2018, paid on 28 February 2019)

Group 1 : shares purchased prior to 1 October 2018

Group 2 : shares purchased on or after 1 October 2018

	Distribution per share	Equalisation	Total distribution per share 28/02/19	Total distribution per share 28/02/18
Class A accumulation				
Group 1	0.6610	-	0.6610	0.7335
Group 2	0.3790	0.2820	0.6610	0.7335
Class A income				
Group 1	0.5935	-	0.5935	0.6675
Group 2	0.2007	0.3928	0.5935	0.6675
Class I accumulation				
Group 1	1.2735	-	1.2735	1.3795
Group 2	0.6042	0.6693	1.2735	1.3795
Class Z accumulation				
Group 1	1.2137	-	1.2137	1.2893
Group 2	0.4768	0.7369	1.2137	1.2893

Janus Henderson Institutional UK Gilt Fund

Authorised Corporate Director's (ACD) report

Investment Fund Managers

Andrew Mulliner and Bethany Payne

Investment objective and policy

To provide a return by investing primarily in United Kingdom Government securities. The fund may invest in other transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

Performance summary

Cumulative performance	Six months	One year	Five years	Since launch
	30 Jun 18 - 31 Dec 18	31 Dec 17 - 31 Dec 18	31 Dec 13 - 31 Dec 18	4 Sep 00 - 31 Dec 18
	%	%	%	%
Class A income	(1.1)	(1.4)	19.3	93.7
Class I accumulation	(1.0)	(1.0)	21.7	105.8
FTSE Actuaries Fixed Interest All Stocks UK Gilts	0.2	0.6	29.1	156.3

Discrete performance	31 Dec 17 -	31 Dec 16 -	31 Dec 15 -	31 Dec 14 -	31 Dec 13 -
	31 Dec 18	31 Dec 17	31 Dec 16	31 Dec 15	31 Dec 14
	%	%	%	%	%
Class A income	(1.4)	0.8	8.8	(0.5)	10.9
Class I accumulation	(1.0)	1.2	9.1	(0.1)	11.4

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

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

Significant portfolio changes for the six months ended 31 December 2018

Largest purchases	£000	Largest sales	£000
UK Treasury 4.00% 07/03/2022	13,373	UK Treasury 4.50% 07/03/2019	16,883
UK Treasury 4.25% 07/12/2027	8,868	UK Treasury 4.50% 07/12/2042	10,203
UK Treasury 4.50% 07/12/2042	8,810	UK Treasury 3.75% 22/07/2052	7,723
UK Treasury 1.625% 22/10/2028	8,294	UK Treasury 1.50% 22/01/2021	7,615
UK Treasury 1.50% 22/07/2026	7,159	UK Treasury 1.75% 22/07/2019	7,523
UK Treasury 3.75% 07/09/2021	6,636	UK Treasury 1.50% 22/07/2047	6,862
UK Treasury 3.75% 07/09/2019	5,273	UK Treasury 3.75% 07/09/2019	6,784
UK Treasury 2.75% 07/09/2024	4,809	UK Treasury 2.75% 07/09/2024	6,544
UK Treasury 4.25% 07/12/2040	4,431	UK Treasury 1.75% 07/09/2022	4,599
UK Treasury 4.25% 07/12/2046	4,102	UK Treasury 1.625% 22/10/2028	4,585
Total purchases	94,893	Total sales	115,007

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

Investment review

The fund generated a return of -1.1% (based on Class A income) during the period under review, against the FTSE Actuaries Fixed Interest All Stocks UK Gilts positive return of 0.2%

The latter part of 2018 was a tale of two halves. We started the period seeing the same issues that occupied markets in the first half, namely political risk, intensifying trade wars, Brexit headlines and a shift away from ultra-accommodative monetary policy by central banks. Nevertheless, returns for risk assets generally held up well for most of the period, with credit markets performing well while government bonds delivered negative returns. Volatility then returned to bond markets in the second half as declines in equity markets, soft global economic data and a sharp fall in the oil price negatively impacted demand for risk assets. Core government bond markets were the main beneficiary, with yields falling (and prices rising) sharply in the fourth quarter.

Over the period, UK government bond yields were broadly unchanged from their 30 June levels, with underperformance in September offset by late-period strength as core government bond markets rallied around the world. In the UK, index-linked gilts outperformed conventional gilts, with market inflation expectations rising due to sterling weakness and Brexit concerns (in contrast with other markets, where the sharp fall in oil prices led inflation expectations lower).

The fund was positioned for yields to fall in Canada, Australia and New Zealand relative to other markets, such as Japan. In the third quarter, Canadian yields continued to rise against our expectations, with better than expected GDP and retail sales data despite signs of slowing economic activity and consumer credit. We exited this position in October. The pick-up in market volatility from that month led to choppier market conditions and a flight to quality. We held a tactical short to US Treasuries, which was closed for a loss as investors increasingly favoured 'safe haven' assets. Positions in Australia and New Zealand rates performed well in December. However, against this our negative view on Japan expecting yields to rise detracted.

We expected steeper yield curves (shorter maturity rates to outperform relative to longer maturity rates), and this thinking worked well in the US towards the end of the year, as shorter maturity debt benefited from expectations that the Federal Reserve (Fed) would have to reassess (slow) the trajectory of planned interest rate hikes. However, yield curve positioning detracted in Japan and Mexico. In Japan, the risk-off environment led to the outperformance of longer-dated debt (which had performed poorly earlier in the year), while positioning for two-year rates to outperform 10-year equivalents in Mexico (now closed) detracted as a result of the central bank being more hawkish than expected and as uncertainty surrounding the plans of the new Obrador administration lessened.

Within the UK, we positioned for longer-dated debt to outperform given relatively low supply in the fourth quarter and our expectations that UK inflation would fall from elevated levels. The current pricing in shorter-dated inflation markets in the UK is at odds with the fall in oil prices and assumes a significant depreciation in sterling to be justified.

In currency activity, positions expecting Scandinavian currencies to appreciate contributed positively, as those central banks look set to embark on interest rate hikes. Within emerging markets, exposure to the Colombian peso detracted as stress on emerging markets increased in August. We subsequently established a position expecting the Brazilian real to appreciate around the election, which performed very well. At the end of the period, we increased our positive position in the Norwegian krone held against a basket consisting of the euro, Swedish krona and Canadian dollar.

The final quarter of 2018 saw extreme turbulence in equities and credit markets, with government bonds performing strongly. Government bond yields have rallied sharply, particularly in the US, with current markets pricing no further rate hikes from the Fed. While economic data is rolling over globally, we believe the current level of market pricing to be too low in the US relative to other developed markets (where markets still price hikes) and expect US bonds to underperform those of other markets from here. More broadly, however, economic growth looks to have rolled over following weaker growth in Europe and Asia, suggesting that the balance of risks to yields may be to the downside overall.

Comparative tables for the six months ended 31 December 2018

	Class A income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	207.10	207.45	212.62	191.94
Return before operating charges*	(0.90)	3.30	(1.81)	24.35
Operating charges	(0.92)	(1.88)	(1.92)	(1.79)
Return after operating charges*	(1.82)	1.42	(3.73)	22.56
Distributions on income shares	(0.83)	(1.77)	(1.44)	(1.88)
Closing net asset value per share	204.45	207.10	207.45	212.62
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	(0.88%)	0.68%	(1.75%)	11.75%
Other information				
Closing net asset value (£000s)	777	827	948	1,381
Closing number of shares	380,083	399,420	456,962	649,431
Operating charges (annualised)	0.90%	0.91%	0.91%	0.91%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	208.60	212.70	222.80	211.90
Lowest share price (pence)	198.80	201.00	203.00	189.60
	Class D accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	150.70	148.74	150.36	133.26
Return before operating charges*	(0.64)	2.39	(1.18)	17.50
Operating charges	(0.21)	(0.43)	(0.44)	(0.40)
Return after operating charges*	(0.85)	1.96	(1.62)	17.10
Distributions on accumulation shares	(1.08)	(2.20)	(2.08)	(2.51)
Retained distributions on accumulation shares	1.08	2.20	2.08	2.51
Closing net asset value per share	149.85	150.70	148.74	150.36
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	(0.56%)	1.32%	(1.08%)	12.83%
Other information				
Closing net asset value (£000s)	11,699	10,852	9,995	9,466
Closing number of shares	7,807,035	7,201,569	6,719,765	6,295,197
Operating charges (annualised)	0.28%	0.29%	0.29%	0.29%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	151.90	152.70	157.80	149.60
Lowest share price (pence)	145.20	145.30	144.30	131.70

Comparative tables (continued)

	Class I accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	331.26	327.82	332.63	296.47
Return before operating charges*	(1.37)	5.21	(2.63)	38.78
Operating charges	(0.89)	(1.77)	(1.79)	(1.66)
Return after operating charges*	(2.26)	3.44	(4.42)	37.12
Distributions on accumulation shares	(1.98)	(4.02)	(3.76)	(4.80)
Retained distributions on accumulation shares [^]	1.98	4.02	3.37	3.84
Closing net asset value per share	329.00	331.26	327.82	332.63
* after direct transaction costs of:	-	0.01	-	0.01
Performance				
Return after charges	(0.68%)	1.05%	(1.33%)	12.52%
Other information				
Closing net asset value (£000s)	6,325	30,828	5,548	7,088
Closing number of shares	1,922,555	9,306,308	1,692,406	2,131,013
Operating charges (annualised)	0.53%	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	333.90	336.30	348.70	330.80
Lowest share price (pence)	318.90	319.80	318.40	292.90

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

	Class I income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	205.42	205.78	210.93	190.33
Return before operating charges*	(0.88)	3.26	(1.89)	24.12
Operating charges	(0.55)	(1.11)	(1.13)	(1.06)
Return after operating charges*	(1.43)	2.15	(3.02)	23.06
Distributions on income shares	(1.20)	(2.51)	(2.13)	(2.46)
Closing net asset value per share	202.79	205.42	205.78	210.93
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	(0.70%)	1.04%	(1.43%)	12.12%
Other information				
Closing net asset value (£000s)	2,228	2,498	2,881	3,316
Closing number of shares	1,098,806	1,216,043	1,400,192	1,571,973
Operating charges (annualised)	0.53%	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	207.00	211.10	221.10	210.40
Lowest share price (pence)	197.20	199.50	201.40	188.00

Comparative tables (continued)

	Class Z accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	218.21	214.85	216.65	191.53
Return before operating charges*	(0.91)	3.45	(1.71)	25.20
Operating charges	(0.04)	(0.09)	(0.09)	(0.08)
Return after operating charges*	(0.95)	3.36	(1.80)	25.12
Distributions on accumulation shares	(1.83)	(3.72)	(3.54)	(4.11)
Retained distributions on accumulation shares	1.83	3.72	3.54	4.11
Closing net asset value per share	217.26	218.21	214.85	216.65
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	(0.44%)	1.56%	(0.83%)	13.12%
Other information				
Closing net asset value (£000s)	257,648	259,000	274,408	250,549
Closing number of shares	118,589,194	118,691,356	127,719,944	115,648,951
Operating charges (annualised)	0.03%	0.04%	0.04%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	220.00	220.60	227.50	215.50
Lowest share price (pence)	210.40	210.30	208.20	189.30

Comparative tables (continued)

	Class I accumulation gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	354.02	358.77	318.76
Return before operating charges*	(1.32)	(2.82)	41.79
Operating charges	(0.50)	(1.93)	(1.78)
Return after operating charges*	(1.82)	(4.75)	40.01
Distributions on accumulation shares	(0.98)	(4.06)	(5.17)
Retained distributions on accumulation shares	0.98	4.06	5.17
Final cancellation price	(352.20) ¹	-	-
Closing net asset value per share	-	354.02	358.77
* after direct transaction costs of:	0.01	-	0.01
Performance			
Return after charges	(0.51%)	(1.32%)	12.55%
Other information			
Closing net asset value (£000s)	-	25,501	26,204
Closing number of shares	-	7,203,015	7,303,922
Operating charges (annualised)	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	363.20 ²	376.40	356.80
Lowest share price (pence)	349.90 ²	344.00	315.00

¹ Class I accumulation gross closed 2 October 2017 and this is the final cancellation price.

² to 2 October 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 close of business and on a bid basis 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 period.

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 period, except for expenses that are explicitly excluded by regulation.

	31/12/18 %	30/06/18 %
Class A	0.90	0.91
Class D	0.28	0.29
Class I	0.53	0.54
Class Z	0.03	0.04

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

Portfolio statement as at 31 December 2018

Holding	Investment	Market value £000	Percentage of total net assets %
Bonds 96.22% (30/06/2018: 96.01%)			
United Kingdom 96.22% (30/06/2018: 96.01%)			
Fixed Rate Bond 96.22% (30/06/2018: 96.01%)			
GBP 6,128,196	UK Treasury 0.50% 22/07/2022	6,064	2.18
GBP 5,934,148	UK Treasury 0.75% 22/07/2023	5,894	2.11
GBP 2,526,786	UK Treasury 1.25% 22/07/2027	2,542	0.91
GBP 8,034,686	UK Treasury 1.50% 22/07/2026	8,283	2.97
GBP 5,006,134	UK Treasury 1.50% 22/07/2047	4,647	1.67
GBP 3,677,415	UK Treasury 1.625% 22/10/2028	3,794	1.36
GBP 1,688,900	UK Treasury 1.625% 22/10/2071	1,638	0.59
GBP 1,713,160	UK Treasury 1.75% 07/09/2022	1,770	0.64
GBP 2,974,128	UK Treasury 1.75% 07/09/2037	2,975	1.07
GBP 3,276,555	UK Treasury 1.75% 22/07/2057	3,292	1.18
GBP 4,755,664	UK Treasury 2.00% 07/09/2025	5,062	1.82
GBP 7,151,018	UK Treasury 2.00% 22/07/2020	7,290	2.62
GBP 5,809,401	UK Treasury 2.25% 07/09/2023	6,170	2.21
GBP 3,924,357	UK Treasury 2.50% 22/07/2065	4,912	1.76
GBP 4,378,160	UK Treasury 2.75% 07/09/2024	4,812	1.73
GBP 5,439,582	UK Treasury 3.25% 22/01/2044	6,971	2.50
GBP 5,556,743	UK Treasury 3.50% 22/01/2045	7,456	2.68
GBP 5,614,980	UK Treasury 3.50% 22/07/2068	8,917	3.20
GBP 5,731,405	UK Treasury 3.75% 07/09/2019	5,846	2.10
GBP 5,130,355	UK Treasury 3.75% 07/09/2020	5,386	1.93
GBP 12,633,566	UK Treasury 3.75% 07/09/2021	13,639	4.89
GBP 17,473,012	UK Treasury 4.00% 07/03/2022	19,232	6.89
GBP 5,144,526	UK Treasury 4.00% 22/01/2060	8,589	3.08
GBP 6,177,773	UK Treasury 4.25% 07/03/2036	8,543	3.07
GBP 7,328,203	UK Treasury 4.25% 07/06/2032	9,766	3.50
GBP 4,376,373	UK Treasury 4.25% 07/09/2039	6,253	2.24
GBP 6,084,395	UK Treasury 4.25% 07/12/2027	7,679	2.76
GBP 4,999,878	UK Treasury 4.25% 07/12/2040	7,236	2.60
GBP 7,230,418	UK Treasury 4.25% 07/12/2046	11,041	3.96
GBP 3,003,631	UK Treasury 4.25% 07/12/2049	4,739	1.70
GBP 5,229,312	UK Treasury 4.25% 07/12/2055	8,789	3.15
GBP 5,398,334	UK Treasury 4.50% 07/09/2034	7,545	2.71
GBP 4,952,248	UK Treasury 4.50% 07/12/2042	7,542	2.71
GBP 6,792,538	UK Treasury 4.75% 07/03/2020	7,109	2.55
GBP 8,466,217	UK Treasury 4.75% 07/12/2030	11,586	4.16
GBP 5,200,015	UK Treasury 4.75% 07/12/2038	7,840	2.81
GBP 7,400,774	UK Treasury 5.00% 07/03/2025	9,175	3.29
GBP 4,087,622	UK Treasury 6.00% 07/12/2028	5,895	2.12
GBP 1,890,530	UK Treasury 8.00% 07/06/2021	2,223	0.80
		268,142	96.22
Collective Investment Schemes 0.10% (30/06/2018: 0.09%)			
272,043	Deutsche Global Liquidity Managed Platinum Sterling Fund	272	0.10

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Derivatives (0.09%) (30/06/2018: (0.12%))			
Futures (0.02%) (30/06/2018: (0.02%))			
(39)	EUX Euro-Buxl 30 Year Bond March 2019	(30)	(0.01)
(18)	OSE Japan 10 Year Bond March 2019	(81)	(0.03)
169	SFE Australia 3 Year Bond March 2019	45	0.02
		<u>(66)</u>	<u>(0.02)</u>
Options 0.00% (30/06/2018: 0.03%)¹			
(900,000)	BRL/USD Put 3.85 March 2019	(15)	(0.01)
(2,700,000)	BRL/USD Put 3.85 March 2019	(46)	(0.02)
3,600,000	USD/BRL Put 3.85 March 2019	62	0.03
2,700,000	USD/CLP Put 633 March 2019	2	-
2,750,000	USD/GBP Call 1.38 February 2019	3	-
2,750,000	USD/GBP Call 1.38 February 2019	3	-
		<u>9</u>	<u>-</u>
Swaptions (0.00%) (30/06/2018: (0.01%))			
45,200,000	Swaption January 2019 USD 3 Month LIBOR 2.5725%	20	0.01
(18,900,000)	Swaption January 2019 USD 3 Month LIBOR 2.595%	(41)	(0.01)
		<u>(21)</u>	<u>-</u>
Swaps (0.02%) (30/06/2018: (0.10%))¹			
Inflation Index Swaps (0.05%) (30/06/2018: 0.00%)¹			
10,100,000	IIS 3.48% 15/09/2023 UKRPI Receive Fixed GBP	(136)	(0.05)
1,000,000	IIS 3.56% 15/12/2048 UKRPI Pay Floating GBP	(28)	(0.01)
10,100,000	IIS 3.6225% 15/12/2023 UKRPI Receive Fixed GBP	25	0.01
		<u>(139)</u>	<u>(0.05)</u>
Interest Rate Swaps 0.03% (30/06/2018: (0.10%))¹			
11,732,100,000	IRS 0.1100% EURIBOR 6 month 0.00% Receive Floating 0.00% JPY	173	0.06
2,362,000,000	IRS 0.4465% LIBOR 6 month 0.00% Receive Floating 0.00% JPY	(451)	(0.16)
3,100,000	IRS 1.4651% EURIBOR 6 month 0.00% Receive Floating 0.00% EUR	61	0.02
3,100,000	IRS 1.5078% EURIBOR 6 month 0.00% Receive Floating 0.00% EUR	87	0.03
29,000,000	IRS 2.53% BBALIBOR 3 month Receive Fixed NZD	90	0.03
49,700,000	IRS 2.7075% CDOR 3 month Receive Fixed CAD	566	0.21
107,500,000	IRS 2.8150% LIBOR 3 month 0.00% Receive Floating 0.00% USD	319	0.11
23,700,000	IRS 2.9490% LIBOR 3 month 0.00% Receive Floating 0.00% USD	(296)	(0.11)
11,800,000	IRS 3.0250% LIBOR 3 month 0.00% Receive Floating 0.00% USD	(208)	(0.07)
53,200,000	IRS 3.0460% LIBOR 3 month 0.00% Receive Floating 0.00% USD	348	0.12
38,000,000	IRS 3.056% LIBOR 3 month Receive Floating USD	(615)	(0.21)
		<u>74</u>	<u>0.03</u>
Forward Foreign Exchange Contracts (0.05%) (30/06/2018: (0.02%))¹			
	Buy AUD 37,900 : Sell GBP 21,649 January 2019	(1)	-
	Buy AUD 51,700 : Sell GBP 29,055 January 2019	(1)	-
	Buy AUD 7,230,390 : Sell GBP 4,161,710 March 2019	(174)	(0.07)
	Buy CAD 100,837 : Sell GBP 59,322 January 2019	(1)	-
	Buy CAD 106,480 : Sell GBP 62,399 January 2019	(1)	-
	Buy CAD 135,185 : Sell GBP 78,402 January 2019	(1)	-
	Buy CAD 188,698 : Sell GBP 111,113 January 2019	(3)	-
	Buy CAD 40,230 : Sell GBP 23,114 January 2019 ²	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts¹ (continued)			
	Buy CAD 513,001 : Sell GBP 303,362 January 2019	(9)	-
	Buy CAD 63,167 : Sell GBP 36,857 January 2019	(1)	-
	Buy CAD 73,538 : Sell GBP 42,494 January 2019 ²	-	-
	Buy CAD 74,372 : Sell GBP 44,263 January 2019	(2)	-
	Buy CAD 85,139 : Sell GBP 50,406 January 2019	(1)	-
	Buy CHF 2 : Sell GBP 1 January 2019 ²	-	-
	Buy CHF 20,304 : Sell GBP 16,347 January 2019 ²	-	-
	Buy CHF 2,134 : Sell GBP 1,703 January 2019 ²	-	-
	Buy CHF 6,504 : Sell GBP 5,192 January 2019 ²	-	-
	Buy CHF 89,331 : Sell GBP 71,396 January 2019 ²	-	-
	Buy CHF 9,750 : Sell GBP 7,791 January 2019 ²	-	-
	Buy EUR 204,781 : Sell GBP 185,014 January 2019	(1)	-
	Buy EUR 2,300,000 : Sell SEK 23,771,190 March 2019	(40)	(0.01)
	Buy EUR 2,300,000 : Sell SEK 23,841,570 March 2019	(47)	(0.02)
	Buy EUR 28,934 : Sell GBP 26,117 January 2019 ²	-	-
	Buy EUR 39,076 : Sell GBP 35,360 January 2019 ²	-	-
	Buy EUR 52,623 : Sell GBP 47,462 January 2019 ²	-	-
	Buy GBP 108,336 : Sell MXN 2,712,333 January 2019	1	-
	Buy GBP 11,040 : Sell CHF 13,812 January 2019 ²	-	-
	Buy GBP 113,524 : Sell MXN 2,863,071 January 2019 ²	-	-
	Buy GBP 11,601 : Sell JPY 1,620,000 January 2019 ²	-	-
	Buy GBP 121,801 : Sell USD 154,256 January 2019	1	-
	Buy GBP 12,938 : Sell JPY 1,820,350 January 2019 ²	-	-
	Buy GBP 1,339 : Sell NZD 2,539 January 2019 ²	-	-
	Buy GBP 139,778 : Sell AUD 250,233 January 2019	2	-
	Buy GBP 16,522 : Sell JPY 2,310,000 January 2019 ²	-	-
	Buy GBP 1,705 : Sell CHF 2,134 January 2019 ²	-	-
	Buy GBP 18,897 : Sell CAD 31,782 January 2019	1	-
	Buy GBP 193,922 : Sell JPY 27,624,927 January 2019	(4)	-
	Buy GBP 20,115 : Sell JPY 2,850,000 January 2019 ²	-	-
	Buy GBP 20,584 : Sell USD 25,856 January 2019 ²	-	-
	Buy GBP 20,682 : Sell CAD 34,965 January 2019	1	-
	Buy GBP 21,102 : Sell USD 26,678 January 2019 ²	-	-
	Buy GBP 21,536 : Sell CHF 26,971 January 2019 ²	-	-
	Buy GBP 21,705 : Sell USD 27,683 January 2019 ²	-	-
	Buy GBP 2,632,331 : Sell EUR 2,941,699 March 2019	(14)	(0.01)
	Buy GBP 2,777,953 : Sell CAD 4,682,404 March 2019	89	0.03
	Buy GBP 33,533 : Sell CAD 56,592 January 2019	1	-
	Buy GBP 34,002 : Sell USD 43,052 January 2019 ²	-	-
	Buy GBP 3,435 : Sell CHF 4,289 January 2019 ²	-	-
	Buy GBP 34,359 : Sell EUR 38,234 January 2019 ²	-	-
	Buy GBP 38,653 : Sell CAD 66,462 January 2019 ²	-	-
	Buy GBP 41,614 : Sell USD 52,870 January 2019 ²	-	-
	Buy GBP 439,403 : Sell EUR 486,276 January 2019	2	-
	Buy GBP 48,037 : Sell EUR 53,313 January 2019 ²	-	-
	Buy GBP 560,913 : Sell USD 709,150 January 2019	5	-
	Buy GBP 565,244 : Sell CAD 966,464 January 2019	10	-
	Buy GBP 5,670,024 : Sell USD 7,256,078 March 2019	(9)	-
	Buy GBP 56,744 : Sell CHF 70,574 January 2019 ²	-	-
	Buy GBP 67,158 : Sell USD 85,166 January 2019 ²	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts¹ (continued)			
	Buy GBP 76,208 : Sell NZD 143,595 January 2019	1	-
	Buy GBP 7,926 : Sell NZD 14,663 January 2019 ²	-	-
	Buy GBP 81,189 : Sell EUR 89,627 January 2019	1	-
	Buy GBP 8,173 : Sell CHF 10,243 January 2019 ²	-	-
	Buy GBP 92,564 : Sell CAD 160,103 January 2019	1	-
	Buy JPY 1,620,000 : Sell GBP 11,594 January 2019 ²	-	-
	Buy JPY 63,265,410 : Sell GBP 450,229 January 2019	3	-
	Buy MXN 5,250,496 : Sell GBP 206,536 January 2019	2	-
	Buy MXN 98,075 : Sell GBP 3,869 January 2019 ²	-	-
	Buy NOK 15,017,201 : Sell EUR 1,500,000 March 2019	12	-
	Buy NOK 30,900,000 : Sell SEK 31,681,770 March 2019	(10)	-
	Buy NOK 35,448,084 : Sell GBP 3,276,991 March 2019	(64)	(0.02)
	Buy NOK 45,745,928 : Sell EUR 4,600,000 March 2019	9	-
	Buy NZD 12,273 : Sell GBP 6,506 January 2019 ²	-	-
	Buy NZD 13,182 : Sell GBP 7,228 January 2019 ²	-	-
	Buy NZD 2,527,975 : Sell AUD 2,400,000 March 2019	4	-
	Buy NZD 2,666,183 : Sell GBP 1,447,544 March 2019	(47)	(0.02)
	Buy NZD 46,847 : Sell GBP 25,591 January 2019	(1)	-
	Buy NZD 61,277 : Sell GBP 32,511 January 2019 ²	-	-
	Buy NZD 6,468 : Sell GBP 3,458 January 2019 ²	-	-
	Buy NZD 6,655 : Sell GBP 3,601 January 2019 ²	-	-
	Buy NZD 8,477 : Sell GBP 4,580 January 2019 ²	-	-
	Buy NZD 9,201 : Sell GBP 4,979 January 2019v	-	-
	Buy SEK 23,684,477 : Sell EUR 2,300,000 March 2019	33	0.01
	Buy SEK 24,885,903 : Sell GBP 2,178,244 March 2019	30	0.01
	Buy USD 218,074 : Sell GBP 172,303 January 2019	(1)	-
	Buy USD 3,478,286 : Sell AUD 4,800,000 March 2019	74	0.03
	Buy USD 3,489,165 : Sell NZD 5,100,000 March 2019	51	0.02
	Buy USD 35,443 : Sell GBP 27,815 January 2019 ²	-	-
	Buy USD 39,274 : Sell GBP 31,190 January 2019 ²	-	-
	Buy USD 59,343 : Sell GBP 46,911 January 2019 ²	-	-
	Buy USD 797,163 : Sell GBP 627,098 January 2019	(2)	-
		(101)	(0.05)
	Investment assets including investment liabilities	268,170	96.23
	Other net assets	10,507	3.77
	Total net assets	278,677	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.

Credit ratings

	Market value £000	Percentage of net assets %
31/12/18		
Investments		
Investment grade (AAA - BBB)	268,142	96.22
Total debt securities	268,142	96.22
Collective investment schemes	272	0.10
Derivatives	(244)	(0.09)
Investment assets including investment liabilities	268,170	96.23
Other net assets	10,507	3.77
Total net assets	278,677	100.00
	Market value £000	Percentage of net assets %
30/06/18		
Investments		
Investment grade (AAA - BBB)	291,864	96.01
Total debt securities	291,864	96.01
Collective investment schemes	271	0.09
Derivatives	(362)	(0.12)
Investment assets including investment liabilities	291,773	95.98
Other net assets	12,232	4.02
Total net assets	304,005	100.00

Statement of total return (unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(3,654)		1,828
Revenue	2,452		2,805	
Expenses	<u>(98)</u>		<u>(160)</u>	
Net revenue before taxation	2,354		2,645	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>2,354</u>		<u>2,645</u>
Total return before distributions		(1,300)		4,473
Distributions		(2,353)		(2,645)
Change in net assets attributable to shareholders from investment activities		<u>(3,653)</u>		<u>1,828</u>

Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Opening net assets attributable to shareholders*		304,005		319,281
Amounts receivable on issue of shares	10,324		42,103	
Amounts payable on cancellation of shares	<u>(34,298)</u>		<u>(47,982)</u>	
		(23,974)		(5,879)
Dilution adjustment		5		-
Change in net assets attributable to shareholders from investment activities		(3,653)		1,828
Retained distributions on accumulation shares		2,294		2,559
Closing net assets attributable to shareholders		<u>278,677</u>		<u>317,789</u>

* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

Balance sheet (unaudited) as at 31 December 2018

	31/12/18	30/06/18
	£000	£000
Assets:		
Investments	270,552	292,492
Current assets:		
Debtors	2,186	2,469
Cash and bank balances	9,614	11,198
Total assets	<u>282,352</u>	<u>306,159</u>
Liabilities:		
Investment liabilities	2,382	719
Creditors:		
Amounts held at derivatives clearing houses and brokers	977	98
Bank overdrafts	-	823
Distribution payable	8	9
Other creditors	308	505
Total liabilities	<u>3,675</u>	<u>2,154</u>
Net assets attributable to shareholders	<u>278,677</u>	<u>304,005</u>

Distribution tables for the six months ended 31 December 2018 (in pence per share)

Interim interest distribution (accounting date 30 September 2018, paid on 30 November 2018)

Group 1: shares purchased prior to 1 July 2018

Group 2: shares purchased on or after 1 July 2018

	Distribution per share	Equalisation	Total distribution per share 30/11/18	Total distribution per share 30/11/17
Class A income				
Group 1	0.4036	-	0.4036	0.3819
Group 2	-	0.4036	0.4036	0.3819
Class D accumulation				
Group 1	0.5286	-	0.5286	0.5070
Group 2	0.1093	0.4193	0.5286	0.5070
Class I accumulation				
Group 1	0.9770	-	0.9770	0.9093
Group 2	0.1760	0.8010	0.9770	0.9093
Class I income				
Group 1	0.5901	-	0.5901	0.5708
Group 2	0.1250	0.4651	0.5901	0.5708
Class Z accumulation				
Group 1	0.9015	-	0.9015	0.8687
Group 2	0.3440	0.5575	0.9015	0.8687
Class I accumulation gross¹				
Group 1	n/a	n/a	n/a	0.9819
Group 2	n/a	n/a	n/a	0.9819

¹ Class I accumulation gross closed on 2 October 2017.

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2018, paid on 28 February 2019)

Group 1 : shares purchased prior to 1 October 2018

Group 2 : shares purchased on or after 1 October 2018

	Distribution per share	Equalisation	Total distribution per share 28/02/19	Total distribution per share 28/02/18
Class A income				
Group 1	0.4286	-	0.4286	0.4916
Group 2	-	0.4286	0.4286	0.4916
Class D accumulation				
Group 1	0.5476	-	0.5476	0.5854
Group 2	0.1169	0.4307	0.5476	0.5854
Class I accumulation				
Group 1	1.0016	-	1.0016	1.0830
Group 2	-	1.0016	1.0016	1.0830
Class I income				
Group 1	0.6139	-	0.6139	0.6779
Group 2	0.1338	0.4801	0.6139	0.6779
Class Z accumulation				
Group 1	0.9284	-	0.9284	0.9817
Group 2	0.0928	0.8356	0.9284	0.9817

Janus Henderson Preference & Bond Fund

Authorised Corporate Director's (ACD) report

Investment Fund Managers

Jenna Barnard, John Pattullo and Rebecca Young

Investment objective and policy

To provide a return by investing primarily in preference shares, Government securities, corporate bonds, Eurobonds and other bonds. Where the fund invests in currencies other than sterling, the fund will always be hedged at least 80% to sterling in aggregate. The fund may invest in other transferable securities, money market instruments and forward transactions, deposits and units in collective investment schemes. The fund may use financial instruments, known as derivatives, to achieve the fund's investment objective and for the purpose of efficient portfolio management (or other equivalent description) which aims to reduce risk, reduce cost or generate additional capital or income with a level of risk consistent with that of the risk profile of the fund.

Performance summary

Cumulative performance	Six months	One year	Five years	Since launch
	30 Jun 18 - 31 Dec 18	31 Dec 17 - 31 Dec 18	31 Dec 13 - 31 Dec 18	31 Oct 78 - 31 Dec 18
	%	%	%	%
Class A income	(0.6)	(3.2)	17.8	1,479.7
Class I accumulation	(0.2)	(2.5)	22.1	1,663.1

Discrete performance	31 Dec 17 -	31 Dec 16 -	31 Dec 15 -	31 Dec 14 -	31 Dec 13 -
	31 Dec 18	31 Dec 17	31 Dec 16	31 Dec 15	31 Dec 14
	%	%	%	%	%
Class A income	(3.2)	7.4	5.0	1.7	6.2
Class I accumulation	(2.5)	8.2	5.7	2.4	7.0

Source: Morningstar, Class A and Class I, NAV to NAV and net of fees as at 12 noon valuation point.

The fund is not running against a specific benchmark, for internal risk monitoring, the IA OE £ Strategic Bond Sector is used.

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 six months ended 31 December 2018

Largest purchases	£000	Largest sales/maturities	£000
Australia (Commonwealth of) 2.75% 21/11/2028	17,209	UK Treasury 0.75% 22/07/2023	32,275
Germany (Federal Republic of) 3.25% 04/07/2042	15,633	UK Treasury 1.25% 22/07/2018	20,000
Australia (Commonwealth of) 3.75% 21/04/2037	9,017	Canada (Government of) 1.00% 01/06/2027	16,968
Elanco Animal Health 4.90% 28/08/2028	7,521	UBS 6.875% Perpetual	12,622
Flora Food FRN 02/07/2025 Term B	5,871	Zurich Finance UK 6.625% Perpetual	11,601
Mastercard 2.10% 01/12/2027	4,161	SIG Combibloc 7.75% 15/02/2023	8,190
HCA 5.50% 15/06/2047	3,933	Daily Mail & General Trust 5.75% 07/12/2018	6,507
Walmart 3.70% 26/06/2028	3,771	Wachovia Capital Trust III 5.56975% Perpetual	6,401
Salesforce.com 3.70% 11/04/2028	3,767	Iron Mountain UK 3.875% 15/11/2025	5,631
Lockheed Martin 3.55% 15/01/2026	3,761	BUPA Finance 6.125% Perpetual	5,331
Total purchases	128,014	Total sales/maturities	239,795

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

Investment review

The fund returned -0.6% (based on Class A income) over the second half of 2018. The fund is not running against a specific benchmark, for internal risk monitoring, the IA OE £ Strategic Bond Sector is used.

The key positive contributor to this return was the fund's allocation to developed market government bonds via both bonds and interest rate futures. Indeed, for the majority of the period under review, the fund ran with an extended duration (interest rate sensitivity) position, reflecting our view that the global economic environment and market liquidity conditions had peaked and were deteriorating rapidly. For this reason, the fund was positioned in Australian, US, UK and German government bonds. The Australian government bonds were a standout performer for the fund, reflecting the size of this position within the fund and the outperformance of this government market relative to others.

The second half of 2018 was a key period for financial markets globally. Asset class after asset class moved to price out a global synchronised recovery and began to price in a significant economic slowdown. There was an almost domino-like effect in this regard, with the final assets to capitulate being the oil price (October) and US Treasury yields and credit spreads (November and December). Our non-consensual anticipation of a move from a 'reflationary' trading theme to one of 'disinflation' was vindicated over this period. Indeed, it was an almost textbook example of investor capitulation and the value of having a multi-asset class view of markets.

In contrast to the gains made in duration, the fund suffered losses from high yield corporate bonds and some of the riskier investment grade corporate bonds – e.g. bank and insurance bonds. This reflected the rapid widening in credit spreads, particularly over the final few months of the year as investors began to wake up to the rapid slowdown in China and late cycle market environment. However, these bonds do generally provide the majority of the income for the fund, and hence are core holdings.

Fund activity reflected the contrarian macroeconomic view described above. The rapid collapse of monetary aggregates across the world in the preceding 12-18 months had given us advance warning of a possible economic slowdown or market correction. The continued progression of US rate hikes and balance sheet contractions as well as the strength of the US dollar provided further evidence of a tightening in financial conditions. In this regard, the activity of the fund was focused on maintaining or adding to existing duration positions, with Australia and the US bond market being preferred exposures during the period. Generally, the fund was a better seller of riskier areas of the credit market (e.g. financials) but favoured adding to high quality investment grade bonds, which would be better correlated with government bonds and thus act in a more defensive manner.

Derivatives were used actively in order to manage the fund. The primary type over this period were interest rate derivatives which reference government bonds. As mentioned above, these allowed us to extend the fund's interest rate sensitivity in a variety of countries. Overall, derivatives were a material positive contributor to fund performance.

Given that we run an income-orientated corporate bond fund, the current economic backdrop is one that dictates a high degree of caution. We believe we are in the midst of the first global economic slowdown emanating from Asia since 1997/1998. At that time, Asia ex-Japan accounted for 19% of global GDP growth versus 37% today (source: IMF). As a result, the implications could be material, particularly for export-dependent economies and companies. We are hopeful, but not convinced, that the worst of this slowdown will be reflected in economic data and market prices by late 2019. In the meantime, we expect further volatility in risky assets such as lower rated corporate bonds.

Comparative tables for the six months ended 31 December 2018

	Class A income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	51.21	53.72	51.92	52.68
Return before operating charges*	0.14	0.54	4.92	2.13
Operating charges	(0.36)	(0.76)	(0.76)	(0.74)
Return after operating charges*	(0.22)	(0.22)	4.16	1.39
Distributions on income shares	(1.06)	(2.29)	(2.36)	(2.15)
Closing net asset value per share	49.93	51.21	53.72	51.92
* after direct transaction costs of:	-	-	-	-

Performance

Return after charges	(0.43%)	(0.41%)	8.01%	2.64%
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Other information

Closing net asset value (£000s)	122,974	131,832	142,653	144,318
Closing number of shares	246,296,944	257,427,871	265,532,975	277,976,365
Operating charges (annualised)	1.40%	1.41%	1.41%	1.41%
Direct transaction costs	0.00%	0.01%	0.01%	0.00%

Prices

Highest share price (pence)	51.89	54.67	54.79	53.55
Lowest share price (pence)	50.30	51.84	52.30	50.78

	Class I accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	142.37	142.06	130.42	126.12
Return before operating charges*	0.38	1.31	13.31	6.53
Operating charges	(0.50)	(1.00)	(0.95)	(0.90)
Return after operating charges*	(0.12)	0.31	12.36	5.63
Distributions on accumulation shares	(3.02)	(6.26)	(6.87)	(6.64)
Retained distributions on accumulation shares [^]	3.02	6.26	6.15	5.31
Closing net asset value per share	142.25	142.37	142.06	130.42
* after direct transaction costs of:	-	0.01	0.01	-

Performance

Return after charges	(0.08%)	0.22%	9.48%	4.46%
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Other information

Closing net asset value (£000s)	66,716	64,091	55,619	55,099
Closing number of shares	46,901,889	45,018,319	39,153,094	42,247,026
Operating charges (annualised)	0.69%	0.69%	0.69%	0.70%
Direct transaction costs	0.00%	0.01%	0.01%	0.00%

Prices

Highest share price (pence)	144.20	146.50	143.30	131.70
Lowest share price (pence)	141.70	142.40	131.40	124.60

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

Comparative tables (continued)

	Class I income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	55.55	57.90	55.58	56.03
Return before operating charges*	0.15	0.56	5.30	2.26
Operating charges	(0.19)	(0.40)	(0.40)	(0.39)
Return after operating charges*	(0.04)	0.16	4.90	1.87
Distributions on income shares	(1.17)	(2.51)	(2.58)	(2.32)
Closing net asset value per share	54.34	55.55	57.90	55.58
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	(0.07%)	0.28%	8.82%	3.34%
Other information				
Closing net asset value (£000s)	523,313	585,139	359,628	336,505
Closing number of shares	963,110,214	1,053,392,355	621,170,663	605,420,037
Operating charges (annualised)	0.69%	0.69%	0.69%	0.70%
Direct transaction costs	0.00%	0.01%	0.01%	0.00%
Prices				
Highest share price (pence)	56.29	59.00	59.05	56.99
Lowest share price (pence)	54.71	56.22	56.00	54.23
	Class Z accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	216.75	214.87	196.01	188.29
Return before operating charges*	0.57	1.97	20.04	9.80
Operating charges	(0.04)	(0.09)	(0.08)	(0.08)
Return after operating charges*	0.53	1.88	19.96	9.72
Distributions on accumulation shares	(4.66)	(9.61)	(10.47)	(10.04)
Retained distributions on accumulation shares [^]	4.66	9.61	9.37	8.04
Closing net asset value per share	217.28	216.75	214.87	196.01
* after direct transaction costs of:	-	0.02	0.01	-
Performance				
Return after charges	0.24%	0.87%	10.18%	5.16%
Other information				
Closing net asset value (£000s)	18,757	20,032	20,987	19,229
Closing number of shares	8,632,810	9,242,240	9,766,960	9,810,214
Operating charges (annualised)	0.03%	0.04%	0.04%	0.04%
Direct transaction costs	0.00%	0.01%	0.01%	0.00%
Prices				
Highest share price (pence)	219.80	222.40	216.70	197.90
Lowest share price (pence)	216.30	215.40	197.50	186.90

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

Comparative tables (continued)

	Class A income gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	54.39	52.56	53.33
Return before operating charges*	1.06	5.30	2.69
Operating charges	(0.20)	(0.77)	(0.75)
Return after operating charges*	0.86	4.53	1.94
Distributions on income shares	(0.60)	(2.70)	(2.71)
Final cancellation price	(54.65) ¹	-	-
Closing net asset value per share	-	54.39	52.56
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	1.58%	8.62%	3.64%
Other information			
Closing net asset value (£000s)	-	1,993	2,368
Closing number of shares	-	3,665,145	4,506,128
Operating charges (annualised)	1.41%	1.41%	1.41%
Direct transaction costs	0.01%	0.01%	0.00%
Prices			
Highest share price (pence)	55.35 ²	55.55	54.26
Lowest share price (pence)	54.46 ²	52.95	51.46

¹ Class A income gross closed on 2 October 2017 and this is the final cancellation price.

² to 2 October 2017

Comparative tables (continued)

	Class I income gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	58.73	56.38	56.84
Return before operating charges*	1.15	5.69	2.84
Operating charges	(0.11)	(0.40)	(0.40)
Return after operating charges*	1.04	5.29	2.44
Distributions on income shares	(0.66)	(2.94)	(2.90)
Final cancellation price	(59.11) ³	-	-
Closing net asset value per share	-	58.73	56.38
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	1.77%	9.38%	4.29%
Other information			
Closing net asset value (£000s)	-	168,064	143,682
Closing number of shares	-	286,159,637	254,826,432
Operating charges (annualised)	0.69%	0.69%	0.70%
Direct transaction costs	0.01%	0.01%	0.00%
Prices			
Highest share price (pence)	59.85 ⁴	59.91	57.87
Lowest share price (pence)	58.83 ⁴	56.81	55.08

³ Class I income gross closed on 2 October 2017 and this is the final cancellation price.

⁴ to 2 October 2017

Comparative tables (continued)

	Class Z accumulation gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	253.10	229.51	218.10
Return before operating charges*	4.93	23.69	11.50
Operating charges	(0.03)	(0.10)	(0.09)
Return after operating charges*	4.90	23.59	11.41
Distributions on accumulation shares	(2.86)	(12.70)	(11.65)
Retained distributions on accumulation shares	2.86	12.70	11.65
Final cancellation price	(258.00) ⁵	-	-
Closing net asset value per share	-	253.10	229.51
* after direct transaction costs of:	0.02	0.02	-
Performance			
Return after charges	1.94%	10.28%	5.23%
Other information			
Closing net asset value (£000s)	-	213	2
Closing number of shares	-	84,375	1,000
Operating charges (annualised)	0.04%	0.04%	0.04%
Direct transaction costs	0.01%	0.01%	0.00%
Prices			
Highest share price (pence)	258.20 ⁶	255.10	231.60
Lowest share price (pence)	253.60 ⁶	231.30	218.00

⁵ Class Z accumulation gross closed on 2 October 2017 and this is the final cancellation price.

⁶ to 2 October 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 close of business and on a bid basis 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 period.

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 period, except for expenses that are explicitly excluded by regulation.

	31/12/18 %	30/06/18 %
Class A	1.40	1.41
Class I	0.69	0.69
Class Z	0.03	0.04

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

Risk and reward profile

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



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

The value of an investment 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 classes appear 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. Under normal market conditions the following risks may apply:

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

Charges to capital risk Some or all of the annual management charge is taken from capital. This may constrain potential for capital growth.

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

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

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

Exchange rate risk Changes in currency exchange rates may cause the value of your investment and any income from it to rise or fall.

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

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

Leverage risk Leverage arises from entering into contracts or derivatives whose terms have the effect of magnifying an outcome, meaning profits and losses from investment can be greater.

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

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

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

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

Portfolio statement as at 31 December 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 1.83% (30/06/2018: 1.82%)		
	United Kingdom 1.83% (30/06/2018: 1.82%)		
	Consumer Goods 0.00% (30/06/2018: 0.00%)		
310,000	Whitnash 6.50% Preference ¹	-	-
550,000	Whitnash 9.00% Preference ¹	-	-
		<hr/>	<hr/>
		-	-
	Financials 1.83% (30/06/2018: 1.82%)		
95,700	Nationwide Building Society CDDS	13,365	1.83
		<hr/>	<hr/>
	Bonds 84.76% (30/06/2018: 95.48%)		
	Australia 9.92% (30/06/2018: 5.68%)		
	Fixed Rate Bond 9.92% (30/06/2018: 5.68%)		
AUD 20,000,000	Australia (Commonwealth of) 2.75% 21/04/2024	11,458	1.57
AUD 30,600,000	Australia (Commonwealth of) 2.75% 21/11/2028	17,549	2.40
AUD 43,000,000	Australia (Commonwealth of) 3.25% 21/04/2025	25,342	3.46
AUD 28,400,000	Australia (Commonwealth of) 3.75% 21/04/2037	18,242	2.49
		<hr/>	<hr/>
		72,591	9.92
		<hr/>	<hr/>
	Belgium 0.28% (30/06/2018: 1.37%)		
	Fixed Rate Bond 0.28% (30/06/2018: 1.37%)		
USD 2,686,000	Anheuser-Busch InBev Finance 2.65% 01/02/2021	2,074	0.28
		<hr/>	<hr/>
	Canada 0.71% (30/06/2018: 2.94%)		
	Fixed Rate Bond 0.71% (30/06/2018: 2.94%)		
USD 7,035,000	Cott 5.50% 01/04/2025	5,206	0.71
		<hr/>	<hr/>
	France 0.75% (30/06/2018: 0.90%)		
	Fixed Rate Bond 0.59% (30/06/2018: 0.51%)		
USD 5,500,000	Orange 1.625% 03/11/2019	4,264	0.59
		<hr/>	<hr/>
	Variable Rate Bond 0.16% (30/06/2018: 0.39%)		
USD 1,542,000	AXA 6.379% Perpetual	1,193	0.16
		<hr/>	<hr/>
	Germany 2.11% (30/06/2018: 0.88%)		
	Fixed Rate Bond 2.11% (30/06/2018: 0.88%)		
USD 5,800,000	Deutsche Telekom International Finance 1.95% 19/09/2021	4,369	0.60
EUR 8,000,000	Germany (Federal Republic of) 3.25% 04/07/2042	11,038	1.51
		<hr/>	<hr/>
		15,407	2.11
		<hr/>	<hr/>
	Ireland 0.21% (30/06/2018: 1.20%)		
	Fixed Rate Bond 0.21% (30/06/2018: 1.20%)		
USD 1,165,000	Ardagh Packaging Finance 6.00% 15/02/2025	845	0.11
USD 930,000	Ardagh Packaging Finance 7.25% 15/05/2024	728	0.10
		<hr/>	<hr/>
		1,573	0.21
		<hr/>	<hr/>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Luxembourg 0.32% (30/06/2018: 1.30%)		
	Fixed Rate Bond 0.00% (30/06/2018: 1.01%)		
	Secured Loans 0.32% (30/06/2018: 0.29%)²		
USD 1,661,426	Sivantos FRN 17/01/2022	1,269	0.18
EUR 1,162,838	Sivantos FRN 17/01/2022	1,042	0.14
		<u>2,311</u>	<u>0.32</u>
	Netherlands 1.39% (30/06/2018: 2.22%)		
	Fixed Rate Bond 1.39% (30/06/2018: 1.29%)		
USD 5,000,000	Heineken 3.50% 29/01/2028	3,786	0.52
EUR 2,800,000	Intertrust 3.375% 15/11/2025	2,474	0.34
EUR 4,280,000	Interxion 4.75% 15/06/2025	3,930	0.53
		<u>10,190</u>	<u>1.39</u>
	Secured Loans 0.00% (30/06/2018: 0.93%)²		
	Switzerland 0.00% (30/06/2018: 3.35%)		
	Variable Rate Bond 0.00% (30/06/2018: 3.35%)		
	United Kingdom 27.83% (30/06/2018: 38.57%)		
	Asset Backed 0.91% (30/06/2018: 0.87%)		
GBP 4,330,000	Canary Wharf Finance II FRN 22/10/2037	3,718	0.51
GBP 9,969,144	DECO Series FRN 27/01/2036 ³	-	-
GBP 2,621,374	Tesco Property Finance 3 5.744% 13/04/2040	2,947	0.40
		<u>6,665</u>	<u>0.91</u>
	Fixed Rate Bond 16.86% (30/06/2018: 25.70%)		
GBP 3,100,000	Arqiva Broadcast Finance 6.75% 30/09/2023	3,099	0.42
USD 11,898,000	Bacardi 4.45% 15/05/2025	9,217	1.26
GBP 6,900,000	Barclays VAR Perpetual	6,882	0.94
USD 3,846,000	B.A.T Capital 2.764% 15/08/2022	2,852	0.39
GBP 7,000,000	Cattles 6.875% Perpetual ³	-	-
GBP 5,500,000	CPUK Finance 4.25% 28/08/2022	5,257	0.72
GBP 1,100,000	CPUK Finance 4.875% 28/08/2025	1,028	0.14
GBP 4,856,000	Friends Life 12.00% 21/05/2021	5,896	0.81
GBP 1,140,000	Friends Life 8.25% 21/04/2022	1,332	0.18
GBP 6,300,000	Heathrow Funding 6.00% 20/03/2020	6,612	0.90
GBP 5,250,000	HSBC 5.375% 22/08/2033	6,054	0.83
GBP 2,700,000	Imperial Tobacco Finance 9.00% 17/02/2022	3,225	0.44
USD 4,000,000	Nationwide Building Society 4.00% 14/09/2026	2,859	0.39
GBP 4,750,000	Phoenix 4.125% 20/07/2022	4,699	0.64
GBP 11,700,000	Phoenix 6.625% 18/12/2025	11,893	1.62
USD 4,200,000	Prudential 4.375% Perpetual	2,672	0.37
USD 4,200,000	Prudential 4.875% Perpetual	2,835	0.39
GBP 800,000	Prudential 6.125% 19/12/2031	987	0.13
USD 610,000	Royal Bank of Scotland 7.648% Perpetual	590	0.08
GBP 6,000,000	Scottish Widows 5.50% 16/06/2023	6,481	0.89
GBP 2,260,000	Scottish Widows 7.00% 16/06/2043	2,599	0.36
GBP 2,500,000	Segro 5.625% 07/12/2020	2,669	0.36
USD 5,700,000	Standard Life Aberdeen 4.25% 30/06/2048	4,043	0.55

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 3,650,000	Tesco 5.20% 05/03/2057	4,094	0.56
GBP 5,200,000	Tesco 5.50% 13/01/2033	5,944	0.81
GBP 3,450,000	Tesco 6.125% 24/02/2022	3,808	0.52
GBP 2,955,000	Virgin Media Finance 6.375% 15/10/2024	2,965	0.41
GBP 5,715,000	Virgin Media Secured Finance 6.25% 28/03/2029	5,730	0.78
USD 2,218,000	Vodafone 2.95% 19/02/2023	1,677	0.23
AUD 3,900,000	Vodafone 3.25% 13/12/2022	2,162	0.30
GBP 2,864,000	WM Morrison Supermarkets 4.75% 04/07/2029	3,222	0.44
		123,383	16.86
Secured Loans 1.19% (30/06/2018: 1.24%)²			
USD 2,952,120	Formula One FRN 01/02/2024	2,187	0.30
GBP 3,469,954	Froneri International FRN 31/01/2025	3,438	0.47
GBP 3,100,000	ZPG FRN 23/07/2025	3,064	0.42
		8,689	1.19
Stepped Rate Bond 2.46% (30/06/2018: 3.07%)			
GBP 12,182,000	Co-Operative Bank 7.50% 08/07/2026	13,436	1.83
GBP 4,900,000	Natwest Markets 5.625% Perpetual	4,582	0.63
		18,018	2.46
Variable Rate Bond 6.41% (30/06/2018: 7.69%)			
GBP 9,000,000	Aviva 6.125% Perpetual	9,310	1.27
USD 7,540,000	Barclays Bank 6.278% Perpetual	5,706	0.78
GBP 9,447,000	BUPA Finance 6.125% Perpetual	9,843	1.35
USD 1,000,000	HBOS Capital Funding 6.85% Perpetual	782	0.11
GBP 9,008,000	HBOS Sterling Finance Jersey 7.881% Perpetual	12,193	1.66
USD 5,558,000	Lloyds Banking 6.657% Perpetual	4,290	0.59
GBP 3,510,000	National Westminster Bank 7.125% Perpetual	3,918	0.54
USD 901,000	RBS Capital Trust II FRN Perpetual	838	0.11
		46,880	6.41
United States 41.24% (30/06/2018: 35.25%)			
Asset Backed 0.00% (30/06/2018: 0.01%)			
GBP 1,142,855	Lehman Brothers Holdings 7.875% 08/05/2018 ³	31	-
Fixed Rate Bond 39.16% (30/06/2018: 30.94%)			
USD 887,000	Adobe Systems 3.25% 01/02/2025	684	0.09
USD 5,000,000	Alphabet 1.998% 15/08/2026	3,569	0.49
USD 9,000,000	Altria 2.85% 09/08/2022	6,784	0.93
USD 12,268,000	Amazon.com 3.15% 22/08/2027	9,299	1.27
USD 5,160,000	American Tower 3.60% 15/01/2028	3,785	0.52
USD 6,650,000	Apple 3.35% 09/02/2027	5,088	0.70
USD 5,904,000	Aramark 4.75% 01/06/2026	4,358	0.60
USD 705,000	Aramark 5.00% 01/04/2025	541	0.07
USD 2,114,000	Aramark 5.125% 15/01/2024	1,643	0.22
USD 5,550,000	AT&T 3.60% 17/02/2023	4,331	0.59
USD 4,005,000	Ball 5.00% 15/03/2022	3,160	0.43
USD 873,000	Ball 5.25% 01/07/2025	684	0.09
USD 5,590,000	Berry Global 5.50% 15/05/2022	4,367	0.60

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Fixed Rate Bond (continued)		
USD 1,861,000	Berry Global 5.125% 15/07/2023	1,445	0.20
USD 1,190,000	Boyd Gaming 6.375% 01/04/2026	904	0.12
USD 810,000	Boyd Gaming 6.875% 15/05/2023	642	0.09
USD 9,984,000	Catalent Pharma Solutions 4.875% 15/01/2026	7,388	1.01
USD 3,324,000	CCO Capital 5.00% 01/02/2028	2,401	0.33
USD 2,300,000	CCO Capital 5.875% 01/05/2027	1,752	0.24
USD 2,851,000	Comcast 3.95% 15/10/2025	2,265	0.31
USD 2,025,000	Comcast 4.15% 15/10/2028	1,615	0.22
USD 4,470,000	Constellation Brands 3.70% 06/12/2026	3,304	0.45
USD 2,296,000	Constellation Brands 4.75% 15/11/2024	1,868	0.26
USD 12,082,000	Crown Americas Capital VI 4.75% 01/02/2026	8,940	1.22
USD 5,500,000	Crown Castle International 3.40% 15/02/2021	4,317	0.59
USD 4,910,000	Crown Castle International 3.65% 01/09/2027	3,574	0.49
USD 9,799,000	CyrusOne 5.375% 15/03/2027	7,463	1.02
USD 9,770,000	Diamond 1 & 2 Finance 6.02% 15/06/2026	7,706	1.05
USD 5,730,000	Diamond 1 & 2 Finance 8.10% 15/07/2036	4,890	0.67
USD 2,710,000	Digital Realty Trust 4.75% 01/10/2025	2,174	0.30
USD 2,419,000	Elanco Animal Health 4.272% 28/08/2023	1,898	0.26
USD 9,652,000	Elanco Animal Health 4.90% 28/08/2028	7,712	1.05
USD 2,500,000	EMC 3.375% 01/06/2023	1,703	0.23
EUR 5,300,000	Equinix 2.875% 01/10/2025	4,551	0.62
USD 4,500,000	Equinix 5.375% 01/04/2023	3,516	0.48
USD 2,290,000	First Data 5.75% 15/01/2024	1,753	0.24
USD 1,671,000	HCA 5.00% 15/03/2024	1,299	0.18
USD 4,790,000	HCA 5.25% 15/06/2026	3,733	0.51
USD 10,720,000	HCA 5.50% 15/06/2047	7,975	1.09
USD 2,538,000	Hilton Worldwide Finance 4.875% 01/04/2027	1,868	0.26
USD 1,180,000	HSBC 5.875% 01/11/2034	1,038	0.14
USD 3,330,000	IHS Markit 5.00% 01/11/2022	2,641	0.36
USD 3,500,000	IQVIA 5.00% 15/10/2026	2,624	0.36
USD 712,000	Iron Mountain 5.375% 01/06/2026	509	0.07
USD 4,115,000	Lamb Weston 4.875% 01/11/2026	3,102	0.42
USD 5,660,000	Lamb Weston 4.625% 01/11/2024	4,322	0.59
USD 5,864,000	Lions Gate Capital 5.875% 01/11/2024	4,547	0.62
USD 5,000,000	Lockheed Martin 3.55% 15/01/2026	3,896	0.53
EUR 4,400,000	Mastercard 2.10% 01/12/2027	4,271	0.58
USD 2,825,000	Match 5.00% 15/12/2027	2,035	0.28
USD 5,500,000	McDonald's 2.75% 09/12/2020	4,288	0.59
USD 4,800,000	Microsoft 3.30% 06/02/2027	3,733	0.51
USD 5,800,000	Philip Morris International 1.875% 25/02/2021	4,425	0.60
USD 7,988,000	Booking 3.60% 01/06/2026	6,094	0.83
USD 4,000,000	IQVIA 4.875% 15/05/2023	3,078	0.42
USD 7,580,000	Reynolds 7.00% 15/07/2024	5,669	0.77
USD 8,883,000	Salesforce.com 3.70% 11/04/2028	7,012	0.96
USD 6,446,000	Service International 4.625% 15/12/2027	4,758	0.65
USD 4,855,000	Silgan 4.75% 15/03/2025	3,555	0.49
USD 4,650,000	SiriusXM Radio 5.375% 15/04/2025	3,459	0.47
USD 4,000,000	SiriusXM Radio 6.00% 15/07/2024	3,149	0.43
USD 4,413,000	Sysco 3.55% 15/03/2025	3,412	0.47
USD 902,000	The Walt Disney Company 1.85% 30/07/2026	629	0.09

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
USD 10,709,000	T-Mobile USA 4.50% 01/02/2026	7,715	1.05
USD 12,079,000	T-Mobile USA 4.75% 01/02/2028	8,583	1.17
USD 4,008,000	Total System Services 4.00% 01/06/2023	3,142	0.43
USD 33,000,000	US Treasury 2.75% 15/11/2023	26,193	3.59
USD 5,550,000	Verizon Communications 2.45% 01/11/2022	4,227	0.58
USD 2,522,000	VMware 3.90% 21/08/2027	1,756	0.24
USD 5,000,000	Walmart 3.70% 26/06/2028	3,985	0.54
USD 2,550,000	Zayo 5.75% 15/01/2027	1,787	0.24
		<u>286,583</u>	<u>39.16</u>
Secured Loans 1.25% (30/06/2018: 2.71%)²			
USD 5,050,000	First Data FRN 26/04/2024	3,778	52.00
USD 4,491,734	McAfee FRN 30/09/2024 Term B	3,422	0.47
EUR 2,178,000	McAfee FRN 30/09/2024 Term B1	1,934	0.26
USD 1,125	SS&C Technologies FRN 16/04/2025 B3	1	-
USD 11,900	SS&C Technologies FRN 16/04/2025 B4	9	-
		<u>9,144</u>	<u>1.25</u>
Variable Rate Bond 0.83% (30/06/2018: 1.59%)			
USD 8,519,000	Wachovia Capital Trust III 5.56975% Perpetual	6,050	0.83
Derivatives 0.17% (30/06/2018: (0.19%))			
Futures 0.32% (30/06/2018: 0.10%)			
174	CBT US Long Bond March 2019	40	0.01
480	CBT US 10 Year Note March 2019	482	0.07
876	CBT US 5 Year Note March 2019	1,113	0.14
240	EUX Euro-Bund March 2019	168	0.02
435	SFE Australia 10 Year Bond March 2019	352	0.05
970	SFE Australia 3 Year Bond March 2019	233	0.03
		<u>2,388</u>	<u>0.32</u>
Swaps 0.00% (30/06/2018: (0.03%))²			
Credit Default Swaps 0.00% (30/06/2018: (0.03%))²			
Forward Foreign Exchange Contracts (0.15%) (30/06/2018: (0.26%))²			
	Buy AUD 2,253,474 : Sell GBP 1,271,906 February 2019	(28)	-
	Buy AUD 464,100 : Sell GBP 262,635 February 2019	(6)	-
	Buy AUD 550,100 : Sell GBP 313,954 February 2019	(10)	-
	Buy AUD 646,900 : Sell GBP 364,748 March 2019	(8)	-
	Buy AUD 748,800 : Sell GBP 425,861 March 2019	(13)	-
	Buy AUD 752,400 : Sell GBP 419,126 March 2019	(4)	-
	Buy AUD 905,068 : Sell GBP 511,242 February 2019	(12)	-
	Buy AUD 907,279 : Sell GBP 510,375 March 2019	(10)	-
	Buy AUD 907,552 : Sell GBP 522,568 March 2019	(22)	-
	Buy AUD 989,130 : Sell GBP 560,393 February 2019	(14)	-
	Buy EUR 1,447,294 : Sell GBP 1,304,481 January 2019	(4)	-
	Buy EUR 1,816,745 : Sell GBP 1,611,678 February 2019	22	-
	Buy EUR 197,600 : Sell GBP 176,664 March 2019	1	-
	Buy EUR 403,372 : Sell GBP 360,538 February 2019	2	-
	Buy EUR 604,363 : Sell GBP 540,026 February 2019	3	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts² (continued)			
	Buy GBP 12,530,370 : Sell EUR 14,038,000 January 2019	(80)	(0.01)
	Buy GBP 12,544,015 : Sell EUR 14,039,383 February 2019	(79)	(0.01)
	Buy GBP 12,547,791 : Sell EUR 14,038,000 March 2019	(88)	(0.01)
	Buy GBP 131,914,711 : Sell USD 170,158,555 February 2019	(1,365)	(0.20)
	Buy GBP 132,092,073 : Sell USD 170,160,000 January 2019	(1,366)	(0.20)
	Buy GBP 132,354,488 : Sell USD 170,160,000 March 2019	(748)	(0.10)
	Buy GBP 26,766,921 : Sell AUD 47,297,156 February 2019	662	0.09
	Buy GBP 26,791,840 : Sell AUD 47,298,000 January 2019	664	0.09
	Buy GBP 27,222,707 : Sell AUD 47,298,000 March 2019	1,142	0.15
	Buy GBP 286,513 : Sell USD 369,649 February 2019	(3)	-
	Buy GBP 328,987 : Sell USD 421,539 February 2019	(1)	-
	Buy GBP 342,561 : Sell USD 441,960 February 2019	(4)	-
	Buy GBP 437,377 : Sell USD 559,502 February 2019	(1)	-
	Buy GBP 483,161 : Sell USD 622,464 February 2019	(4)	-
	Buy GBP 513,524 : Sell USD 657,328 March 2019	(1)	-
	Buy GBP 54,615 : Sell USD 70,577 February 2019	(1)	-
	Buy GBP 612,439 : Sell USD 791,425 February 2019	(7)	-
	Buy GBP 83,587 : Sell USD 106,948 February 2019 ⁴	-	-
	Buy USD 1,052,257 : Sell GBP 821,795 March 2019	1	-
	Buy USD 1,320,421 : Sell GBP 1,048,382 March 2019	(16)	-
	Buy USD 1,347,574 : Sell GBP 1,046,222 February 2019	9	-
	Buy USD 1,592,756 : Sell GBP 1,256,356 March 2019	(10)	-
	Buy USD 1,596,858 : Sell GBP 1,254,528 March 2019	(5)	-
	Buy USD 1,747,064 : Sell GBP 1,359,711 March 2019	7	-
	Buy USD 1,759,500 : Sell GBP 1,374,141 March 2019	2	-
	Buy USD 1,797,595 : Sell GBP 1,404,547 March 2019	2	-
	Buy USD 1,838,230 : Sell GBP 1,437,109 February 2019	3	-
	Buy USD 2,088,524 : Sell GBP 1,641,413 March 2019	(8)	-
	Buy USD 2,519,267 : Sell GBP 1,968,424 March 2019	2	-
	Buy USD 2,805,324 : Sell GBP 2,210,945 March 2019	(17)	-
	Buy USD 2,824,719 : Sell GBP 2,222,904 January 2019	(7)	-
	Buy USD 28,500 : Sell GBP 22,037 February 2019 ⁴	-	-
	Buy USD 33,898 : Sell GBP 26,725 March 2019 ⁴	-	-
	Buy USD 39,686 : Sell GBP 31,021 February 2019 ⁴	-	-
	Buy USD 4,950,684 : Sell GBP 3,891,824 March 2019	(19)	-
	Buy USD 528,732 : Sell GBP 416,891 January 2019	(2)	-
	Buy USD 544,962 : Sell GBP 431,836 March 2019	(6)	-
	Buy USD 636,800 : Sell GBP 498,705 March 2019	(1)	-
	Buy USD 707,300 : Sell GBP 555,550 March 2019	(2)	-
	Buy USD 716,984 : Sell GBP 571,415 January 2019	(9)	-
	Buy USD 7,342,757 : Sell GBP 5,723,435 February 2019	28	-
	Buy USD 801,534 : Sell GBP 625,903 February 2019	2	-
	Buy USD 9,309,300 : Sell AUD 13,000,000 February 2019	118	0.02
	Buy USD 9,612,841 : Sell AUD 13,300,000 February 2019	190	0.03
		<u>(1,121)</u>	<u>(0.15)</u>
	Investment assets including investment liabilities	634,884	86.76
	Other net assets	96,876	13.24
	Total net assets	731,760	100.00

¹ Suspended or delisted securities

² Unquoted securities

³ Defaulted

⁴ Due to rounding to nearest £1,000

Portfolio statement (continued)

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.

Credit ratings

	Market value £000	Percentage of net assets %
31/12/18		
Investments		
Investment grade (AAA - BBB)	375,465	51.31
Below investment grade (BB and below)	239,061	32.67
Unrated	19,091	2.61
Total debt securities	633,617	86.59
Derivatives	1,267	0.17
Investment assets including investment liabilities	634,884	86.76
Other net assets	96,876	13.24
Total net assets	731,760	100.00
	Market value £000	Percentage of net assets %
30/06/18		
Investments		
Investment grade (AAA - BBB)	422,657	52.76
Below investment grade (BB and below)	320,922	40.06
Unrated	21,321	2.66
Total debt securities	764,900	95.48
Derivatives	(1,520)	(0.19)
Investment assets including investment liabilities	763,380	95.29
Other net assets	37,714	4.71
Total net assets	801,094	100.00

Statement of total return (unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(13,768)		4,590
Revenue	16,169		16,851	
Expenses	(3,047)		(3,105)	
Interest payable and similar charges	(8)		-	
Net revenue before taxation	13,114		13,746	
Taxation	(88)		(32)	
Net revenue after taxation		13,026		13,714
Total return before distributions		(742)		18,304
Distributions		(16,131)		(17,219)
Change in net assets attributable to shareholders from investment activities		(16,873)		1,085

Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Opening net assets attributable to shareholders*		801,094		749,157
Amounts receivable on issue of shares	26,983		46,161	
Amounts payable on cancellation of shares	(81,341)		(14,891)	
		(54,358)		31,270
Dilution adjustment		51		-
Change in net assets attributable to shareholders from investment activities		(16,873)		1,085
Retained distributions on accumulation shares		1,840		1,830
Unclaimed distributions		6		9
Closing net assets attributable to shareholders		731,760		783,351

* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

Balance sheet (unaudited) as at 31 December 2018

	31/12/18	30/06/18
	£000	£000
Assets:		
Investments	638,865	766,176
Current assets:		
Debtors	20,389	20,143
Cash and bank balances	98,210	49,346
Total assets	<u>757,464</u>	<u>835,665</u>
Liabilities:		
Investment liabilities	3,981	2,796
Creditors:		
Amounts held at derivatives clearing houses and brokers	2,388	979
Bank overdrafts	8,698	6,196
Distribution payable	6,927	7,749
Other creditors	3,710	16,851
Total liabilities	<u>25,704</u>	<u>34,571</u>
Net assets attributable to shareholders	<u>731,760</u>	<u>801,094</u>

Distribution tables for the six months ended 31 December 2018 (in pence per share)

Interim interest distribution (accounting date 30 September 2018, paid on 30 November 2018)

Group 1: shares purchased prior to 1 July 2018

Group 2: shares purchased on or after 1 July 2018

	Distribution per share	Equalisation	Total distribution per share 30/11/18	Total distribution per share 30/11/17
Class A income				
Group 1	0.5324	-	0.5324	0.5904
Group 2	0.2632	0.2692	0.5324	0.5904
Class I accumulation				
Group 1	1.5048	-	1.5048	1.5862
Group 2	0.6370	0.8678	1.5048	1.5862
Class I income				
Group 1	0.5870	-	0.5870	0.6465
Group 2	0.2905	0.2965	0.5870	0.6465
Class Z accumulation				
Group 1	2.3210	-	2.3210	2.4288
Group 2	0.9753	1.3457	2.3210	2.4288
Class A income gross¹				
Group 1	n/a	n/a	n/a	0.5978
Group 2	n/a	n/a	n/a	0.5978
Class I income gross¹				
Group 1	n/a	n/a	n/a	0.6559
Group 2	n/a	n/a	n/a	0.6559
Class Z accumulation gross¹				
Group 1	n/a	n/a	n/a	2.8605
Group 2	n/a	n/a	n/a	2.8605

¹ Class A income gross, Class I income gross and Class Z accumulation gross closed on 2 October 2017.

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2018, paid on 28 February 2019)

Group 1 : shares purchased prior to 1 October 2018

Group 2 : shares purchased on or after 1 October 2018

	Distribution per share	Equalisation	Total distribution per share 28/02/19	Total distribution per share 28/02/18
Class A income				
Group 1	0.5287	-	0.5287	0.6090
Group 2	0.1945	0.3342	0.5287	0.6090
Class I accumulation				
Group 1	1.5128	-	1.5128	1.6560
Group 2	0.9080	0.6048	1.5128	1.6560
Class I income				
Group 1	0.5840	-	0.5840	0.6675
Group 2	0.3390	0.2450	0.5840	0.6675
Class Z accumulation				
Group 1	2.3375	-	2.3375	2.5403
Group 2	1.0193	1.3182	2.3375	2.5403

Janus Henderson Institutional Short Duration Bond Fund

Authorised Corporate Director's (ACD) report

Investment Fund Manager

Edward Panek

Investment objective and policy

The fund aims to generate capital and income returns through investment in a diversified portfolio of short duration fixed income and variable rate securities. The fund may invest in Cash, Certificates of Deposit (CDs), Time Deposits, Commercial Paper, Floating Rate Notes, Fixed Rate Corporate Bonds, Covered Bonds, Asset Backed Securities (ABS including residential mortgage backed securities (RMBS)), government issued or guaranteed securities and securities issued by supranational or public international bodies. The fund may also invest in derivatives for the hedging of credit, currency and interest rate risk.

Performance summary

Cumulative performance

Six months	One year	Since launch
30 Jun 18 -	31 Dec 17 -	24 Nov 15 -
31 Dec 18	31 Dec 18	31 Dec 18
%	%	%

Class Z accumulation

0.3 0.6 2.3

3-month £ LIBOR

0.4 0.7 1.6

Discrete performance

31 Dec 17 -	31 Dec 16 -	24 Nov 15 -
31 Dec 18	31 Dec 17	31 Dec 16
%	%	%

Class Z accumulation

0.6 0.7 1.2

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

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

Significant portfolio changes for the six months ended 31 December 2018

Largest purchases	£000	Largest sales/maturities	£000
Landesbank Hessen-Thüringen 1.05% 27/09/2019	20,000	Dolphin Master Issuer FRN 28/09/2099 2013-2 A	23,255
Crédit Agricole 0.91% 18/03/2019	20,000	Crédit Agricole Corporate and Investment Bank 0.62% 03/08/2018	20,001
Credit Suisse 1.12% 14/10/2019	15,000	First Abu Dhabi Bank 0.84% 08/11/2018	18,000
Standard Chartered 0.92% 12/04/2019	15,000	ING Bank 0.85% 31/10/2018	18,000
UBS 0.92% 26/04/2019	15,000	ABN Amro Bank FRN 30/11/2018	17,000
Bank of Montreal 1.20% 06/12/2019	15,000	Standard Chartered 0.63% 06/08/2018	15,001
Euroclear FRN 08/03/2021	13,556	Rabobank Nederland 0.88% 02/10/2018	15,000
PBD Germany AUTO 2018 FRN 19/09/2031	13,416	Den Danske Bank Aktieselskab 0.58% 12/07/2018	15,000
Citibank 0.00% 02/01/2019	13,334	ING Bank 0.71% 03/12/2018	15,000
Turbo Finance 8 FRN 20/02/2026	13,200	Citibank 0.00% 02/01/2019	13,475
Total purchases	436,849	Total sales/maturities	524,281

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

Investment review

The fund generated a positive return of 0.3% (based on Class Z accumulation) during the period under review, against the 3-month £ LIBOR positive return of 0.4%.

Volatility returned to bond markets in the latter half of 2018 as trade tensions, political risks and an economic slowdown weighed on market sentiment. Weaker than expected economic data from China and Europe spurred fears of a further slowdown, despite the US and China agreeing to put any further tariff increases on hold and seek a deal on trade.

Amid this backdrop, 2018 ended on a weak note for credit markets as declines in equity markets, soft global economic data and a sharp fall in the oil price negatively impacted demand for risk assets. Core government bond markets were the main beneficiary, with yields falling (and prices rising) sharply in the fourth quarter.

Central banks were active over the period. The US Federal Reserve (Fed) continued to raise interest rates and delivered two hikes in the six months under review. The European Central Bank ended its three-year, €2.6trn monetary stimulus scheme in December while also confirming that it would keep its key interest rates unchanged at least through the summer of 2019. Slowing growth and the sharp deterioration of the Italian economic outlook skewed some expectations towards an even later first hike, probably in 2020. Italian government bonds saw yields rise significantly in October following strained budgetary negotiations between Italy and the European Commission, but December brought a recovery in bond prices when the opposing sides agreed to a smaller budget deficit for next year.

There appeared to be a regime change in markets: the environment shifted from one of below trend growth, 0% interest rates and quantitative easing supporting asset prices to one in which asset price volatility was very much driven by central banks hiking interest rates and embarking on tightening.

Positive contributions came from two of the three principal asset classes – money market instruments and corporate bonds – while asset-backed securities (ABS) were broadly neutral for returns. There were no material detractors from performance during the period, and the fund continued to exhibit strong risk-adjusted returns in the corporate bond segment.

The first half of the period was characterised by relatively low market volatility, with income the main source of return. The ABS market struggled early on as issuance increased, putting pressure on credit spreads, with UK positions also coming under pressure due to Brexit uncertainty. However, as the period progressed, this issuance saw a marked decline in the face of forthcoming new regulations, and this helped to stabilise the market.

The latter part of the period saw a considerable uptick in terms of volatility, and risk assets suffered. The fund benefited, as the diversification into money markets (and to a lesser extent, ABS) helped to insulate the fund from some of the broader market moves. Our corporate bond holdings did suffer in spread terms. However, the weakness was largely offset by the income generated. Our focus on shorter duration bonds and higher quality issuers also helped the fund outperform the broader market in what proved to be a very difficult month for credit. Towards the end of the period, ABS did see some weakness. However, the relatively short spread duration of our investments helped dampen the impact.

While the fund maintains its cautious stance, we avoided the lowest yielding asset classes (such as covered bonds and Treasury bills), and our focus on spread product (taxable bonds that are not Treasury securities) allowed us to take advantage of the attractive spread levels on offer. However, we are limiting our appetite to shorter duration bonds (less than one year spread duration).

During the period, the fund made use of currency forwards and interest rate swaps. These instruments were used to hedge both currency and interest rate risk.

The final quarter of 2018 saw extreme turbulence in equities and credit markets, with government bonds performing strongly. Government bond yields have rallied sharply, particularly in the US, with markets currently pricing in no further rate hikes from the Fed. While economic data is rolling over globally, we find the current level of market pricing to be too low in the US relative to other developed markets (where market participants are still anticipating interest-rate rises) and expect US bonds to underperform those of other markets from here.

Volatility is likely to remain a feature of markets, as we are well past 'peak' central bank stimulus, and the credit cycle has turned. By that, we mean that both credit spreads and defaults likely bottomed in 2018. However, markets have moved to levels that reflect a lot of this new reality, so it does not mean a pure avoidance strategy is the best path forward, but that the best days in the cycle are behind us. In credit markets, the outlook remains a contest between a much improved valuation picture on one side, and a weakening macroeconomic backdrop and modestly deteriorating fundamentals on the other.

As cautious positioning is certainly warranted, these events could also offer attractive investment opportunities, which we believe the fund is well-positioned to capture.

We expect coupon income to continue driving the returns of the fund.

Comparative table for the six months ended 31 December 2018

	Class Z accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	102.18	101.57	100.60	100.06 ¹
Return before operating charges*	0.34	0.65	1.01	0.58
Operating charges	(0.02)	(0.04)	(0.04)	(0.04)
Return after operating charges*	0.32	0.61	0.97	0.54
Distributions on accumulation shares	(0.40)	(0.54)	(0.61)	(0.51)
Retained distributions on accumulation shares	0.40	0.54	0.61	0.51
Closing net asset value per share	102.50	102.18	101.57	100.60
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	0.31%	0.60%	0.96%	0.54%
Other information				
Closing net asset value (£000s)	1,102,477	1,166,635	1,442,096	1,601,182
Closing number of shares	1,075,592,613	1,141,656,451	1,419,821,418	1,591,633,842
Operating charges (annualised)	0.03%	0.04%	0.04%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price (pence)	102.54	102.24	101.62	100.70
Lowest share price (pence)	102.22	101.60	100.63	100.06

¹ Class Z accumulation gross launched on 24 November 2015. This is the initial launch price.

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 close of business and on a bid basis 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 period.

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 period, except for expenses that are explicitly excluded by regulation.

	31/12/18 %	30/06/18 %
Class Z	0.03	0.04

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

Risk and reward profile

The fund currently has 1 type of share class in issue; Z 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 year period¹, 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 classes appear at 2 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in share price in the past 5 years than those in lower categories. The lowest category does not mean risk free.

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. Under normal market conditions the following risks may apply:

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

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

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

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

Hedging Risk If the fund or a specific share class of the fund seeks to reduce risks (such as exchange rate movements), the measures designed to do so may be ineffective, unavailable or detrimental.

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

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

Prepayment and Extension risk Callable debt securities (securities whose issuers have the right to pay off the security's principal before the maturity date), such as ABS or MBS, can be impacted from prepayment or extension of maturity. The value of your investment may fall as a result.

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 during the period.

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

¹ Class Z accumulation launched on 24 November 2015. As this share class 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 December 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 65.16% (30/06/2018: 65.97%)		
	Australia 3.16% (30/06/2018: 2.01%)		
	Asset Backed 0.55% (30/06/2018: 0.56%)		
AUD 10,970,855	Driver Australia Five Trust FRN 21/07/2026	6,051	0.55
	Fixed Rate Bond 1.52% (30/06/2018: 1.45%)		
GBP 17,000,000	National Australia Bank 0.875% 26/06/2020	16,816	1.52
	Floating Rate Note 1.09% (30/06/2018: 0.00%)		
GBP 12,000,000	Commonwealth Bank of Australia FRN 12/07/2021	12,003	1.09
	Austria 0.83% (30/06/2018: 0.00%)		
	Floating Rate Note 0.83% (30/06/2018: 0.00%)		
EUR 10,205,673	Fact 2018 FRN 20/11/2025	9,133	0.83
	Belgium 1.98% (30/06/2018: 0.46%)		
	Asset Backed 0.49% (30/06/2018: 0.46%)		
EUR 6,000,000	BL FRN 25/03/2034	5,352	0.49
	Floating Rate Note 1.49% (30/06/2018: 0.00%)		
EUR 15,000,000	Euroclear FRN 08/03/2021	13,490	1.22
EUR 3,300,000	Euroclear FRN 10/07/2020	2,969	0.27
		16,459	1.49
	Denmark 0.00% (30/06/2018: 1.03%)		
	Floating Rate Note 0.00% (30/06/2018: 1.03%)		
	Finland 0.85% (30/06/2018: 0.79%)		
	Floating Rate Note 0.85% (30/06/2018: 0.79%)		
EUR 10,400,000	OP Corporate Bank FRN 22/05/2020	9,369	0.85
	France 5.49% (30/06/2018: 4.75%)		
	Asset Backed 1.37% (30/06/2018: 1.93%)		
EUR 8,844,445	FCT Ginkgo FRN 18/05/2043 15-SF1 A	7,943	0.72
EUR 8,000,000	Master Credit Cards Pass FRN 25/06/2029 2017-1A	7,181	0.65
		15,124	1.37
	Fixed Rate Bond 1.73% (30/06/2018: 1.66%)		
GBP 5,500,000	Banque Federative du Credit Mutuel 0.875% 08/06/2020	5,440	0.49
GBP 12,963,000	Natixis 5.875% 24/02/2020	13,591	1.24
		19,031	1.73
	Floating Rate Note 2.39% (30/06/2018: 1.16%)		
GBP 7,500,000	Banque Fédérative du Crédit Mutuel FRN 07/02/2019	7,502	0.68
GBP 6,000,000	Banque Fédérative du Crédit Mutuel FRN 16/01/2020	5,994	0.54
EUR 14,400,000	Purple Masters Credit Cards FRN 25/10/2030	12,880	1.17
		26,376	2.39

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Germany 9.05% (30/06/2018: 9.32%)		
	Asset Backed 5.70% (30/06/2018: 5.08%)		
EUR 725,015	Bavarian Sky FRN 20/10/2023 GER4 A	651	0.06
EUR 11,402,585	Bavarian Sky FRN 31/10/2023 GER5 A	10,236	0.93
EUR 5,811,147	Bumper FRN 23/03/2026 7 A	5,218	0.47
EUR 4,745,407	Cars Alliance FRN 18/05/2027 2016-G1V A	4,257	0.39
EUR 1,545,031	E-Carat FRN 18/10/2024 2016-1 A	1,388	0.13
EUR 5,303,556	Globaldrive Auto Receivables FRN 20/01/2024 2016-A A	4,761	0.43
EUR 6,758,499	Red & Black Auto Germany FRN 15/09/2025	6,073	0.55
EUR 7,738,405	Silver Arrow FRN 15/07/2025	6,953	0.63
EUR 15,300,000	PBD Germany AUTO 2018 FRN 19/09/2031	13,713	1.25
EUR 10,620,465	SC Germany Auto FRN 13/12/2027 2018-1	9,529	0.86
		<u>62,779</u>	<u>5.70</u>
	Fixed Rate Bond 2.07% (30/06/2018: 2.08%)		
EUR 5,000,000	BMW Finance 2.00% 04/09/2020	4,629	0.42
GBP 7,000,000	Daimler 1.00% 20/12/2019	6,954	0.63
USD 15,000,000	Siemens Financieringsmaatschappij 1.70% 15/09/2021	11,293	1.02
		<u>22,876</u>	<u>2.07</u>
	Floating Rate Note 1.28% (30/06/2018: 2.16%)		
EUR 4,000,000	BASF FRN 15/11/2019	3,595	0.33
GBP 10,500,000	BMW International Investment FRN 15/02/2019	10,497	0.95
		<u>14,092</u>	<u>1.28</u>
	Japan 1.00% (30/06/2018: 0.00%)		
	Floating Rate Note 1.00% (30/06/2018: 0.00%)		
GBP 11,000,000	Sumitomo Mitsui Banking FRN 07/09/2020	10,999	1.00
	Netherlands 2.40% (30/06/2018: 8.41%)		
	Asset Backed 1.15% (30/06/2018: 5.03%)		
EUR 13,507,500	Matsuba FRN 27/08/2021 2016-1 A	12,105	1.10
EUR 592,000	Storm FRN 22/04/2054 2016-1 A1	531	0.05
		<u>12,636</u>	<u>1.15</u>
	Fixed Rate Bond 1.25% (30/06/2018: 1.92%)		
GBP 14,000,000	ABN AMRO Bank 1.00% 30/06/2020	13,855	1.25
	Floating Rate Note 0.00% (30/06/2018: 1.46%)		
	Norway 0.48% (30/06/2018: 0.46%)		
	Asset Backed 0.48% (30/06/2018: 0.46%)		
NOK 58,000,000	Scandinavian Consumer Loans VI FRN 15/12/2040	5,258	0.48
	Singapore 0.91% (30/06/2018: 0.86%)		
	Floating Rate Note 0.91% (30/06/2018: 0.86%)		
GBP 10,000,000	DBS Bank FRN 25/05/2020	10,002	0.91

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Spain 1.56% (30/06/2018: 0.80%)			
Asset Backed 1.56% (30/06/2018: 0.80%)			
EUR 19,200,000	Asset-Backed European Securitisation Transaction Thirteen Fondo de Titulizaciòn FRN 23/08/2030	17,204	1.56
Sweden 1.09% (30/06/2018: 1.03%)			
Floating Rate Note 1.09% (30/06/2018: 1.03%)			
GBP 12,000,000	Swedbank FRN 14/06/2020	12,002	1.09
Switzerland 1.63% (30/06/2018: 0.00%)			
Floating Rate Note 1.63% (30/06/2018: 0.00%)			
EUR 10,000,000	UBS FRN 05/09/2019	8,993	0.82
EUR 10,000,000	UBS FRN 10/01/2020	8,997	0.81
		17,990	1.63
United Kingdom 29.77% (30/06/2018: 30.52%)			
Asset Backed 20.33% (30/06/2018: 19.69%)			
GBP 8,271,501	Charter Mortgage Funding FRN 12/06/2055 2018-1 A	8,159	0.74
GBP 4,967,509	Duncan Funding FRN 17/04/2063 2016-1X A1B	4,971	0.45
GBP 13,929,437	Duncan Funding FRN 17/12/2062 2015-1 A1	13,931	1.26
GBP 4,507,245	E-Carat FRN 18/03/2024	4,495	0.41
GBP 576,664	E-Carat FRN 18/06/2024 6A	577	0.05
GBP 12,008,943	E-Carat FRN 18/11/2024	11,988	1.09
GBP 17,469,235	Friary No.4 FRN 21/01/2050	17,298	1.57
GBP 9,425,000	Funding II FRN 15/06/2022 2017-1	9,376	0.85
GBP 1,575,385	Gosforth Funding FRN 15/02/2058 2016-1X A1B	1,575	0.14
GBP 362,155	Gosforth Funding FRN 16/06/2057 2015-1 A1	362	0.03
GBP 1,909,149	Gosforth Funding FRN 24/07/2058 2016-2X A1	1,911	0.17
GBP 21,500,000	Gracechurch Card FRN 15/07/2021	21,479	1.96
GBP 15,000,000	Holmes Master Issuer FRN 15/10/2054 2017-1	14,952	1.36
GBP 9,817,500	Lanark Master Issuer FRN 22/12/2054 2014-2X	9,805	0.89
GBP 10,750,000	Lanark Master Issuer FRN 22/12/2069 2017-1X	10,691	0.97
GBP 13,851,439	Laser ABS FRN 25/09/2030 2017-1	13,839	1.26
GBP 2,465,052	Orbita Funding FRN 14/07/2023 2016 0.00%1 A	2,466	0.22
GBP 18,788,682	Orbita Funding FRN 16/10/2024 2017-1	18,728	1.70
GBP 10,080,000	Penarth Master Issuer FRN 18/03/2025	10,076	0.91
GBP 8,300,000	Permanent Master Issuer FRN 15/07/2058 2016-1 1A1	8,286	0.75
GBP 13,100,000	Permanent Master Issuer FRN 15/07/2058 2018-1X 1A2	12,978	1.18
GBP 8,211,000	Silverstone Master Issuer FRN 21/01/2070 2016 16-1X 1A2	8,213	0.74
GBP 5,947,200	Turbo Finance FRN 20/02/2023 6A	5,945	0.54
GBP 12,114,627	Turbo Finance 8 FRN 20/02/2026	12,102	1.09
		224,203	20.33
Fixed Rate Bond 4.43% (30/06/2018: 8.11%)			
GBP 15,700,000	Coventry Building Society 1.00% 05/05/2020	15,537	1.40
GBP 5,000,000	Coventry Building Society 6.00% 16/10/2019	5,178	0.47
GBP 2,016,000	Northern Electric Finance 8.875% 16/10/2020	2,266	0.21
GBP 9,000,000	Northern Powergrid Yorkshire 9.25% 17/01/2020	9,690	0.88
GBP 10,000,000	Santander UK 1.625% 10/05/2021	9,931	0.90
GBP 6,266,000	Santander UK 1.875% 17/02/2020	6,271	0.57
		48,873	4.43

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Floating Rate Note 5.01% (30/06/2018: 2.72%)		
GBP 9,000,000	Brass NO.7 FRN 16/10/2059	8,915	0.81
GBP 9,520,000	Elvet Mortgages 2018-1 FRN 22/10/2058	9,477	0.86
EUR 10,000,000	GlaxoSmithKline Capital FRN 21/05/2020	8,986	0.82
GBP 6,000,000	HSBC FRN 09/03/2020	6,003	0.54
EUR 6,500,000	HSBC FRN 09/03/2020	5,847	0.53
GBP 5,000,000	PCL Funding FRN 15/06/2023	4,915	0.45
GBP 11,000,000	National Westminster Bank FRN 15/05/2020	10,997	1.00
		<u>55,140</u>	<u>5.01</u>
	United States 4.96% (30/06/2018: 5.53%)		
	Fixed Rate Bond 1.94% (30/06/2018: 2.32%)		
EUR 8,500,000	Berkshire Hathaway 0.50% 13/03/2020	7,665	0.69
GBP 7,000,000	MetLife 5.25% 29/06/2020	7,353	0.67
EUR 7,000,000	Metropolitan Life Global Funding I 2.375% 30/09/2019	6,397	0.58
		<u>21,415</u>	<u>1.94</u>
	Floating Rate Note 3.02% (30/06/2018: 3.21%)		
EUR 12,000,000	Coca-Cola FRN 08/03/2019	10,776	0.98
EUR 10,000,000	PACCAR Financial FRN 18/05/2021	8,989	0.82
EUR 5,000,000	Pfizer FRN 06/03/2019	4,490	0.41
EUR 10,000,000	Wells Fargo FRN 24/04/2019	8,983	0.81
		<u>33,238</u>	<u>3.02</u>
	Certificates of Deposit 26.66% (30/06/2018: 27.89%)		
	Australia 1.45% (30/06/2018: 0.86%)		
GBP 10,000,000	Australia & New Zealand Banking 0.00% 23/05/2019	9,965	0.91
GBP 6,000,000	National Australia Bank 0.97% 07/05/2019	6,001	0.54
		<u>15,966</u>	<u>1.45</u>
	Canada 3.40% (30/06/2018: 3.26%)		
GBP 15,000,000	Bank of Montreal 1.20% 06/12/2019	15,015	1.36
GBP 12,500,000	Canadian Imperial Bank of Commerce 0.96% 04/01/2019	12,500	1.13
GBP 10,000,000	Toronto-Dominion Bank 1.00% 07/06/2019	10,003	0.91
		<u>37,518</u>	<u>3.40</u>
	Denmark 0.00% (30/06/2018: 1.29%)		
	Finland 1.22% (30/06/2018: 1.14%)		
EUR 15,000,000	Nordea Bank 0.00% 04/01/2019	13,465	1.22
	France 3.72% (30/06/2018: 5.22%)		
GBP 20,000,000	Crédit Agricole 0.91% 18/03/2019	20,005	1.81
GBP 10,000,000	Crédit Industriel et Commercial 1.10% 11/06/2019	10,007	0.91
GBP 11,000,000	Société Générale 0.80% 31/01/2019	11,001	1.00
		<u>41,013</u>	<u>3.72</u>
	Germany 1.81% (30/06/2018: 0.86%)		
GBP 20,000,000	Landesbank Hessen-Thüringen 1.05% 27/09/2019	20,002	1.81

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Netherlands 0.91% (30/06/2018: 4.97%)		
GBP 10,000,000	Rabobank Nederland 0.94% 15/05/2019	10,001	0.91
	Singapore 1.81% (30/06/2018: 1.72%)		
GBP 10,000,000	United Overseas Bank 0.83% 31/01/2019	10,001	0.91
GBP 10,000,000	United Overseas Bank 0.84% 13/02/2019	10,002	0.90
		<u>20,003</u>	<u>1.81</u>
	Sweden 1.72% (30/06/2018: 0.99%)		
GBP 10,000,000	Svenska Handelsbanken 0.87% 07/03/2019	10,002	0.91
EUR 10,000,000	Swedbank 0.00% 19/02/2019	8,981	0.81
		<u>18,983</u>	<u>1.72</u>
	Switzerland 4.55% (30/06/2018: 2.14%)		
GBP 10,000,000	Credit Suisse 0.78% 31/01/2019	10,001	0.91
GBP 15,000,000	Credit Suisse 1.12% 14/10/2019	15,006	1.37
GBP 10,000,000	Credit Suisse 1.26% 23/12/2019	10,015	0.91
GBP 15,000,000	UBS 0.92% 26/04/2019	15,001	1.36
		<u>50,023</u>	<u>4.55</u>
	United Arab Emirates 0.95% (30/06/2018: 2.40%)		
GBP 10,500,000	First Abu Dhabi Bank 1.00% 30/04/2019	10,504	0.95
	United Kingdom 3.90% (30/06/2018: 3.04%)		
GBP 10,000,000	Nationwide Building Society 0.90% 03/04/2019	10,001	0.91
GBP 3,000,000	Nationwide Building Society 0.91% 03/04/2020	3,000	0.27
GBP 10,000,000	Standard Chartered 0.91% 27/02/2019	10,003	0.91
GBP 15,000,000	Standard Chartered 0.92% 12/04/2019	15,003	1.36
GBP 5,000,000	Standard Chartered 1.05% 29/05/2019	5,002	0.45
		<u>43,009</u>	<u>3.90</u>
	United States 1.22% (30/06/2018: 0.00%)		
EUR 15,000,000	Citibank 0.00% 02/01/2019	13,464	1.22
	Derivatives 0.14% (30/06/2018: (0.22%))		
	Swaps 0.00% (30/06/2018: 0.00%)¹		
	Interest Rate Swaps 0.00% (30/06/2018: 0.00%)¹		
8,500,000	IRS -0.2155% EURIBOR 3 month - Receive Floating - EUR	(6)	-
5,000,000	IRS -0.22% EURIBOR 3 Month - Receive Floating - EUR	(3)	-
7,000,000	IRS -0.278% EURIBOR 3 month - Receive Floating - EUR	(2)	-
7,000,000	IRS 0.48% LIBOR 3 month - Receive Floating - GBP	34	-
5,500,000	IRS 0.50% LIBOR 3 month - Receive Floating - GBP	40	-
7,800,000	IRS 0.53% LIBOR 3 month - Receive Floating - GBP	51	-
9,000,000	IRS 0.5475% LIBOR 3 month - Receive Floating - GBP	41	-
6,000,000	IRS 0.754% LIBOR 3 month - Receive Floating - GBP	16	-
5,000,000	IRS 1.025% LIBOR 3 month - Receive Floating - GBP	(3)	-
12,963,000	IRS 1.07% LIBOR 3 month - Receive Floating - GBP	(11)	-
7,900,000	IRS 1.10% LIBOR 3 month - Receive Floating - GBP ²	-	-
17,000,000	IRS 1.121% LIBOR 3 month - Receive Floating - GBP	(26)	-
7,000,000	IRS 1.1225% LIBOR 3 month - Receive Floating - GBP	(17)	-
14,000,000	IRS 1.1225% LIBOR 3 month - Receive Floating - GBP	(33)	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Interest Rate Swaps¹ (continued)			
10,000,000	IRS 1.1367% LIBOR 3 month - Receive Floating - GBP	(14)	-
2,016,000	IRS 1.161% LIBOR 3 month - Receive Floating - GBP	(4)	-
15,000,000	IRS 2.981% LIBOR 3 Month - Receive Floating - USD	(109)	-
		<u>(46)</u>	<u>-</u>
Forward Foreign Exchange Contracts 0.14% (30/06/2018: (0.22%))¹			
	Buy AUD 474,129 : Sell GBP 263,384 January 2019	(2)	-
	Buy EUR 1,161,136 : Sell GBP 1,049,209 January 2019	(6)	-
	Buy EUR 1,234,128 : Sell GBP 1,109,193 January 2019 ²	-	-
	Buy EUR 195,435 : Sell GBP 176,268 January 2019	(1)	-
	Buy EUR 1,961,212 : Sell GBP 1,774,712 January 2019	(13)	-
	Buy EUR 313,276 : Sell GBP 282,095 January 2019	(1)	-
	Buy EUR 6,202 : Sell GBP 5,578 January 2019 ²	-	-
	Buy EUR 755,440 : Sell GBP 683,594 January 2019	(5)	-
	Buy EUR 852,255 : Sell GBP 765,812 January 2019 ²	-	-
	Buy GBP 1,006 : Sell EUR 1,117 January 2019 ²	-	-
	Buy GBP 11,379,861 : Sell USD 14,387,315 January 2019	100	0.01
	Buy GBP 13,310,219 : Sell EUR 15,000,000 January 2019	(154)	(0.01)
	Buy GBP 13,371,761 : Sell EUR 15,000,000 January 2019	(92)	(0.01)
	Buy GBP 16,039 : Sell AUD 28,816 January 2019 ²	-	-
	Buy GBP 249,595,620 : Sell EUR 276,221,087 January 2019	1,413	0.12
	Buy GBP 27,370 : Sell USD 34,643 January 2019 ²	-	-
	Buy GBP 27,727 : Sell USD 35,203 January 2019 ²	-	-
	Buy GBP 35,175 : Sell USD 44,579 January 2019 ²	-	-
	Buy GBP 37,523 : Sell USD 47,715 January 2019 ²	-	-
	Buy GBP 5,395,826 : Sell NOK 58,079,387 January 2019	130	0.01
	Buy GBP 6,518,662 : Sell AUD 11,402,784 January 2019	222	0.01
	Buy GBP 8,161,129 : Sell EUR 9,020,624 January 2019	56	0.01
	Buy GBP 8,960,488 : Sell EUR 10,000,000 February 2019	(30)	-
	Buy GBP 903,775 : Sell EUR 1,002,247 January 2019	3	-
	Buy NOK 98,476 : Sell GBP 8,979 January 2019 ²	-	-
	Buy USD 42,235 : Sell GBP 33,626 January 2019	(1)	-
	Buy USD 61,850 : Sell GBP 48,789 January 2019 ²	-	-
		<u>1,619</u>	<u>0.14</u>
	Investment assets including investment liabilities	1,013,800	91.96
	Other net assets	88,677	8.04
	Total net assets	1,102,477	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.

Credit ratings

	Market value £000	Percentage of net assets %
31/12/18		
Investments		
Investment grade (AAA - BBB)*	948,460	86.03
Unrated	63,767	5.79
Total debt securities	1,012,227	91.82
Derivatives	1,573	0.14
Investment assets including investment liabilities	1,013,800	91.96
Other net assets	88,677	8.04
Total net assets	1,102,477	100.00
	Market value £000	Percentage of net assets %
30/06/18		
Investments		
Investment grade (AAA - BBB)*	1,035,340	88.75
Unrated	59,605	5.11
Total debt securities	1,094,945	93.86
Derivatives	(2,535)	(0.22)
Investment assets including investment liabilities	1,092,410	93.64
Other net assets	74,225	6.36
Total net assets	1,166,635	100.00

* Certificate of deposit included within investment grade have been rated based on the rating of the issuer.

Statement of total return (unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(930)		595
Revenue	4,649		3,939	
Expenses	(197)		(236)	
Interest payable and similar charges	(4)		(3)	
	<u>4,448</u>		<u>3,700</u>	
Taxation	-		-	
Net revenue after taxation		<u>4,448</u>		<u>3,700</u>
Total return before distributions		3,518		4,295
Distributions		(4,448)		(3,699)
Change in net assets attributable to shareholders from investment activities		<u>(930)</u>		<u>596</u>

Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Opening net assets attributable to shareholders*		1,166,635		1,442,096
Amounts receivable on issue of shares	-		23,999	
Amounts payable on cancellation of shares	(67,635)		(164,945)	
		(67,635)		(140,946)
Dilution adjustment		16		44
Change in net assets attributable to shareholders from investment activities		(930)		596
Retained distributions on accumulation shares		4,391		3,514
Closing net assets attributable to shareholders		<u>1,102,477</u>		<u>1,305,304</u>

* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

Balance sheet (unaudited) as at 31 December 2018

	31/12/18	30/06/18
	£000	£000
Assets:		
Investments	1,014,333	1,095,338
Current assets:		
Debtors	3,853	4,099
Cash and bank balances	85,033	73,111
Total assets	<u>1,103,219</u>	<u>1,172,548</u>
Liabilities:		
Investment liabilities	533	2,928
Creditors:		
Amounts held at derivatives clearing houses and brokers	99	-
Bank overdrafts	-	502
Other creditors	110	2,483
Total liabilities	<u>742</u>	<u>5,913</u>
Net assets attributable to shareholders	<u>1,102,477</u>	<u>1,166,635</u>

Distribution tables for the six months ended 31 December 2018 (in pence per share)

Interim interest distribution (accounting date 30 September 2018, paid on 30 November 2018)

Group 1: shares purchased prior to 1 July 2018

Group 2: shares purchased on or after 1 July 2018

	Distribution per share	Equalisation	Total distribution per share 30/11/18	Total distribution per share 30/11/17
Class Z accumulation				
Group 1	0.1982	-	0.1982	0.1243
Group 2	0.0746	0.1236	0.1982	0.1243

Interim interest distribution (accounting date 31 December 2018, paid on 28 February 2019)

Group 1 : shares purchased prior to 1 October 2018

Group 2 : shares purchased on or after 1 October 2018

	Distribution per share	Equalisation	Total distribution per share 28/02/19	Total distribution per share 28/02/18
Class Z accumulation				
Group 1	0.1996	-	0.1996	0.1384
Group 2	0.1996	-	0.1996	0.1384

Janus Henderson Strategic Bond Fund

Authorised Corporate Director's (ACD) report

Investment Fund Managers

Jenna Barnard and John Pattullo

Investment objective and policy

To provide a return by investing in higher yielding assets including high yield bonds, investment grade bonds, government bonds, preference shares and other bonds. The fund may also invest in equities. The fund will take strategic asset allocation decisions between countries, asset classes, sectors and credit ratings. The fund may invest in other transferable securities, money market instruments, derivatives and forward transactions, deposits and units in collective investment schemes.

Performance summary

Cumulative performance	Six months	One year	Five years	Since launch
	30 Jun 18 - 31 Dec 18	31 Dec 17 - 31 Dec 18	31 Dec 13 - 31 Dec 18	31 Jan 95 - 31 Dec 18
	%	%	%	%
Class A income	(0.2)	(2.0)	15.1	353.1
Class I accumulation	0.2	(1.4)	19.3	124.6

Discrete performance	31 Dec 17 -	31 Dec 16 -	31 Dec 15 -	31 Dec 14 -	31 Dec 13 -
	31 Dec 18	31 Dec 17	31 Dec 16	31 Dec 15	31 Dec 14
	%	%	%	%	%
Class A income	(2.0)	5.2	3.7	1.5	6.0
Class I accumulation	(1.4)	6.0	4.4	2.3	6.8

Source: Morningstar, Class A and Class I, NAV to NAV and net of fees as at 12 noon valuation point.

The fund is not running against a specific benchmark, for internal risk monitoring, the IA OE £ Strategic Bond Sector is used.

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 six months ended 31 December 2018

Largest purchases	£000	Largest sales/maturities	£000
Australia (Commonwealth of) 2.75% 21/11/2028	86,270	Canada (Government of) 1.00% 01/06/2027	84,839
Australia (Commonwealth of) 2.25% 21/05/2028	62,167	UK Treasury 0.75% 22/07/2023	84,683
Germany (Federal Republic of) 3.25% 04/07/2042	42,990	Australia (Commonwealth of) 1.75% 21/11/2020	63,752
Canada (Government of) 2.75% 01/12/2048	22,692	Canada (Government of) 2.75% 01/12/2048	33,000
Australia (Commonwealth of) 3.75% 21/04/2037	22,224	Verisure FRN 21/10/2022 Term B	19,642
McDonald's 2.625% 11/06/2029	17,905	Daily Mail & General Trust 5.75% 07/12/2018	19,626
Walmart 2.55% 08/04/2026	11,779	UBS 6.875% Perpetual	17,578
Mastercard 2.10% 01/12/2027	11,329	Annington Funding 3.685% 12/07/2034	16,825
Elanco Animal Health 4.90% 28/08/2028	10,677	Prudential 7.75% Perpetual	15,615
Microsoft 3.125% 06/12/2028	10,539	Germany (Federal Republic of) 3.25% 04/07/2042	14,640
Total purchases	436,252	Total sales/maturities	581,461

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

Investment review

The fund returned -0.2% (based on Class A income) over the second half of 2018. The fund is not running against a specific benchmark, for internal risk monitoring, the IA OE £ Strategic Bond Sector is used.

The key positive contributor to this return was the fund's significant allocation to developed market government bonds via both cash bonds and interest rate futures. Indeed, for the majority of the period under review, the fund ran with an extended duration (interest rate sensitivity) position, reflecting our view that the global economic environment and market liquidity conditions had peaked and were deteriorating rapidly. For this reason, the fund was positioned in Australian, US, Canadian, UK and German government bonds predominantly at the 10-year and 30-year maturity points. The Australian government bonds were a standout performer for the fund, reflecting the size of this position within the fund and the outperformance of this government market relative to others.

The second half of 2018 was a key period for financial markets globally. Asset class after asset class moved to price out a global synchronised recovery and began to price in a significant economic slowdown. There was an almost domino-like effect in this regard, with the final assets to capitulate being the oil price (October) and US Treasury yields and credit spreads (November and December). Our non-consensual anticipation of a move from a 'reflationary' trading theme to one of 'disinflation' was vindicated over this period. Indeed, it was an almost textbook example of investor capitulation and the value of having a multi-asset class view of markets.

In contrast to the gains made in duration, the fund suffered losses from high yield corporate bonds and some of the riskier investment grade corporate bonds – e.g. bank and insurance bonds. This reflected the rapid widening in credit spreads, particularly over the final few months of the year as investors began to wake up to the rapid slowdown in China and the late cycle market environment.

Fund activity reflected the contrarian macroeconomic view described above. The rapid collapse of monetary aggregates across the world in the preceding 12-18 months had given us advance warning of a possible economic slowdown or market correction. The continued progression of US rate hikes and balance sheet contractions as well as the strength of the US dollar provided further evidence of a tightening in financial conditions. In this regard, the activity of the fund was focused on maintaining or adding to existing duration positions, with Australia being a core position throughout and the US bond market being favoured from November. Generally, the fund was a better seller of riskier areas of the credit market (e.g. financials) but favoured adding to high quality investment grade bonds, which would be better correlated with government bonds and thus act in a more defensive manner. High quality US technology names such as Google, Salesforce.com, and Amazon were some such examples.

Derivatives were used actively in order to manage the fund. The primary type over this period were interest rate derivatives. As mentioned above, these allowed us to extend the fund's interest rate sensitivity in a variety of countries. Some credit derivatives were also used to reduce the credit exposure of the fund. Overall, derivatives were a material positive contributor to fund performance.

As a strategic bond fund, rather than a pure income or corporate bond fund, we will continue to manage duration actively. We believe we are in the midst of the first global economic slowdown emanating from Asia since 1997/1998. At that time, Asia ex-Japan accounted for 19% of global GDP growth versus 37% today (source: IMF). As a result, the implications could be material, particularly for export-dependent economies like Germany. We are hopeful, but not convinced, that the worst of this slowdown will be reflected in economic data and market prices by late 2019. In the meantime, we expect further volatility in risky assets such as lower rated corporate bonds.

Comparative tables for the six months ended 31 December 2018

	Class A income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	120.95	125.98	123.96	125.59
Return before operating charges*	0.81	1.06	8.74	4.85
Operating charges	(0.85)	(1.75)	(1.77)	(1.77)
Return after operating charges*	(0.04)	(0.69)	6.97	3.08
Distributions on income shares	(1.97)	(4.34)	(4.95)	(4.71)
Closing net asset value per share	118.94	120.95	125.98	123.96
* after direct transaction costs of:	-	0.01	0.01	-

Performance

Return after charges	(0.03%)	(0.55%)	5.62%	2.45%
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Other information

Closing net asset value (£000s)	118,031	128,296	141,182	145,165
Closing number of shares	99,236,060	106,071,549	112,064,232	117,101,951
Operating charges (annualised)	1.40%	1.40%	1.40%	1.41%
Direct transaction costs	0.00%	0.01%	0.01%	0.00%

Prices

Highest share price (pence)	122.20	127.90	130.00	127.60
Lowest share price (pence)	118.70	121.80	124.10	121.40

	Class I accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	326.62	326.20	306.46	296.77
Return before operating charges*	2.20	2.68	23.38	14.65
Operating charges	(1.14)	(2.27)	(2.20)	(2.08)
Return after operating charges*	1.06	0.41	21.18	12.57
Distributions on accumulation shares	(5.46)	(11.65)	(14.11)	(14.39)
Retained distributions on accumulation shares [^]	5.46	11.65	12.67	11.51
Closing net asset value per share	327.68	326.62	326.20	306.46
* after direct transaction costs of:	0.01	0.02	0.02	-

Performance

Return after charges	0.32%	0.13%	6.91%	4.24%
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Other information

Closing net asset value (£000s)	792,864	807,770	447,750	338,278
Closing number of shares	241,959,735	247,312,803	137,263,784	110,382,900
Operating charges (annualised)	0.69%	0.69%	0.69%	0.69%
Direct transaction costs	0.00%	0.01%	0.01%	0.00%

Prices

Highest share price (pence)	329.20	333.40	329.00	308.60
Lowest share price (pence)	323.90	326.00	309.00	293.80

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

Comparative tables (continued)

	Class I income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	131.58	136.16	133.11	133.96
Return before operating charges*	0.89	1.16	9.41	5.19
Operating charges	(0.46)	(0.94)	(0.94)	(0.92)
Return after operating charges*	0.43	0.22	8.47	4.27
Distributions on income shares	(2.19)	(4.80)	(5.42)	(5.12)
Closing net asset value per share	129.82	131.58	136.16	133.11
* after direct transaction costs of:	-	0.01	0.01	-
Performance				
Return after charges	0.33%	0.16%	6.36%	3.19%
Other information				
Closing net asset value (£000s)	1,146,668	1,186,020	750,378	669,598
Closing number of shares	883,294,271	901,363,675	551,106,085	503,058,250
Operating charges (annualised)	0.69%	0.69%	0.69%	0.69%
Direct transaction costs	0.00%	0.01%	0.01%	0.00%
Prices				
Highest share price (pence)	133.00	138.40	139.70	136.20
Lowest share price (pence)	129.40	132.50	133.60	130.00
	Class Z accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	354.91	352.16	328.74	316.39
Return before operating charges*	2.40	2.89	25.12	15.59
Operating charges	(0.07)	(0.14)	(0.14)	(0.13)
Return after operating charges*	2.33	2.75	24.98	15.46
Distributions on accumulation shares	(6.04)	(12.82)	(15.35)	(15.55)
Retained distributions on accumulation shares [^]	6.04	12.82	13.79	12.44
Closing net asset value per share	357.24	354.91	352.16	328.74
* after direct transaction costs of:	0.01	0.02	0.02	-
Performance				
Return after charges	0.66%	0.78%	7.60%	4.89%
Other information				
Closing net asset value (£000s)	10,620	11,158	11,496	12,603
Closing number of shares	2,972,885	3,143,862	3,264,424	3,833,723
Operating charges (annualised)	0.03%	0.04%	0.04%	0.04%
Direct transaction costs	0.00%	0.01%	0.01%	0.00%
Prices				
Highest share price (pence)	358.20	361.00	355.10	330.90
Lowest share price (pence)	352.60	352.60	331.50	314.40

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

Comparative tables (continued)

	Class A income gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	127.55	125.50	127.13
Return before operating charges*	1.87	9.49	6.08
Operating charges	(0.46)	(1.80)	(1.79)
Return after operating charges*	1.41	7.69	4.29
Distributions on income shares	(1.16)	(5.64)	(5.92)
Final cancellation price	(127.80) ¹	-	-
Closing net asset value per share	-	127.55	125.50
* after direct transaction costs of:	0.01	0.01	-
Performance			
Return after charges	1.11%	6.13%	3.37%
Other information			
Closing net asset value (£000s)	-	6,808	7,648
Closing number of shares	-	5,337,006	6,093,869
Operating charges (annualised)	1.40%	1.40%	1.41%
Direct transaction costs	0.01%	0.01%	0.00%
Prices			
Highest share price (pence)	129.50 ²	131.80	129.30
Lowest share price (pence)	127.60 ²	125.70	123.00

¹ Class A income gross closed on 2 October 2017 and this is the final cancellation price.

² to 2 October 2017

Comparative tables (continued)

	Class I accumulation gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	380.71	355.92	341.60
Return before operating charges*	5.48	27.35	16.72
Operating charges	(0.69)	(2.56)	(2.40)
Return after operating charges*	4.79	24.79	14.32
Distributions on accumulation shares	(3.53)	(16.57)	(16.49)
Retained distributions on accumulation shares	3.53	16.57	16.49
Final cancellation price	(385.50) ³	-	-
Closing net asset value per share	-	380.71	355.92
* after direct transaction costs of:	0.03	0.02	-
Performance			
Return after charges	1.26%	6.97%	4.19%
Other information			
Closing net asset value (£000s)	-	102,527	57,162
Closing number of shares	-	26,930,600	16,060,453
Operating charges (annualised)	0.69%	0.69%	0.69%
Direct transaction costs	0.01%	0.01%	0.00%
Prices			
Highest share price (pence)	387.00 ⁴	383.80	358.20
Lowest share price (pence)	381.00 ⁴	358.90	340.10

³ Class I accumulation gross closed on 2 October 2017 and this is the final cancellation price.

⁴ to 2 October 2017

Comparative tables (continued)

	Class I income gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	101.98	99.69	100.33
Return before operating charges*	1.46	7.55	4.81
Operating charges	(0.19)	(0.70)	(0.69)
Return after operating charges*	1.27	6.85	4.12
Distributions on income shares	(0.95)	(4.56)	(4.76)
Final cancellation price	(102.30) ⁵	-	-
Closing net asset value per share	-	101.98	99.69
* after direct transaction costs of:	0.01	0.01	-
Performance			
Return after charges	1.25%	6.87%	4.11%
Other information			
Closing net asset value (£000s)	-	355,803	312,813
Closing number of shares	-	348,888,869	313,777,483
Operating charges (annualised)	0.69%	0.69%	0.69%
Direct transaction costs	0.01%	0.01%	0.00%
Prices			
Highest share price (pence)	103.70 ⁶	104.80	102.10
Lowest share price (pence)	102.10 ⁶	100.20	97.48

⁵ Class I income gross closed on 2 October 2017 and this is the final cancellation price.

⁶ to 2 October 2017

Comparative tables (continued)

	Class Z accumulation gross		
	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share			
Opening net asset value per share	387.88	360.31	343.55
Return before operating charges*	5.66	27.72	16.90
Operating charges	(0.04)	(0.15)	(0.14)
Return after operating charges*	5.62	27.57	16.76
Distributions on accumulation shares	(3.65)	(17.25)	(16.82)
Retained distributions on accumulation shares	3.65	17.25	16.82
Final cancellation price	(393.50) ⁷	-	-
Closing net asset value per share	-	387.88	360.31
* after direct transaction costs of:	0.03	0.02	-
Performance			
Return after charges	1.45%	7.65%	4.88%
Other information			
Closing net asset value (£000s)	-	196	62
Closing number of shares	-	50,610	17,187
Operating charges (annualised)	0.04%	0.04%	0.04%
Direct transaction costs	0.01%	0.01%	0.00%
Prices			
Highest share price (pence)	394.70 ⁸	391.00	362.40
Lowest share price (pence)	388.20 ⁸	363.30	343.40

⁷ Class I accumulation gross closed on 2 October 2017 and this is the final cancellation price.

⁸ to 2 October 2017

Performance values are close of business and on a bid basis 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 period.

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 period, except for expenses that are explicitly excluded by regulation.

	31/12/18 %	30/06/18 %
Class A	1.40	1.40
Class I	0.69	0.69
Class Z	0.03	0.04

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

Risk and reward profile

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



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

The value of an investment in the fund can go up and down. When you sell your shares, they may be worth less than what 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 classes appear 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. Under normal market conditions the following risks may apply:

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

Charges to capital risk Some or all of the annual management charge is taken from capital. This may constrain potential for capital growth.

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

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

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

Hedging risk If the fund or a specific share class of the fund seeks to reduce risk (such as exchange rate movements), the measures designed to do so may be ineffective, unavailable or detrimental.

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

Leverage risk Leverage arises from entering in to contracts or derivatives whose terms have the effect of magnifying an outcome, meaning profits and losses from investment can be greater.

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

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

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

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

Portfolio statement as at 31 December 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 0.88% (30/06/2018: 0.93%)		
	United Kingdom 0.88% (30/06/2018: 0.93%)		
	Financials 0.88% (30/06/2018: 0.93%)		
14,000	Lloyds Banking 9.25% Non-Cumulative Preference	19	-
130,350	Nationwide Building Society CDDS	18,204	0.88
		<u>18,223</u>	<u>0.88</u>
	Bonds 87.47% (30/06/2018: 91.63%)		
	Australia 18.19% (30/06/2018: 12.37%)		
	Fixed Rate Bond 18.19% (30/06/2018: 12.37%)		
AUD 114,100,000	Australia (Commonwealth of) 1.75% 21/11/2020	62,892	3.04
AUD 114,200,000	Australia (Commonwealth of) 2.25% 21/05/2028	62,752	3.03
AUD 49,491,000	Australia (Commonwealth of) 2.75% 21/04/2024	28,352	1.37
AUD 153,400,000	Australia (Commonwealth of) 2.75% 21/11/2028	87,974	4.25
AUD 38,000,000	Australia (Commonwealth of) 3.00% 21/03/2047	21,753	1.05
AUD 175,200,000	Australia (Commonwealth of) 3.75% 21/04/2037	112,535	5.45
		<u>376,258</u>	<u>18.19</u>
	Belgium 0.61% (30/06/2018: 0.61%)		
	Fixed Rate Bond 0.61% (30/06/2018: 0.61%)		
CAD 10,000,000	Anheuser-Busch InBev 2.60% 15/05/2024	5,453	0.26
AUD 10,070,000	FBG Finance 3.25% 06/09/2022	5,545	0.27
AUD 3,090,000	FBG Finance 3.75% 06/09/2024	1,701	0.08
		<u>12,699</u>	<u>0.61</u>
	Canada 7.56% (30/06/2018: 11.73%)		
	Fixed Rate Bond 7.56% (30/06/2018: 11.73%)		
CAD 68,500,000	Canada (Government of) 0.50% 01/03/2022	37,722	1.82
CAD 70,000,000	Canada (Government of) 0.75% 01/05/2019	40,125	1.94
CAD 17,600,000	Canada (Government of) 0.75% 01/09/2020	9,936	0.48
CAD 87,500,000	Canada (Government of) 1.75% 01/03/2023	50,019	2.42
CAD 17,500,000	Canada (Government of) 2.75% 01/12/2048	11,308	0.55
USD 9,793,000	Cott 5.50% 01/04/2025	7,247	0.35
		<u>156,357</u>	<u>7.56</u>
	Denmark 0.00% (30/06/2018: 0.28%)		
	Secured Loans 0.00% (30/06/2018: 0.28%)¹		
	France 0.62% (30/06/2018: 0.79%)		
	Fixed Rate Bond 0.00% (30/06/2018: 0.09%)		
	Secured Loans 0.48% (30/06/2018: 0.46%)¹		
EUR 11,309,840	Ceva Santé Animale FRN 30/06/2021	9,999	0.48
	Variable Rate Bond 0.14% (30/06/2018: 0.24%)		
USD 3,779,000	AXA 6.379% Perpetual	2,923	0.14
	Germany 1.90% (30/06/2018: 0.92%)		
	Asset Backed 0.00% (30/06/2018: 0.00%)		
EUR 1,231,147	Talisman Finance FRN 22/10/2016 ²	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Fixed Rate Bond 1.90% (30/06/2018: 0.92%)		
USD 11,400,000	Deutsche Telekom International Finance 2.225% 17/01/2020	8,840	0.43
EUR 22,000,000	Germany (Federal Republic of) 3.25% 04/07/2042	30,354	1.47
		<u>39,194</u>	<u>1.90</u>
	Ireland 0.55% (30/06/2018: 1.34%)		
	Asset Backed 0.00% (30/06/2018: 0.00%)		
EUR 0	Titan Europe FRN 25/07/2016 2006-3X ²	-	-
	Fixed Rate Bond 0.55% (30/06/2018: 1.34%)		
GBP 5,600,000	Ardagh Packaging Finance 4.75% 15/07/2027	5,041	0.24
USD 4,255,000	Ardagh Packaging Finance 6.00% 15/02/2025	3,084	0.15
USD 4,210,000	Ardagh Packaging Finance 7.25% 15/05/2024	3,297	0.16
		<u>11,422</u>	<u>0.55</u>
	Luxembourg 0.47% (30/06/2018: 0.20%)		
	Secured Loans 0.47% (30/06/2018: 0.20%)¹		
USD 3,060,066	Sivantos FRN 17/01/2022	2,337	0.11
EUR 2,142,780	Sivantos FRN 17/01/2022	1,921	0.09
EUR 6,000,000	SIG Combibloc FRN 22/09/2025	5,363	0.27
		<u>9,621</u>	<u>0.47</u>
	Netherlands 1.27% (30/06/2018: 1.76%)		
	Fixed Rate Bond 0.52% (30/06/2018: 1.04%)		
USD 12,220,000	Heineken 3.50% 29/01/2028	9,253	0.45
EUR 1,610,000	Interxion 4.75% 15/06/2025	1,478	0.07
		<u>10,731</u>	<u>0.52</u>
	Secured Loans 0.75% (30/06/2018: 0.72%)¹		
EUR 17,746,832	Fugue Finance FRN 02/09/2024	15,625	0.75
	Supranational 0.17% (30/06/2018: 0.16%)		
	Fixed Rate Bond 0.17% (30/06/2018: 0.16%)		
AUD 6,230,000	European Investment Bank 3.10% 17/08/2026	3,511	0.17
	Switzerland 0.00% (30/06/2018: 0.81%)		
	Variable Rate Bond 0.00% (30/06/2018: 0.81%)		
	United Kingdom 16.57% (30/06/2018: 27.20%)		
	Asset Backed 0.34% (30/06/2018: 0.34%)		
GBP 1,550,000	Canary Wharf Finance II FRN 22/10/2037	1,331	0.06
GBP 1,993,829	DECO Series FRN 27/01/20362	-	-
GBP 5,048,571	Tesco Property Finance 3 5.744% 13/04/2040	5,676	0.28
		<u>7,007</u>	<u>0.34</u>
	Fixed Rate Bond 9.90% (30/06/2018: 18.48%)		
GBP 5,700,000	Arqiva Broadcast Finance 6.75% 30/09/2023	5,699	0.28
USD 18,309,000	Bacardi 4.45% 15/05/2025	14,183	0.68
USD 9,384,000	B.A.T Capital 2.764% 15/08/2022	6,959	0.34
GBP 4,040,000	BAT International Finance 1.75% 05/07/2021	4,006	0.19
GBP 6,100,000	BAT International Finance 6.00% 29/06/2022	6,828	0.33

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 1,000,000	Cattles 6.875% Perpetual ²	-	-
GBP 13,100,000	CPUK Finance 4.25% 28/08/2022	12,520	0.61
GBP 2,500,000	CPUK Finance 4.875% 28/08/2025	2,337	0.11
GBP 4,136,000	Friends Life 12.00% 21/05/2021	5,021	0.24
GBP 3,840,000	Friends Life 8.25% 21/04/2022	4,488	0.22
GBP 3,560,000	Heathrow Funding 6.00% 20/03/2020	3,736	0.18
GBP 5,000,000	Imperial Tobacco Finance 9.00% 17/02/2022	5,971	0.29
GBP 20,500,000	Phoenix 4.125% 20/07/2022	20,281	0.97
GBP 9,100,000	Phoenix 6.625% 18/12/2025	9,251	0.45
USD 10,600,000	Prudential 4.875% Perpetual	7,155	0.35
GBP 608,000	Prudential 6.125% 19/12/2031	750	0.04
USD 2,945,000	Royal Bank of Scotland 7.648% Perpetual	2,847	0.14
GBP 5,000,000	Scottish Widows 5.50% 16/06/2023	5,401	0.26
GBP 2,515,000	Scottish Widows 7.00% 16/06/2043	2,893	0.14
USD 14,500,000	Standard Life Aberdeen 4.25% 30/06/2048	10,284	0.50
GBP 2,550,000	Tesco 5.20% 05/03/2057	2,860	0.14
GBP 10,400,000	Tesco 5.50% 13/01/2033	11,887	0.57
GBP 11,500,000	Tesco 6.125% 24/02/2022	12,694	0.60
USD 4,866,000	Tesco 6.15% 15/11/2037	3,951	0.19
GBP 7,027,000	Virgin Media Secured Finance 6.375% 15/10/2024	7,050	0.34
GBP 10,211,000	Virgin Media Secured Finance 6.25% 28/03/2029	10,238	0.50
USD 15,785,000	Vodafone 2.95% 19/02/2023	11,932	0.58
AUD 9,800,000	Vodafone 3.25% 13/12/2022	5,434	0.26
GBP 7,953,000	WM Morrison Supermarkets 3.50% 27/07/2026	8,244	0.40
		204,900	9.90
Secured Loans 0.69% (30/06/2018: 0.79%)¹			
USD 7,142,897	Formula One FRN 01/02/2024	5,291	0.26
GBP 8,986,743	Froneri International FRN 31/01/2025	8,904	0.43
		14,195	0.69
Stepped Rate Bond 1.62% (30/06/2018: 2.05%)			
GBP 13,125,000	Co-Operative Bank 6.875% 08/07/2020	13,647	0.66
GBP 14,819,000	Co-Operative Bank 7.50% 08/07/2026	16,345	0.79
GBP 3,800,000	Natwest Markets 5.625% Perpetual	3,553	0.17
		33,545	1.62
Variable Rate Bond 4.02% (30/06/2018: 5.54%)			
GBP 5,000,000	Aviva 6.125% Perpetual	5,172	0.25
USD 29,680,000	Barclays Bank 6.278% Perpetual	22,459	1.09
GBP 14,289,000	BUPA Finance 6.125% Perpetual	14,887	0.72
GBP 17,002,000	HBOS Sterling Finance Jersey 7.881% Perpetual	23,015	1.11
USD 10,152,000	Lloyds Banking 6.657% Perpetual	7,837	0.38
GBP 5,190,000	National Westminster Bank 7.125% Perpetual	5,793	0.28
USD 4,204,000	RBS Capital Trust II FRN Perpetual	3,912	0.19
		83,075	4.02

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	United States 39.56% (30/06/2018: 33.46%)		
	Asset Backed 0.00% (30/06/2018: 0.00%)		
GBP 875,379	Lehman Brothers Holdings 7.875% 08/05/2018 ²	24	-
	Fixed Rate Bond 37.51% (30/06/2018: 30.71%)		
USD 2,417,000	Adobe Systems 3.25% 01/02/2025	1,862	0.09
USD 35,980,000	Alphabet 1.998% 15/08/2026	25,683	1.24
USD 22,800,000	Altria 2.85% 09/08/2022	17,186	0.83
USD 31,350,000	Amazon.com 3.15% 22/08/2027	23,766	1.15
USD 14,240,000	American Tower 3.60% 15/01/2028	10,447	0.51
AUD 24,500,000	Apple 2.65% 10/06/2020	13,568	0.66
USD 3,545,000	Apple 3.35% 09/02/2027	2,712	0.13
AUD 15,650,000	Apple 3.70% 28/08/2022	8,961	0.43
USD 18,237,000	Aramark 4.75% 01/06/2026	13,460	0.65
USD 7,445,000	Aramark 5.125% 15/01/2024	5,787	0.28
USD 14,000,000	AT&T 2.45% 30/06/2020	10,849	0.52
CAD 16,500,000	Bank of America 3.407% 20/09/2025	9,404	0.45
AUD 7,850,000	Bank of America 4.25% 05/03/2020	4,416	0.21
USD 12,847,000	Berry Global 6.00% 15/10/2022	10,188	0.49
USD 4,237,000	Berry Global 5.125% 15/07/2023	3,290	0.16
USD 10,540,000	Boyd Gaming 6.375% 01/04/2026	8,007	0.39
USD 16,973,000	Catalent Pharma Solutions 4.875% 15/01/2026	12,560	0.61
USD 6,995,000	CCO Capital 5.875% 01/05/2027	5,328	0.26
USD 7,030,000	Cintas 2.90% 01/04/2022	5,430	0.26
USD 7,030,000	Cintas 3.70% 01/04/2027	5,391	0.26
USD 7,940,000	Comcast 3.95% 15/10/2025	6,308	0.31
USD 5,633,000	Comcast 4.15% 15/10/2028	4,491	0.22
USD 9,200,000	Constellation Brands 3.50% 09/05/2027	6,689	0.32
USD 5,979,000	Constellation Brands 4.75% 15/11/2024	4,864	0.24
USD 3,724,000	Crown Castle International 3.20% 01/09/2024	2,774	0.13
USD 14,394,000	Crown Castle International 3.65% 01/09/2027	10,477	0.51
USD 8,590,000	Crown Castle International 3.80% 15/02/2028	6,382	0.31
USD 38,825,000	Dell International 5.45% 15/06/2023	31,022	1.50
USD 7,080,000	Digital Realty Trust 4.75% 01/10/2025	5,680	0.27
USD 13,650,000	Elanco Animal Health 4.90% 28/08/2028	10,906	0.53
EUR 8,200,000	Equinix 2.875% 01/10/2025	7,041	0.34
USD 10,100,000	Equinix 5.375% 01/04/2023	7,891	0.38
USD 1,500,000	Equinix 5.75% 01/01/2025	1,187	0.06
USD 5,215,000	First Data 5.75% 15/01/2024	3,992	0.19
USD 3,433,000	HCA 5.00% 15/03/2024	2,669	0.13
USD 2,667,000	HCA 6.50% 15/02/2020	2,146	0.10
USD 11,810,000	HCA 5.25% 15/06/2026	9,203	0.44
USD 5,660,000	IHS Markit 5.00% 01/11/2022	4,489	0.22
USD 15,340,000	Iron Mountain 6.00% 15/08/2023	12,195	0.59
USD 10,540,000	Lamb Weston 4.875% 01/11/2026	7,945	0.38
USD 15,444,000	Lions Gate Capital 5.875% 01/11/2024	11,975	0.58
USD 13,510,000	Lockheed Martin 3.55% 15/01/2026	10,526	0.51
EUR 11,980,000	Mastercard 2.10% 01/12/2027	11,630	0.56
EUR 18,700,000	McDonald's 2.625% 11/06/2029	17,961	0.87
CAD 17,820,000	McDonald's 3.125% 04/03/2025	10,097	0.49
EUR 10,000,000	Microsoft 3.125% 06/12/2028	10,699	0.52

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
USD 27,050,000	Microsoft 3.30% 06/02/2027	21,037	1.02
USD 6,450,000	Microsoft 3.45% 08/08/2036	4,770	0.23
USD 14,250,000	Philip Morris International 2.00% 21/02/2020	11,049	0.53
USD 6,530,000	Booking 3.60% 01/06/2026	4,981	0.24
USD 10,000,000	IQVIA 4.875% 15/05/2023	7,695	0.37
USD 23,481,000	Salesforce.com 3.70% 11/04/2028	18,534	0.90
USD 16,068,000	Service International 4.625% 15/12/2027	11,859	0.57
USD 5,510,000	Silgan 4.75% 15/03/2025	4,034	0.20
USD 12,045,000	SiriusXM Radio 5.375% 15/04/2025	8,961	0.43
USD 10,000,000	SiriusXM Radio 6.00% 15/07/2024	7,871	0.38
USD 11,500,000	Sysco 3.55% 15/03/2025	8,892	0.43
USD 2,453,000	The Walt Disney Company 1.85% 30/07/2026	1,709	0.08
USD 2,534,000	T-Mobile USA 4.50% 01/02/2026	1,825	0.09
USD 15,995,000	T-Mobile USA 4.75% 01/02/2028	11,366	0.55
USD 8,550,000	T-Mobile USA 6.00% 01/03/2023	6,745	0.33
USD 10,020,000	T-Mobile USA 6.50% 15/01/2026	8,025	0.39
USD 60,000,000	US Treasury 1.75% 30/11/2019	46,741	2.26
USD 87,000,000	US Treasury 2.75% 15/11/2023	69,058	3.35
USD 14,000,000	Verizon Communications 1.75% 15/08/2021	10,615	0.51
USD 10,000,000	Verizon Communications 3.125% 16/03/2022	7,799	0.38
AUD 10,580,000	Verizon Communications 3.50% 17/02/2023	5,911	0.29
AUD 9,000,000	Verizon Communications 4.50% 17/08/2027	5,111	0.25
USD 39,000,000	Visa 2.75% 15/09/2027	29,000	1.40
USD 6,119,000	VMware 3.90% 21/08/2027	4,262	0.21
EUR 12,000,000	Walmart 2.55% 08/04/2026	11,953	0.58
USD 13,610,000	Walmart 3.70% 26/06/2028	10,846	0.52
USD 14,000,000	Wells Fargo 3.00% 22/01/2021	10,943	0.53
USD 6,300,000	Zayo 5.75% 15/01/2027	4,415	0.21
		<u>775,541</u>	<u>37.51</u>
Secured Loans 0.63% (30/06/2018: 1.21%)¹			
USD 10,985,220	McAfee FRN 30/09/2024 Term B	8,371	0.40
EUR 5,346,000	McAfee FRN 30/09/2024 Term B1	4,747	0.23
USD 6,606,830	SS&C Technologies FRN 16/04/2025 B3	2	-
		<u>13,120</u>	<u>0.63</u>
Variable Rate Bond 1.42% (30/06/2018: 1.54%)			
USD 41,136,000	Wachovia Capital Trust III 5.56975% Perpetual	29,214	1.42
Derivatives 0.72% (30/06/2018: (0.20%))			
Futures 0.32% (30/06/2018: 0.10%)			
489	CBT US Long Bond March 2019	113	0.01
1,320	CBT US 10 Year Note March 2019	1,325	0.06
2,430	CBT US 5 Year Note March 2019	3,087	0.15
666	EUX Euro-Bund March 2019	466	0.02
1,225	SFE Australia 10 Year Bond March 2019	990	0.05
2,700	SFE Australia 3 Year Bond March 2019	650	0.03
		<u>6,631</u>	<u>0.32</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Swaps (0.17%) (30/06/2018: (0.16%))¹			
Credit Default Swaps (0.17%) (30/06/2018: (0.16%))¹			
7,725,000	CDS 1.00% 20/06/2023 Commonwealth Bank of Australia Pay USD	(94)	-
7,725,000	CDS 1.00% 20/06/2023 Commonwealth Bank of Australia Pay USD	(94)	-
15,450,000	CDS 1.00% 20/06/2023 National Australia Bank Pay USD	(186)	(0.01)
7,725,000	CDS 1.00% 20/06/2023 Westpac Pay USD	(97)	-
7,725,000	CDS 1.00% 20/06/2023 Westpac Pay USD	(97)	-
10,750,000	CDS 1.00% 20/12/2020 Host Hotels Pay USD	(127)	(0.01)
10,750,000	CDS 1.00% 20/12/2020 Host Hotels Pay USD	(127)	(0.01)
9,000,000	CDS 1.00% 20/12/2021 Renault Pay EUR	(32)	-
13,800,000	CDS 1.00% 20/12/2023 Airbus Pay EUR	(306)	(0.01)
26,200,000	CDS 1.00% 20/12/2023 Arrow Electronics Pay USD	110	0.01
26,200,000	CDS 1.00% 20/12/2023 Avnet Pay USD	151	0.01
26,200,000	CDS 1.00% 20/12/2023 International Business Pay USD	(117)	(0.01)
4,950,000	CDS 5.00% 20/12/2023 AMD Pay USD	(518)	(0.03)
5,800,000	CDS 5.00% 20/12/2023 AMD Pay USD	(607)	(0.03)
13,050,000	CDS 5.00% 20/12/2023 AMD Pay USD	(1,368)	(0.08)
		<u>(3,509)</u>	<u>(0.17)</u>
Forward Foreign Exchange Contracts 0.57% (30/06/2018: (0.14%))¹			
	Buy AUD 1,062,400 : Sell GBP 604,213 March 2019	(18)	-
	Buy AUD 1,107,500 : Sell GBP 624,452 March 2019	(14)	-
	Buy AUD 1,434,900 : Sell GBP 826,531 February 2019	(35)	-
	Buy AUD 159,250 : Sell GBP 90,654 March 2019	(3)	-
	Buy AUD 324,625 : Sell GBP 186,007 March 2019	(7)	-
	Buy AUD 3,394,000 : Sell GBP 1,904,596 February 2019	(31)	-
	Buy AUD 537,200 : Sell GBP 304,075 March 2019	(8)	-
	Buy AUD 549,000 : Sell GBP 313,334 February 2019	(10)	-
	Buy AUD 611,900 : Sell GBP 346,228 March 2019	(9)	-
	Buy AUD 630,900 : Sell GBP 354,864 February 2019	(7)	-
	Buy AUD 656,500 : Sell GBP 364,090 March 2019	(2)	-
	Buy AUD 698,800 : Sell GBP 392,083 March 2019	(7)	-
	Buy AUD 714,700 : Sell GBP 404,450 February 2019	(10)	-
	Buy AUD 721,400 : Sell GBP 405,812 March 2019	(8)	-
	Buy AUD 913,100 : Sell GBP 508,645 March 2019	(5)	-
	Buy AUD 998,375 : Sell GBP 561,924 February 2019	(11)	-
	Buy CAD 240,625 : Sell GBP 140,801 March 2019	(3)	-
	Buy CAD 39,000 : Sell GBP 22,929 February 2019	(1)	-
	Buy CAD 91,322 : Sell GBP 53,972 February 2019	(2)	-
	Buy EUR 1,097,945 : Sell GBP 983,977 March 2019	4	-
	Buy EUR 1,109,274 : Sell GBP 991,480 February 2019	6	-
	Buy EUR 1,712,360 : Sell GBP 1,530,072 February 2019	10	-
	Buy EUR 251,580 : Sell GBP 224,924 March 2019	2	-
	Buy EUR 37,600 : Sell GBP 34,084 March 2019 ³	-	-
	Buy EUR 381,400 : Sell GBP 344,582 March 2019	(1)	-
	Buy EUR 4,844,752 : Sell GBP 4,297,894 February 2019	58	-
	Buy EUR 499,295 : Sell GBP 446,143 February 2019	3	-
	Buy GBP 10,944,290 : Sell AUD 19,522,994 March 2019	179	0.01
	Buy GBP 127,276 : Sell USD 164,207 February 2019	(1)	-
	Buy GBP 1,314,874 : Sell USD 1,693,974 February 2019	(12)	-
	Buy GBP 146,059,304 : Sell AUD 258,431,102 February 2019	3,422	0.17

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts¹ (continued)			
	Buy GBP 146,196,162 : Sell AUD 258,431,000 January 2019	3,437	0.17
	Buy GBP 1,470,416 : Sell USD 1,882,181 March 2019	(2)	-
	Buy GBP 148,741,836 : Sell AUD 258,431,000 March 2019	6,240	0.29
	Buy GBP 149,433 : Sell USD 193,105 February 2019	(2)	-
	Buy GBP 227,754 : Sell USD 291,409 February 2019 ³	-	-
	Buy GBP 2,331,322 : Sell USD 2,967,900 March 2019	10	-
	Buy GBP 249,383 : Sell AUD 439,400 February 2019	7	-
	Buy GBP 277,745 : Sell USD 358,917 February 2019	(3)	-
	Buy GBP 306,265,627 : Sell USD 393,819,410 February 2019	(2,200)	(0.11)
	Buy GBP 306,322,545 : Sell USD 393,820,000 March 2019	(1,732)	(0.08)
	Buy GBP 306,685,862 : Sell USD 393,820,000 January 2019	(2,191)	(0.11)
	Buy GBP 337,784 : Sell EUR 374,300 March 2019	1	-
	Buy GBP 341,535 : Sell USD 432,756 March 2019	3	-
	Buy GBP 341,597 : Sell AUD 600,200 March 2019	11	-
	Buy GBP 475,670 : Sell USD 605,300 March 2019	2	-
	Buy GBP 481,331 : Sell AUD 871,200 March 2019	1	-
	Buy GBP 48,171,069 : Sell EUR 54,206,000 January 2019	(520)	(0.03)
	Buy GBP 48,218,616 : Sell EUR 54,206,437 February 2019	(520)	(0.03)
	Buy GBP 48,451,741 : Sell EUR 54,206,000 March 2019	(338)	(0.02)
	Buy GBP 51,980 : Sell EUR 57,633 March 2019 ³	-	-
	Buy GBP 60,834,182 : Sell CAD 102,815,031 February 2019	1,800	0.09
	Buy GBP 60,865,367 : Sell CAD 102,816,000 March 2019	1,875	0.09
	Buy GBP 60,889,770 : Sell CAD 102,816,000 January 2019	1,814	0.09
	Buy GBP 781,124 : Sell USD 1,007,779 February 2019	(8)	-
	Buy GBP 782,831 : Sell USD 993,410 March 2019	6	-
	Buy GBP 828,710 : Sell USD 1,060,103 February 2019	(2)	-
	Buy GBP 841,004 : Sell EUR 946,071 February 2019	(10)	-
	Buy GBP 912,444 : Sell USD 1,169,137 February 2019	(3)	-
	Buy GBP 933,288 : Sell USD 1,204,096 February 2019	(10)	-
	Buy USD 11,102,889 : Sell GBP 8,654,332 February 2019	42	-
	Buy USD 1,347,007 : Sell GBP 1,062,079 January 2019	(6)	-
	Buy USD 164,007 : Sell GBP 128,070 February 2019 ³	-	-
	Buy USD 16,874,607 : Sell GBP 13,177,064 February 2019	40	-
	Buy USD 172,347 : Sell GBP 136,034 March 2019	(1)	-
	Buy USD 1,785,453 : Sell GBP 1,398,264 March 2019	(2)	-
	Buy USD 1,826,602 : Sell GBP 1,455,748 January 2019	(23)	-
	Buy USD 1,840,209 : Sell GBP 1,448,781 March 2019	(9)	-
	Buy USD 20,040,386 : Sell GBP 15,799,890 March 2019	(124)	(0.01)
	Buy USD 2,071,400 : Sell GBP 1,626,984 March 2019	(7)	-
	Buy USD 2,520,169 : Sell GBP 1,956,595 February 2019	17	-
	Buy USD 25,994,430 : Sell AUD 36,300,000 February 2019	330	0.02
	Buy USD 261,740 : Sell GBP 202,381 February 2019	3	-
	Buy USD 2,630,642 : Sell GBP 2,054,489 March 2019	3	-
	Buy USD 2,633,984 : Sell GBP 2,087,209 March 2019	(27)	-
	Buy USD 26,742,490 : Sell AUD 37,000,000 February 2019	529	0.03
	Buy USD 3,265,992 : Sell GBP 2,593,117 March 2019	(38)	-
	Buy USD 337,909 : Sell GBP 262,738 February 2019	2	-
	Buy USD 3,543,000 : Sell GBP 2,762,964 March 2019	8	-
	Buy USD 3,623,705 : Sell GBP 2,854,917 March 2019	(20)	-
	Buy USD 383,431 : Sell GBP 299,966 March 2019 ³	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Forward Foreign Exchange Contracts¹ <small>(continued)</small>		
	Buy USD 389,053 : Sell GBP 308,292 March 2019	(4)	-
	Buy USD 4,021,137 : Sell GBP 3,171,849 March 2019	(26)	-
	Buy USD 4,032,489 : Sell GBP 3,168,015 March 2019	(14)	-
	Buy USD 426,900 : Sell GBP 332,562 February 2019	2	-
	Buy USD 4,367,659 : Sell GBP 3,399,278 March 2019	17	-
	Buy USD 484,600 : Sell GBP 381,522 March 2019	(2)	-
	Buy USD 5,418,025 : Sell GBP 4,258,135 March 2019	(20)	-
	Buy USD 550,669 : Sell GBP 430,063 March 2019	1	-
	Buy USD 6,118,495 : Sell GBP 4,780,674 March 2019	5	-
	Buy USD 619,300 : Sell GBP 488,086 March 2019	(4)	-
	Buy USD 6,834,637 : Sell GBP 5,378,496 January 2019	(18)	-
	Buy USD 687,500 : Sell GBP 535,883 February 2019	3	-
	Buy USD 801,900 : Sell GBP 636,689 March 2019	(9)	-
	Buy USD 828,522 : Sell GBP 653,954 March 2019	(6)	-
		<u>11,787</u>	<u>0.57</u>
	Investment assets including investment liabilities	<u>1,842,093</u>	<u>89.07</u>
	Other net assets	<u>226,090</u>	<u>10.93</u>
	Total net assets	<u>2,068,183</u>	<u>100.00</u>

¹ Unquoted securities

² Defaulted

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.

Credit ratings

	Market value £000	Percentage of net assets %
31/12/18		
Investments		
Investment grade (AAA - BBB)	1,349,118	65.23
Below investment grade (BB and below)	451,575	21.84
Unrated	8,268	0.40
Total debt securities	1,808,961	87.47
Derivatives	14,909	0.72
Equities	18,223	0.88
Investment assets including investment liabilities	1,842,093	89.07
Other net assets	226,090	10.93
Total net assets	2,068,183	100.00
	Market value £000	Percentage of net assets %
30/06/18		
Investments		
Investment grade (AAA - BBB)	1,356,635	63.59
Below investment grade (BB and below)	561,157	26.31
Unrated	36,912	1.73
Total debt securities	1,954,704	91.63
Derivatives	(4,196)	(0.20)
Equities	21	-
Investment assets including investment liabilities	1,950,529	91.43
Other net assets	182,715	8.57
Total net assets	2,133,244	100.00

Statement of total return (unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(22,530)		1,828
Revenue	36,579		34,605	
Expenses	(7,723)		(7,019)	
Interest payable and similar charges	(20)		(4)	
Net revenue before taxation	28,836		27,582	
Taxation	(306)		-	
Net revenue after taxation		28,530		27,582
Total return before distributions		6,000		29,410
Distributions		(35,412)		(34,973)
Change in net assets attributable to shareholders from investment activities		(29,412)		(5,563)

Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Opening net assets attributable to shareholders*		2,133,244		1,816,140
Amounts receivable on issue of shares	63,492		553,980	
Amounts payable on cancellation of shares	(112,835)		(400,373)	
		(49,343)		153,607
Change in net assets attributable to shareholders from investment activities		(29,412)		(5,563)
Retained distributions on accumulation shares		13,692		11,679
Unclaimed distributions		2		2
Closing net assets attributable to shareholders		2,068,183		1,975,865

* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

Balance sheet (unaudited) as at 31 December 2018

	31/12/18	30/06/18
	£000	£000
Assets:		
Investments	1,853,969	1,957,486
Current assets:		
Debtors	32,794	68,757
Cash and bank balances	252,514	167,605
Total assets	<u>2,139,277</u>	<u>2,193,848</u>
Liabilities:		
Investment liabilities	11,876	6,957
Creditors:		
Amounts held at derivatives clearing houses and brokers	6,631	2,632
Bank overdrafts	39,044	13,395
Distribution payable	10,696	11,401
Other creditors	2,847	26,219
Total liabilities	<u>71,094</u>	<u>60,604</u>
Net assets attributable to shareholders	<u>2,068,183</u>	<u>2,133,244</u>

Distribution tables for the six months ended 31 December 2018 (in pence per share)

Interim interest distribution (accounting date 30 September 2018, paid on 30 November 2018)

Group 1: shares purchased prior to 1 July 2018

Group 2: shares purchased on or after 1 July 2018

	Distribution per share	Equalisation	Total distribution per share 30/11/18	Total distribution per share 30/11/17
Class A income				
Group 1	0.9826	-	0.9826	1.1463
Group 2	0.4386	0.5440	0.9826	1.1463
Class I accumulation				
Group 1	2.7070	-	2.7070	3.0243
Group 2	1.5641	1.1429	2.7070	3.0243
Class I income				
Group 1	1.0906	-	1.0906	1.2624
Group 2	0.5813	0.5093	1.0906	1.2624
Class Z accumulation				
Group 1	2.9902	-	2.9902	3.3135
Group 2	1.6129	1.3773	2.9902	3.3135
Class A income gross¹				
Group 1	n/a	n/a	n/a	1.1605
Group 2	n/a	n/a	n/a	1.1605
Class I accumulation gross¹				
Group 1	n/a	n/a	n/a	3.5296
Group 2	n/a	n/a	n/a	3.5296
Class I income gross¹				
Group 1	n/a	n/a	n/a	0.9455
Group 2	n/a	n/a	n/a	0.9455
Class Z accumulation gross¹				
Group 1	n/a	n/a	n/a	3.6487
Group 2	n/a	n/a	n/a	3.6487

¹ Class A income gross, Class I accumulation gross, Class I income gross and Class Z accumulation gross closed on 2 October 2017.

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2018, paid on 28 February 2019)

Group 1 : shares purchased prior to 1 October 2018

Group 2 : shares purchased on or after 1 October 2018

	Distribution per share	Equalisation	Total distribution per share 28/02/19	Total distribution per share 28/02/18
Class A income				
Group 1	0.9888	-	0.9888	1.1552
Group 2	0.4508	0.5380	0.9888	1.1552
Class I accumulation				
Group 1	2.7525	-	2.7525	3.0812
Group 2	1.3944	1.3581	2.7525	3.0812
Class I income				
Group 1	1.0998	-	1.0998	1.2744
Group 2	0.5654	0.5344	1.0998	1.2744
Class Z accumulation				
Group 1	3.0448	-	3.0448	3.3822
Group 2	1.4440	1.6008	3.0448	3.3822

Janus Henderson UK Equity Income & Growth Fund

Authorised Corporate Director's (ACD) report

Investment Fund Managers

James Henderson and Laura Foll

Investment objective and policy

The fund aims to provide dividend income with prospects for both income and capital growth over the medium to long term by investing primarily in United Kingdom companies. The fund may invest in fixed interest and convertible securities as well as ordinary shares. The fund may invest in other transferable securities, money market instruments, deposits and units in collective investment schemes. Derivatives and forward transactions may be used for the purposes of efficient portfolio management only.

Performance summary

Cumulative performance	Six months	One year	Five years	Since launch
	30 Jun 18 - 31 Dec 18	31 Dec 17 - 31 Dec 18	31 Dec 13 - 31 Dec 18	4 Oct 74 - 31 Dec 18
	%	%	%	%
Class A income	(14.6)	(13.5)	3.3	15,444.3
Class I accumulation	(14.3)	(12.9)	7.7	158.6
FTSE All-Share Index	(11.0)	(9.5)	22.1	-*

Discrete performance	31 Dec 17 -	31 Dec 16 -	31 Dec 15 -	31 Dec 14 -	31 Dec 13 -
	31 Dec 18	31 Dec 17	31 Dec 16	31 Dec 15	31 Dec 14
	%	%	%	%	%
Class A income	(13.5)	7.8	8.6	2.2	(0.2)
Class I accumulation	(12.9)	8.8	9.5	3.0	0.7

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

* Benchmark return is not quoted as the fund inception date is earlier than the benchmark inception 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 six months ended 31 December 2018

Largest purchases	£000	Largest sales	£000
Phoenix	3,735	Croda International	3,562
Greene King	1,222	Senior	3,123
Standard Life Aberdeen	803	Carador Income Fund 'C'	3,071
Fastjet	781	Pearson	2,714
GlaxoSmithKline	750	Phoenix	2,406
Centrica	683	BP	2,085
iEnergizer	260	IP	1,559
Shanks	247	Inmarsat Ventures	1,369
Somero Enterprises	221	Macfarlane	1,126
Malin	218	Morgan Advanced Materials	1,022
Total purchases	9,220	Total sales	32,004

Investment review

Over the period under review, the fund fell 14.6% (based on Class A income), while the FTSE All Share Index fell 11.0% (both on a total return basis). The underperformance resulted from concerns investors had over the difficulties the UK economy is facing. The portfolio had a larger exposure to UK earnings than its comparative index. The valuation on UK earnings has fallen, as worries about the economy have lowered growth projections for the future. At the same time, companies have been very measured on committing to capital spending, which means that cash generation has been strong. This in turn has underpinned dividends and dividend growth. The valuation on UK stocks, if looked at through the valuation methodology of dividend yield or price to earnings ratio, is now modest in a historical context. UK companies have on the whole been reporting good profit growth.

The first distribution for this financial year was 7.063p as against 6.411p for the corresponding period last year, an increase of 10.2%. Dividend growth of over 4% suggests substantial value can be found in UK equities.

The biggest purchase made during the period was a holding in Greene King. The company owns a large, good quality pub estate and is a successful brewer. Concerns about the economy, as well as retail trends in recent years, have weighted on the share price. Investors have been concerned about what a slowdown in the economy will mean for eating out and the pub trade. However, good operators that provide good products and services will trade through the predicted downturn. It should also be remembered that unemployment in the UK has fallen substantially and wage growth is getting re-established. The consumer may be cautious, but the actual financial position in aggregate has been improving.

GlaxoSmithKline, a pharmaceutical company, appears inexpensive on valuation grounds when compared with its competitors, but under a new management team it is making good progress. The position in the fund was added to during the period.

Holdings in Standard Life Aberdeen and Centrica were also increased, after a period in which a tough trading background was reflected in the weakness of their share prices. Our approach to running the fund is contrarian. The market usually overreacts to good news as well as bad news. Positions in BP and Senior were reduced, not because of concerns over their trading but rather for portfolio balance reasons. Senior, for instance, remains one of the larger medium-sized company exposures in the fund. It serves the global aerospace industry, and its margins are substantially higher than they were 10 years ago. However, Senior's share price reflected some of this achievement, and after a sustained period of maintaining a large allocation in the fund, we reduced our holding. We will now focus on finding new investments in companies that can grow their operating margins successfully in a period of relatively low economic growth.

There is a convergence of reasons making investor sentiment bearish. Actual company announcements do not correspond to the degree of macroeconomic gloom. The cautious will say this is because the companies have not yet caught up with the economic problems – but that they will in time. There is a general tendency to impose generalities onto what is actually a very diverse picture of industrial activity. Some businesses are moving forward and some are moving back, with the quoted company sector possibly doing better than the UK in general because of overseas earnings and exports. These companies should therefore be helped by sterling weakness. The investment approach is to use any undue weakness to keep refreshing the portfolio.

Comparative tables for the six months ended 31 December 2018

	Class A accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	764.83	745.04	619.09	669.38
Return before operating charges*	(105.82)	32.51	137.95	(39.38)
Operating charges	(6.13)	(12.72)	(12.00)	(10.91)
Return after operating charges*	(111.95)	19.79	125.95	(50.29)
Distributions on accumulation shares	(13.12)	(26.86)	(26.35)	(24.65)
Retained distributions on accumulation shares	13.12	26.86	26.35	24.65
Closing net asset value per share	652.88	764.83	745.04	619.09
* after direct transaction costs of:	0.08	0.28	0.44	0.42

Performance

Return after charges	(14.64%)	2.66%	20.34%	(7.51%)
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Other information

Closing net asset value (£000s)	504	611	455	453
Closing number of shares	77,116	79,918	61,023	73,114
Operating charges (annualised)	1.69%	1.69%	1.70%	1.70%
Direct transaction costs	0.01%	0.04%	0.06%	0.06%

Prices

Highest share price (pence)	771.50	785.90	768.80	683.50
Lowest share price (pence)	644.90	715.80	602.90	573.50

	Class A income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	636.06	642.29	553.56	622.42
Return before operating charges*	(87.29)	27.47	122.59	(36.10)
Operating charges	(5.08)	(10.84)	(10.61)	(10.08)
Return after operating charges*	(92.37)	16.63	111.98	(46.18)
Distributions on income shares	(10.86)	(22.86)	(23.25)	(22.68)
Closing net asset value per share	532.83	636.06	642.29	553.56
* after direct transaction costs of:	0.07	0.24	0.39	0.39

Performance

Return after charges	(14.52%)	2.59%	20.23%	(7.42%)
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Other information

Closing net asset value (£000s)	45,085	56,176	65,784	64,410
Closing number of shares	8,461,448	8,831,845	10,242,208	11,635,594
Operating charges (annualised)	1.69%	1.69%	1.70%	1.70%
Direct transaction costs	0.01%	0.04%	0.06%	0.06%

Prices

Highest share price (pence)	646.20	664.10	672.00	635.60
Lowest share price (pence)	531.00	603.00	539.10	525.00

Comparative tables (continued)

	Class C income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	179.98	181.75	156.64	176.12
Return before operating charges*	(24.69)	7.77	34.70	(10.23)
Operating charges	(1.44)	(3.07)	(3.01)	(2.84)
Return after operating charges*	(26.13)	4.70	31.69	(13.07)
Distributions on income shares	(3.07)	(6.47)	(6.58)	(6.41)
Closing net asset value per share	150.78	179.98	181.75	156.64
* after direct transaction costs of:	0.02	0.07	0.11	0.11
Performance				
Return after charges	(14.52%)	2.59%	20.23%	(7.42%)
Other information				
Closing net asset value (£000s)	110,658	134,198	140,562	126,327
Closing number of shares	73,392,392	74,561,211	77,339,115	80,647,230
Operating charges (annualised)	1.69%	1.69%	1.70%	1.70%
Direct transaction costs	0.01%	0.04%	0.06%	0.06%
Prices				
Highest share price (pence)	182.90	187.90	190.10	179.90
Lowest share price (pence)	150.30	170.60	152.60	148.60
	Class I accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	1,418.06	1,369.70	1,128.37	1,209.51
Return before operating charges*	(196.70)	59.87	252.11	(71.34)
Operating charges	(5.64)	(11.51)	(10.78)	(9.80)
Return after operating charges*	(202.34)	48.36	241.33	(81.14)
Distributions on accumulation shares	(25.07)	(51.08)	(49.63)	(46.11)
Retained distributions on accumulation shares	25.07	51.08	49.63	46.11
Closing net asset value per share	1,215.72	1,418.06	1,369.70	1,128.37
* after direct transaction costs of:	0.15	0.51	0.80	0.76
Performance				
Return after charges	(14.27%)	3.53%	21.39%	(6.71%)
Other information				
Closing net asset value (£000s)	28,406	38,334	63,987	71,427
Closing number of shares	2,336,544	2,703,243	4,671,634	6,330,103
Operating charges (annualised)	0.84%	0.83%	0.84%	0.84%
Direct transaction costs	0.01%	0.04%	0.06%	0.06%
Prices				
Highest share price (pence)	1,431.00	1,456.00	1,412.00	1,236.00
Lowest share price (pence)	1,201.00	1,324.00	1,099.00	1,042.00

Comparative tables (continued)

	Class I income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	720.13	721.71	617.37	688.96
Return before operating charges*	(99.06)	30.97	136.98	(40.18)
Operating charges	(2.85)	(6.00)	(5.86)	(5.52)
Return after operating charges*	(101.91)	24.97	131.12	(45.70)
Distributions on income shares	(12.68)	(26.55)	(26.78)	(25.89)
Closing net asset value per share	605.54	720.13	721.71	617.37
* after direct transaction costs of:	0.08	0.27	0.43	0.43
Performance				
Return after charges	(14.15%)	3.46%	21.24%	(6.63%)
Other information				
Closing net asset value (£000s)	70,309	94,388	129,082	140,619
Closing number of shares	11,610,901	13,107,161	17,885,611	22,776,895
Operating charges (annualised)	0.84%	0.83%	0.84%	0.84%
Direct transaction costs	0.01%	0.04%	0.06%	0.06%
Prices				
Highest share price (pence)	731.80	749.20	754.60	704.20
Lowest share price (pence)	603.60	681.50	601.30	583.90
	Class Z accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	230.44	220.84	180.54	192.02
Return before operating charges*	(32.04)	9.71	40.42	(11.37)
Operating charges	(0.07)	(0.11)	(0.12)	(0.11)
Return after operating charges*	(32.11)	9.60	40.30	(11.48)
Distributions on accumulation shares	(4.11)	(8.32)	(8.03)	(7.40)
Retained distributions on accumulation shares	4.11	8.32	8.03	7.40
Closing net asset value per share	198.33	230.44	220.84	180.54
* after direct transaction costs of:	0.02	0.08	0.13	0.12
Performance				
Return after charges	(13.93%)	4.35%	22.32%	(5.98%)
Other information				
Closing net asset value (£000s)	17,954	21,807	22,996	20,986
Closing number of shares	9,052,632	9,463,157	10,412,825	11,624,119
Operating charges (annualised)	0.06%	0.05%	0.06%	0.06%
Direct transaction costs	0.01%	0.04%	0.06%	0.06%
Prices				
Highest share price (pence)	232.60	236.40	227.60	196.40
Lowest share price (pence)	195.90	214.80	175.90	166.20

Comparative tables (continued)

	Class Z income			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	224.60	223.41	189.67	210.07
Return before operating charges*	(30.96)	9.62	42.20	(12.29)
Operating charges	(0.06)	(0.11)	(0.13)	(0.12)
Return after operating charges*	(31.02)	9.51	42.07	(12.41)
Distributions on income shares	(3.99)	(8.32)	(8.33)	(7.99)
Closing net asset value per share	189.59	224.60	223.41	189.67
* after direct transaction costs of:	0.02	0.08	0.13	0.13

Performance

Return after charges	(13.81%)	4.26%	22.18%	(5.91%)
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Other information

Closing net asset value (£000s)	1,798	2,310	2,691	2,341
Closing number of shares	948,119	1,028,457	1,204,581	1,234,216
Operating charges (annualised)	0.06%	0.05%	0.06%	0.06%
Direct transaction costs	0.01%	0.04%	0.06%	0.06%

Prices

Highest share price (pence)	228.30	233.40	233.50	214.90
Lowest share price (pence)	189.00	212.20	184.80	178.90

Class A accumulation (EUR hedged)

	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
	Change in net assets per share			
Opening net asset value per share	1,075.69	1,051.55	834.32	767.10
Return before operating charges*	(141.63)	42.19	233.90	80.34
Operating charges	(8.77)	(18.05)	(16.67)	(13.12)
Return after operating charges*	(150.40)	24.14	217.23	67.22
Distributions on accumulation shares	(17.76)	(37.87)	(36.93)	(31.50)
Retained distributions on accumulation shares	17.76	37.87	36.93	31.50
Closing net asset value per share	925.29	1,075.69	1,051.55	834.32
* after direct transaction costs of:	0.12	0.40	0.61	0.50

Performance

Return after charges	(13.98%)	2.30%	26.04%	8.76%
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Other information

Closing net asset value (£000s)	67	130	81	63
Closing number of shares	7,284	12,051	7,699	7,542
Operating charges (annualised)	1.69%	1.69%	1.70%	1.70%
Direct transaction costs	0.01%	0.04%	0.06%	0.06%

Prices

Highest share price (Euro cents)	1,227.00	1,251.00	1,237.00	1,105.00
Lowest share price (Euro cents)	1,018.00	1,141.00	977.60	926.90

Comparative tables (continued)

	Class A accumulation (USD hedged)			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	963.07	941.31	755.44	688.51
Return before operating charges*	(95.02)	37.36	201.47	78.73
Operating charges	(8.23)	(15.60)	(15.60)	(11.80)
Return after operating charges*	(103.25)	21.76	185.87	66.93
Distributions on accumulation shares	(11.62)	(33.10)	(33.49)	(28.17)
Retained distributions on accumulation shares	11.62	33.10	33.49	28.17
Closing net asset value per share	859.82	963.07	941.31	755.44
* after direct transaction costs of:	0.11	0.34	0.57	0.45
Performance				
Return after charges	(10.72%)	2.31%	24.60%	9.72%
Other information				
Closing net asset value (£000s)	2	258	211	247
Closing number of shares	250	26,811	22,413	32,750
Operating charges (annualised)	1.69%	1.69%	1.70%	1.70%
Direct transaction costs	0.01%	0.04%	0.06%	0.06%
Prices				
Highest share price (USD cents)	1,283.00	1,304.00	1,260.00	1,106.00
Lowest share price (USD cents)	1,081.00	1,186.00	983.80	927.20

Performance values are close of business and on a bid basis 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 period.

Hedged share classes

Class A accumulation (EUR hedged) and Class A accumulation (USD hedged) are hedged share classes. Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in those classes and Sterling which is the base currency of the fund.

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 period, except for expenses that are explicitly excluded by regulation.

	31/12/18 %	30/06/18 %
Class A	1.69	1.69
Class C	1.69	1.69
Class I	0.84	0.83
Class Z	0.06	0.05
Class A accumulation (EUR hedged)	1.69	1.69
Class A accumulation (USD hedged)	1.69	1.69

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 9 types of share class in issue; A accumulation, A income, C income, I accumulation, I income, Z accumulation, Z income, A accumulation (EUR hedged) and A accumulation (USD hedged).

Each type of 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 period¹, 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 classes appear 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. Under normal market conditions the following risks may apply:

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

Charges to capital risk Some or all of the annual management charge is taken from capital. This may constrain potential for capital growth.

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

Country or region risk If a fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a fund which is more broadly diversified.

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

Equities risk Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.

Hedging risk If the fund or a specific share class of the fund seeks to reduce risks (such as exchange rate movements), the measures designed to do so may be ineffective, unavailable or detrimental.

Smaller companies risk Shares of small and mid-size companies can be more volatile than shares of larger companies. Market conditions, such as a decrease in market liquidity, may mean that it is not easy to value or to sell a share at a desired time and price, increasing the risk of investment losses.

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

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

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

¹ Class A accumulation was launched 22 April 2014 and both Class A accumulation (EUR hedged, USD hedged) launched 18 November 2013, as these do not have a 5 year history, a synthetic history has been created using the fund's relevant sector average.

Portfolio statement as at 31 December 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 99.79% (30/06/2018: 100.32%)		
	Ireland 0.37% (30/06/2018: 1.18%)		
	Financials 0.37% (30/06/2018: 1.18%)		
235,070	Malin	1,017	0.37
	Netherlands 7.20% (30/06/2018: 6.51%)		
	Oil & Gas 7.20% (30/06/2018: 6.51%)		
550,000	Royal Dutch Shell 'A'	12,691	4.62
302,808	Royal Dutch Shell 'B'	7,086	2.58
		<u>19,777</u>	<u>7.20</u>
	Singapore 0.73% (30/06/2018: 0.80%)		
	Oil & Gas 0.00% (30/06/2018: 0.80%)		
	Utilities 0.73% (30/06/2018: 0.00%)		
8,407,349	Simec Atlantis Energy	2,018	0.73
	United Kingdom 90.41% (30/06/2018: 90.86%)		
	Basic Materials 2.55% (30/06/2018: 3.18%)		
2,077,062	Carclo	1,662	0.60
111,197	Croda International	5,210	1.90
3,535,000	Itaconix	141	0.05
		<u>7,013</u>	<u>2.55</u>
	Consumer Goods 1.55% (30/06/2018: 1.66%)		
1,425,000	Finsbury Food	1,454	0.53
600,000	Headlam	2,460	0.90
849,046	UP Global Sourcing	334	0.12
		<u>4,248</u>	<u>1.55</u>
	Consumer Services 7.15% (30/06/2018: 7.37%)		
1,418,202	Conviviality ¹	-	-
85,356,657	Fastjet	1,152	0.42
3,931,657	FastJet (Warrants) ²	-	-
984,194	Findel	2,106	0.77
600,000	Greene King	3,168	1.15
1,294,601	Halfords	3,301	1.20
2,581,634	Marston's	2,428	0.88
485,012	McColl's Retail	269	0.10
500,000	Mirriad Advertising	75	0.03
2,340,000	Shoe Zone	4,142	1.51
1,312,500	Ten Entertainment	2,993	1.09
		<u>19,634</u>	<u>7.15</u>
	Financials 39.82% (30/06/2018: 36.93%)		
373,611	A & J Mucklow REIT	1,866	0.68
3,591,500	ACHP	305	0.11
1,250,000	Allied Minds	878	0.32
500,000	Aviva	1,878	0.68
2,982,947	Chesnara	10,306	3.75
32,905,500	Cluff Natural Resources	740	0.27

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Financials (continued)			
1,763,199	Direct Line Insurance	5,619	2.05
967,217	EPE Special Opportunities	1,538	0.56
599,044	Henderson Alternative Strategies	1,596	0.58
348,335	Hiscox Insurance	5,647	2.05
2,281,683	HSBC	14,759	5.36
540,075	H&T	1,428	0.52
203,500,000	Hume Capital Securities ¹	-	-
1,557,401	International Personal Finance	3,202	1.17
2,215,274	Numis	5,306	1.93
1,739,500	Palace Capital	5,497	2.00
4,398,533	Park	3,266	1.19
1,916,415	Phoenix	10,796	3.93
538,123	Provident Financial	3,094	1.13
511,949	Prudential	7,178	2.61
3,632,300	Redde	6,175	2.25
1,186,120	Sabre Insurance	3,238	1.18
2,000,000	Sanditon Investment Trust	1,740	0.63
801,661	St. Modwen Properties	3,175	1.16
1,250,000	Standard Chartered	7,616	2.77
1,006,250	Standard Life Aberdeen	2,584	0.94
		<u>109,427</u>	<u>39.82</u>
Health Care 2.79% (30/06/2018: 2.92%)			
7,500,000	Abaco Capital ¹	-	-
350,000	GlaxoSmithKline	5,219	1.91
300,000	Oxford Pharmascience ¹	-	-
16,696,500	Tissue Regenix	1,002	0.36
1,369,828	4D Pharma	1,435	0.52
		<u>7,656</u>	<u>2.79</u>
Industrials 25.52% (30/06/2018: 27.61%)			
270,000	Avon Rubber	3,375	1.23
698,076	Babcock International	3,416	1.24
800,000	BAE Systems	3,674	1.34
1,803,531	Balfour Beatty	4,496	1.64
1,900,965	Carillion ¹	-	-
1,358,805	Castings	5,157	1.88
2,522,275	Epwin	1,829	0.67
625,000	Flowtech Fluidpower	695	0.25
327,425	Hill & Smith	3,929	1.43
4,528,000	iEnergizer	4,754	1.73
194,266	IMI	1,834	0.67
1,095,395	Interserve	116	0.04
3,219,000	Johnson Service	3,766	1.37
3,611,535	Low & Bonar	506	0.18
3,050,000	Macfarlane	2,181	0.79
736,411	Meggitt	3,468	1.26
2,000,000	Modern Water	154	0.06
1,650,000	Morgan Advanced Materials	4,343	1.58
9,445,274	Renold	2,734	1.00

Statement of total return (unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(51,983)		4,444
Revenue	6,106		6,702	
Expenses	(2,011)		(2,494)	
Interest payable and similar charges	(1)		(1)	
	<u>4,094</u>		<u>4,207</u>	
Taxation	(30)		(68)	
		<u>4,064</u>		<u>4,139</u>
Total return before distributions		(47,919)		8,583
Distributions		(5,848)		(6,353)
Change in net assets attributable to shareholders from investment activities		<u>(53,767)</u>		<u>2,230</u>

Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Opening net assets attributable to shareholders*		348,212		425,849
Amounts receivable on issue of shares	4,090		6,747	
Amounts payable on cancellation of shares	(24,770)		(53,679)	
		(20,680)		(46,932)
Change in net assets attributable to shareholders from investment activities		(53,767)		2,230
Retained distributions on accumulation shares		1,000		1,277
Unclaimed distributions		18		17
Closing net assets attributable to shareholders		<u>274,783</u>		<u>382,441</u>

* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

Balance sheet (unaudited) as at 31 December 2018

	31/12/18	30/06/18
	£000	£000
Assets:		
Investments	274,199	349,445
Current assets:		
Debtors	1,325	1,768
Cash and bank balances	1,801	3,216
Total assets	<u>277,325</u>	<u>354,429</u>
Liabilities:		
Creditors:		
Distribution payable	2,070	3,752
Other creditors	472	2,465
Total liabilities	<u>2,542</u>	<u>6,217</u>
Net assets attributable to shareholders	<u>274,783</u>	<u>348,212</u>

Distribution tables for the six months ended 31 December 2018 (in pence per share)

Interim dividend distribution (accounting date 30 September 2018, paid on 30 November 2018)

Group 1: shares purchased prior to 1 July 2018

Group 2: shares purchased on or after 1 July 2018

	Distribution per share	Equalisation	Total distribution per share 30/11/18	Total distribution per share 30/11/17
Class A accumulation				
Group 1	7.2936	-	7.2936	6.4141
Group 2	3.8322	3.4614	7.2936	6.4141
Class A income				
Group 1	6.0663	-	6.0663	5.5290
Group 2	2.2099	3.8564	6.0663	5.5290
Class C income				
Group 1	1.7164	-	1.7164	1.5645
Group 2	0.4846	1.2318	1.7164	1.5645
Class I accumulation				
Group 1	13.9089	-	13.9089	12.1669
Group 2	7.4304	6.4785	13.9089	12.1669
Class I income				
Group 1	7.0632	-	7.0632	6.4108
Group 2	4.4605	2.6027	7.0632	6.4108
Class Z accumulation				
Group 1	2.2759	-	2.2759	1.9796
Group 2	0.9284	1.3475	2.2759	1.9796
Class Z income				
Group 1	2.2206	-	2.2206	2.0035
Group 2	0.6996	1.5210	2.2206	2.0035
Class A accumulation (EUR hedged)¹				
Group 1	11.6237	-	11.6237	10.2866
Group 2	3.4625	8.1612	11.6237	10.2866
Class A accumulation (USD hedged)²				
Group 1	5.0075	-	5.0075	10.6106
Group 2	5.0075	-	5.0075	10.6106

¹ in Euro cents per share

² in USD cents per share

Distribution tables (continued)

Interim dividend distribution (accounting date 31 December 2018, paid on 28 February 2019)

Group 1 : shares purchased prior to 1 October 2018

Group 2 : shares purchased on or after 1 October 2018

	Distribution per share	Equalisation	Total distribution per share 28/02/19	Total distribution per share 28/02/18
Class A accumulation				
Group 1	5.8228	-	5.8228	5.0090
Group 2	2.0219	3.8009	5.8228	5.0090
Class A income				
Group 1	4.7957	-	4.7957	4.2828
Group 2	1.5036	3.2921	4.7957	4.2828
Class C income				
Group 1	1.3568	-	1.3568	1.2117
Group 2	0.3827	0.9741	1.3568	1.2117
Class I accumulation				
Group 1	11.1594	-	11.1594	9.6028
Group 2	4.6259	6.5335	11.1594	9.6028
Class I income				
Group 1	5.6142	-	5.6142	5.0156
Group 2	2.5755	3.0387	5.6142	5.0156
Class Z accumulation				
Group 1	1.8335	-	1.8335	1.5645
Group 2	0.8337	0.9998	1.8335	1.5645
Class Z income				
Group 1	1.7712	-	1.7712	1.5734
Group 2	0.5377	1.2335	1.7712	1.5734
Class A accumulation (EUR hedged)¹				
Group 1	9.2368	-	9.2368	7.9976
Group 2	2.9894	6.2474	9.2368	7.9976
Class A accumulation (USD hedged)²				
Group 1	9.9137	-	9.9137	8.3448
Group 2	9.9137	-	9.9137	8.3448

¹ in Euro cents per share

² in USD cents per share

Janus Henderson UK Smaller Companies Fund

Authorised Corporate Director's (ACD) report

Investment Fund Manager

Neil Hermon

Investment objective and policy

To aim to provide capital growth by investing primarily in United Kingdom smaller companies.

Performance summary

Cumulative performance	Six months 30 Jun 18 - 31 Dec 18	One year 31 Dec 17 - 31 Dec 18	Five years 31 Dec 13 - 31 Dec 18	Since launch 31 Jan 83 - 31 Dec 18
	%	%	%	%
Class A accumulation	(17.3)	(14.1)	35.8	2,692.7
Class I accumulation	(17.0)	(13.3)	41.8	3,962.8
Numis Smaller Companies (ex Investment Trusts) Index	(14.3)	(15.3)	22.0	-*

Discrete performance	31 Dec 17 - 31 Dec 18	31 Dec 16 - 31 Dec 17	31 Dec 15 - 31 Dec 16	31 Dec 14 - 31 Dec 15	31 Dec 13 - 31 Dec 14
	%	%	%	%	%
Class A accumulation	(14.1)	27.0	7.4	15.0	0.8
Class I accumulation	(13.3)	28.1	8.4	15.9	1.7

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

* Benchmark return is not quoted as the fund inception date is earlier than the benchmark inception 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 six months ended 31 December 2018

Largest purchases	£000	Largest sales	£000
Spectris	1,632	Melrose Industries	2,922
Vitec	1,227	Spectris	1,989
Microgen	684	Accesso	1,491
Bellway	676	Playtech	1,152
Just	631	GVC	922
Premier Oil	564	Ricardo	900
ITE	536	Ted Baker	823
Intermediate Capital	532	Amigo	793
NCC	524	Alfa Financial Software	754
Vesuvius	510	Spire Healthcare	480
Total purchases	25,235	Total sales	15,098

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

Investment review

The fund generated a return of -17.3% (based on Class A accumulation) during the period under review, against the Numis Smaller Companies (ex Investment Trusts) Index return of -14.3%.

UK equities posted losses in the second half of 2018 which contributed to producing the worst annual returns since the financial crisis. Volatility surged in October, which led to global equity markets giving up most of the year's gains. Contributing factors included, but were not limited to, concerns around the impact of US tariffs on global economic growth; the speed of monetary tightening in the US; geopolitical stability sparked by the death of Saudi journalist Jamal Kashoggi; excessive market valuations; and the global autos cycle. The oil price fell despite OPEC agreeing to cut production.

Domestic newsflow was dominated by Brexit. The European Council and UK government signed off on a political declaration on future trade and a withdrawal agreement; after a series of high profile cabinet resignations, markets reacted negatively to the uncertainty around whether Members of Parliament (MPs) would vote the deal through. Consequently, the UK prime minister delayed the parliamentary vote with the hope of securing further concessions from the European Union (EU), an endeavour in which she was unsuccessful. She also faced and survived a vote of no confidence in her leadership of the Conservative party. Sterling weakened during the period. The FTSE All Share (total return) Index fell 11.0%. Smaller companies underperformed their larger counterparts, with the Numis Smaller Companies (ex-Investment Trust) Index falling 14.3%.

Our best performing positions included Burford Capital, John Laing and Cineworld. Burford Capital, a provider of litigation finance, rose 10.9% following investment by a sovereign wealth fund and a strong set of interim results that materially beat market forecasts. Shares in John Laing rose 21.2% as the company reiterated full year guidance and highlighted its strong pipeline of investment opportunities. Cineworld, an international cinema operator, rose 0.3% following a strong set of results and the announcement of a review of further synergies to be gained from the acquisition of Regal Entertainment.

Our worst performing positions included Victoria, Learning Technologies and Premier Oil. Victoria, a European floorcoverings group, fell 43.1% after the market became more fearful of companies with high leverage and the company became subject to selling from hedge funds. Learning Technologies, an e-learning group, declined 38.0% along with other high growth names, not helped by a share sale by the founder/CEO. Premier Oil, an international oil & gas explorer & producer, fell 48.3% on the sharp decline in oil prices. Given Premier's high leverage, it is very sensitive to movements in the oil price.

In terms of activity, we increased our position in NCC, a provider of cyber security consultancy services. The company is operating in a growth market and its margins are recovering in tandem with utilisation rates. We increased our position in Codemasters, a computer games company, following weakness in the share price. We believe the company is well set to achieve full year forecasts, and long term prospects are strong. We initiated a position in Vitec, a photographic and broadcast services group. We believe the company's long term prospects are solid. The company is well capitalised and adding value through selective accretive acquisitions. We also took a position in AJ Bell, an investment platform group, where favourable long term industry trends and strong market position should drive superior growth.

To finance these purchases, we sold (after a successful period of ownership) GVC, a gaming and gambling group; we questioned its ability to re-rate as structural and regulatory pressures weighed on its UK retail business. We also sold our position in PlayTech following its profit warning. We sold our entire position in Alfa Financial Software, a leasing software provider, as we believe valuation did not properly reflect the risks around pipeline conversion. We also sold our position in Ricardo, an engineering consultancy business, as growth plans look difficult to achieve considering the challenged backdrop for the automotive sector. We sold our position in Ted Baker, a clothing retailer, as growth is slowing due to difficult market conditions. We also sold our entire position in Accesso, as we believe the valuation fully reflected the growth opportunities available.

The UK economy is showing anaemic growth. Brexit deliberations stumble on, with intermittent progress. The date for the UK leaving the EU is looming into view. There is clearly a range of outcomes but what deal, if any, the UK will end up with is, at this point, unclear. Extra complication is added by the weak position of the minority Conservative government led by Theresa May that is struggling to deal with the conflicting demands of her MPs on Brexit.

This political uncertainty has made UK consumers cautious. Although unemployment is historically low, net disposable income growth has been constrained by the rising cost of living. Weakness in consumer spending and low consumer confidence is demonstrated by a moribund second hand housing market and weak sales of high ticket items such as cars, carpets and double glazing.

Outside the UK, economic conditions are robust, particularly in the US. However, there is mounting evidence of a slowdown, particularly in Europe. Escalating trade tensions are providing additional negative commentary. The rise in US interest rates has served as a reminder to investors that loose global monetary conditions are reversing.

In the corporate sector, conditions are intrinsically stronger than they were during the financial crisis of 2008-9. Balance sheets are more robust and dividends are growing. In addition, a large proportion of UK corporate earnings comes from overseas, even among smaller companies. This should provide some degree of diversification in the event of a 'hard' Brexit, especially if sterling were to weaken further.

In terms of valuations, the equity market is now trading below long term averages. Merger & acquisition activity remains a supportive feature for smaller companies. Although this has been subdued in 2018, there is an expectation that once there is clarity regarding Brexit there will be increased interest in UK corporates from abroad, given the relatively low valuation of UK equities and a weak currency.

Comparative tables for the six months ended 31 December 2018

	Class A accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	834.01	718.31	533.13	583.80
Return before operating charges*	(137.86)	128.99	196.04	(40.95)
Operating charges	(6.74)	(13.29)	(10.86)	(9.72)
Return after operating charges*	(144.60)	115.70	185.18	(50.67)
Distributions on accumulation shares	-	(5.26)	(4.98)	(4.53)
Retained distributions on accumulation shares	-	5.26	4.98	4.53
Closing net asset value per share	689.41	834.01	718.31	533.13
* after direct transaction costs of:	0.51	0.75	0.67	0.83

Performance

Return after charges	(17.34%)	16.11%	34.73%	(8.68%)
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Other information

Closing net asset value (£000s)	50,775	63,227	58,115	45,989
Closing number of shares	7,365,025	7,581,071	8,090,545	8,626,113
Operating charges (annualised)	1.70%	1.70%	1.70%	1.70%
Direct transaction costs	0.06%	0.10%	0.10%	0.15%

Prices

Highest share price (pence)	842.20	856.10	739.10	595.30
Lowest share price (pence)	677.10	715.40	505.70	508.60

	Class I accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	977.37	834.60	614.18	666.89
Return before operating charges*	(162.11)	150.54	226.69	(47.14)
Operating charges	(3.85)	(7.77)	(6.27)	(5.57)
Return after operating charges*	(165.96)	142.77	220.42	(52.71)
Distributions on accumulation shares	-	(13.08)	(12.80)	(10.63)
Retained distributions on accumulation shares	-	13.08	12.80	10.63
Closing net asset value per share	811.41	977.37	834.60	614.18
* after direct transaction costs of:	0.59	0.88	0.78	0.95

Performance

Return after charges	(16.98%)	17.11%	35.89%	(7.90%)
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Other information

Closing net asset value (£000s)	79,505	82,331	61,245	53,723
Closing number of shares	9,798,333	8,423,740	7,338,149	8,747,077
Operating charges (annualised)	0.84%	0.85%	0.85%	0.85%
Direct transaction costs	0.06%	0.10%	0.10%	0.15%

Prices

Highest share price (pence)	988.30	1,003.00	858.20	680.80
Lowest share price (pence)	796.90	831.30	582.70	585.90

Comparative tables (continued)

	Class Z accumulation			
	Six months to 31/12/18 (pence per share)	Year to 30/06/18 (pence per share)	Year to 30/06/17 (pence per share)	Year to 30/06/16 (pence per share)
Change in net assets per share				
Opening net asset value per share	674.80	571.76	417.50	449.78
Return before operating charges*	(112.18)	103.42	154.61	(31.97)
Operating charges	(0.19)	(0.38)	(0.35)	(0.31)
Return after operating charges*	(112.37)	103.04	154.26	(32.28)
Distributions on accumulation shares	-	(13.85)	(11.89)	(11.14)
Retained distributions on accumulation shares	-	13.85	11.89	11.14
Closing net asset value per share	562.43	674.80	571.76	417.50
* after direct transaction costs of:	0.41	0.61	0.53	0.64
Performance				
Return after charges	(16.65%)	18.02%	36.95%	(7.18%)
Other information				
Closing net asset value (£000s)	23,001	26,664	22,675	14,957
Closing number of shares	4,089,628	3,951,443	3,965,863	3,582,559
Operating charges (annualised)	0.06%	0.06%	0.07%	0.07%
Direct transaction costs	0.06%	0.10%	0.10%	0.15%
Prices				
Highest share price (pence)	683.20	692.20	587.60	459.90
Lowest share price (pence)	552.30	569.50	396.20	398.30

Performance values are close of business and on a bid basis 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 period.

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 period, except for expenses that are explicitly excluded by regulation.

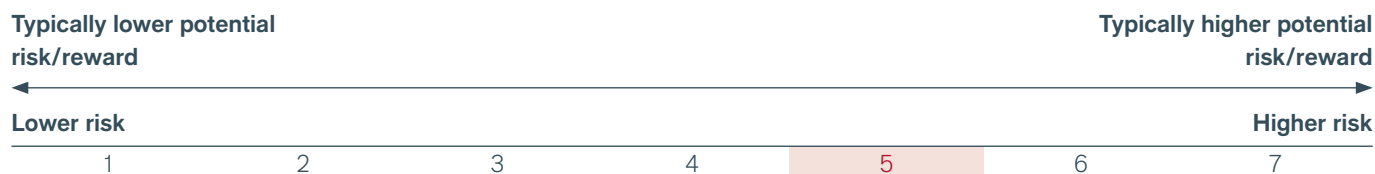
	31/12/18 %	30/06/18 %
Class A	1.70	1.70
Class I	0.84	0.85
Class Z	0.06	0.06

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

Risk and reward profile

The fund currently has 3 types of share class 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 classes appear 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. Under normal market conditions the following risks may apply:

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

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

Country or region risk If a fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a fund which is more broadly diversified.

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

Equities risk Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.

Smaller companies risk Shares of small and mid-size companies can be more volatile than shares of larger companies. Market conditions, such as a decrease in market liquidity, may mean that it is not easy to value or to sell a share at a desired time and price, increasing the risk of investment losses.

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

There has been no change to the risk ratings during the period.

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

Portfolio statement as at 31 December 2018

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 95.26% (30/06/2018: 97.24%)		
	Ireland 0.80% (30/06/2018: 0.70%)		
	Consumer Services 0.80% (30/06/2018: 0.70%)		
453,000	Tarsus	1,221	0.80
	Singapore 0.43% (30/06/2018: 0.59%)		
	Industrials 0.43% (30/06/2018: 0.59%)		
31,500	XP Power	663	0.43
	United Kingdom 91.97% (30/06/2018: 93.86%)		
	Basic Materials 4.65% (30/06/2018: 5.05%)		
367,766	Elementis	670	0.44
565,000	Scapa	1,735	1.13
130,000	Victrex	2,974	1.94
490,000	Yule Catto	1,751	1.14
		<u>7,130</u>	<u>4.65</u>
	Consumer Goods 6.87% (30/06/2018: 7.16%)		
176,000	Bellway	4,426	2.88
650,000	Codemasters	1,040	0.68
590,000	Countryside Properties	1,796	1.17
270,000	Crest Nicholson	886	0.58
610,000	Team17	1,159	0.76
270,000	Victoria	1,229	0.80
		<u>10,536</u>	<u>6.87</u>
	Consumer Services 10.69% (30/06/2018: 11.34%)		
475,000	Ascential	1,791	1.17
1,500,000	Cineworld	3,948	2.57
517,680	DFS Furniture	941	0.61
154,477	Euromoney Institutional Investor	1,783	1.16
1,200,000	Gocompare.com	821	0.54
525,000	Hollywood Bowl	1,223	0.80
1,580,000	ITE	1,003	0.65
255,786	Joules	584	0.38
1,140,000	Lookers	1,053	0.69
428,836	Marshall Motor	652	0.43
175,280	Next Fifteen Communications	857	0.56
1,070,000	SafeStyle UK	913	0.60
300,000	The Gym	819	0.53
		<u>16,388</u>	<u>10.69</u>
	Financials 22.01% (30/06/2018: 20.27%)		
200,000	AJ Bell	481	0.31
540,000	Brewin Dolphin	1,741	1.14
182,000	Burford Capital	3,014	1.97
1,675,000	Capital & Regional Property	461	0.30
675,000	CLS	1,424	0.93
638,000	Grainger	1,339	0.87
340,000	Helical	1,085	0.71
595,969	Impax Asset Management	1,231	0.80

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Financials (continued)			
528,570	IntegraFin	1,623	1.06
430,000	Intermediate Capital	4,021	2.63
1,085,000	John Laing	3,602	2.35
400,199	Jupiter Fund Management	1,181	0.77
1,775,000	Just	1,629	1.06
600,000	OneSavings Bank	2,100	1.37
750,000	Paragon Banking	2,895	1.89
170,000	Safestore	861	0.56
950,000	Sherborne Investors	665	0.43
550,000	St. Modwen Properties	2,178	1.42
117,000	Unite	943	0.62
265,000	Urban & Civic	694	0.45
350,000	XPS Pensions	572	0.37
		<u>33,740</u>	<u>22.01</u>
Health Care 5.50% (30/06/2018: 5.96%)			
1,225,000	Alliance Pharma	821	0.54
435,000	Clinigen	3,280	2.14
160,000	Consort Medical	1,496	0.98
115,000	Dechra Pharmaceuticals	2,381	1.55
410,000	Spire Healthcare	446	0.29
		<u>8,424</u>	<u>5.50</u>
Industrials 29.30% (30/06/2018: 30.67%)			
1,100,000	AA	825	0.54
102,000	Avon Rubber	1,275	0.83
935,000	Balfour Beatty	2,331	1.51
140,000	Bodycote	1,017	0.66
203,000	Charles Taylor	443	0.29
210,000	Costain	663	0.43
620,000	Equiniti	1,342	0.88
515,000	Eurocell	1,082	0.71
2,750,000	Coats	2,241	1.46
220,000	Howden Joinery	958	0.63
900,000	Ibstock	1,788	1.17
1,940,000	Learning Technologies	1,346	0.88
880,000	Luceco	304	0.20
300,000	Midwich	1,434	0.94
505,000	Northgate	1,918	1.25
225,851	Oxford Instruments	2,055	1.34
270,000	Polypipe	884	0.58
83,000	Renishaw	3,518	2.29
260,870	ReStore	837	0.55
500,000	Rotork	1,238	0.81
540,000	RWS	2,587	1.68
345,000	Sanne	2,004	1.31
720,000	Severfield	508	0.33
1,700,000	SIG	1,867	1.22
165,000	Smart Metering Systems	866	0.57
53,996	Spectris	1,231	0.80

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Industrials (continued)			
375,000	Sthree	1,074	0.70
1,267,857	Thruvision	336	0.22
365,000	Tyman	858	0.56
143,958	Ultra Electronics	1,871	1.22
445,000	Vesuvius	2,254	1.47
94,000	Vitec	1,121	0.73
870,000	WYG	357	0.23
325,000	Xaar	472	0.31
		<u>44,905</u>	<u>29.30</u>
Oil & Gas 4.05% (30/06/2018: 4.16%)			
1,120,000	Cairn Energy	1,681	1.09
830,000	Faroe Petroleum	1,220	0.80
350,000	Hunting	1,680	1.10
1,775,000	Premier Oil	1,181	0.77
68,770	Serica Energy	86	0.06
450,000	Tekmar	360	0.23
		<u>6,208</u>	<u>4.05</u>
Technology 7.80% (30/06/2018: 8.34%)			
88,000	Aveva	2,130	1.38
42,500	Blue Prism	470	0.31
94,500	Computacenter	951	0.62
365,000	GBG	1,542	1.01
163,213	Microgen	557	0.36
1,000,000	NCC	1,753	1.14
375,000	Blancco Technology	394	0.26
329,342	RM	669	0.44
235,000	SDL International	1,122	0.73
230,000	Softcat	1,352	0.88
1,340,000	Tribal	1,022	0.67
		<u>11,962</u>	<u>7.80</u>
Telecommunications 1.10% (30/06/2018: 0.91%)			
230,000	Gamma Communications	1,679	1.10
United States 2.06% (30/06/2018: 2.09%)			
Consumer Goods 1.09% (30/06/2018: 1.19%)			
1,000,000	TI Fluid Systems	1,670	1.09
Industrials 0.97% (30/06/2018: 0.90%)			
675,000	Alpha Financial Markets Consulting	1,485	0.97
Investment assets		146,011	95.26
Other net assets		7,270	4.74
Total net assets		153,281	100.00

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 (unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(31,395)		16,613
Revenue	1,519		1,390	
Expenses	(858)		(796)	
Interest payable and similar charges	-		(2)	
	<u>661</u>		<u>592</u>	
Net revenue before taxation	661		592	
Taxation	-		-	
	<u>661</u>		<u>592</u>	
Net revenue after taxation		661		592
Total return before distributions		(30,734)		17,205
Distributions		-		-
Change in net assets attributable to shareholders from investment activities		<u>(30,734)</u>		<u>17,205</u>

Statement of change in net assets attributable to shareholders

(unaudited) for the six months ended 31 December 2018

	31/12/18		31/12/17	
	£000	£000	£000	£000
Opening net assets attributable to shareholders*		172,222		142,035
Amounts receivable on issue of shares	15,691		5,437	
Amounts payable on cancellation of shares	<u>(3,898)</u>		<u>(8,774)</u>	
		11,793		(3,337)
Change in net assets attributable to shareholders from investment activities		(30,734)		17,205
Closing net assets attributable to shareholders		<u>153,281</u>		<u>155,903</u>

* The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable for the comparative period as they are not consecutive periods.

Balance sheet (unaudited) as at 31 December 2018

	31/12/18 £000	30/06/18 £000
Assets:		
Investments	146,011	167,470
Current assets:		
Debtors	600	1,777
Cash and bank balances	6,950	4,606
Total assets	<u>153,561</u>	<u>173,853</u>
Liabilities:		
Creditors:		
Other creditors	280	1,631
Total liabilities	<u>280</u>	<u>1,631</u>
Net assets attributable to shareholders	<u>153,281</u>	<u>172,222</u>

Appendix - additional information

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 six months ended 31 December 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 December 2018:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson All Stocks Credit Fund	49,129	5.70%	5.41%
Janus Henderson Institutional Long Dated Credit Fund	32,929	8.54%	8.42%
Janus Henderson Institutional UK Gilt Fund	111,370	41.49%	39.96%
Janus Henderson Preference & Bond Fund	21,827	3.44%	2.98%
Janus Henderson Strategic Bond Fund	123,752	6.77%	5.98%
Janus Henderson UK Equity Income & Growth Fund	37,359	13.62%	13.60%

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 December 2018:

Issuer	Market value of collateral received £000	Issuer	Market value of collateral received £000
Janus Henderson All Stocks Credit Fund		Janus Henderson Institutional Long Dated Credit Fund	
Australia (Commonwealth of)	41,002	Australia (Commonwealth of)	28,271
Government of Japan	4,342	Government of Japan	3,192
UK Treasury	2,715	Inter-American Development Bank	941
Inter-American Development Bank	1,398	UK Treasury	703
Government of Ireland	900	Government of Ireland	572
KFW	319	Caisse d'Amortissement de la Dette Sociale	243
Caisse d'Amortissement de la Dette Sociale	289	KFW	215
European Investment Bank	271	European Investment Bank	183
African Development Bank	260	International Bank for Reconstruction and Development	150
Government of France	229	Council of Europe Development Bank	61

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Concentration data (continued)

Issuer	Market value of collateral received £000	Issuer	Market value of collateral received £000
Janus Henderson Institutional UK Gilt Fund		Janus Henderson Preference & Bond Fund	
Government of Ireland	19,754	Mizuho Financial	2,332
Banco Bilbao Vizcaya Argentaria	8,823	Nippon Telegraph & Telephone	2,331
Caisse d'Amortissement de la Dette Sociale	8,391	Softbank	2,327
Australia (Commonwealth of)	5,136	Shin-Etsu Chemical	2,225
Deutsche Post	3,852	Eni	2,113
Deutsche Telekom	3,833	Toyota Motor	1,894
Banco Santander Central Hispano	3,129	Mitsubishi UFJ Financial	1,792
Nokia	3,049	Intesa Sanpaolo	1,039
Fresenius	2,459	Royal Dutch Shell	1,000
Intesa Sanpaolo	2,396	Enel	808
Janus Henderson Strategic Bond Fund		Janus Henderson UK Equity Income & Growth Fund	
Softbank	8,361	Banco Bilbao Vizcaya Argentaria	1,857
Mizuho Financial	8,006	Intesa Sanpaolo	1,449
Nippon Telegraph & Telephone	7,878	Toyota Motor	1,217
Shin-Etsu Chemical	7,677	Eni	1,160
Eni	7,381	Agricultural Bank of China 'H'	1,029
Toyota Motor	6,403	Mitsubishi UFJ Financial	1,025
Mitsubishi UFJ Financial	6,173	Government of Japan	921
Intesa Sanpaolo	4,187	China Minsheng Banking	899
Royal Dutch Shell	3,380	Deutsche Post	766
Imperial Brands	3,023	Deutsche Telekom	763

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 December 2018:

Counterparty	Market value of securities on loan £000	Settlement basis	Counterparty	Market value of securities on loan £000	Settlement basis
Janus Henderson All Stocks Credit Fund			Janus Henderson Institutional Long Dated Credit Fund		
JP Morgan	38,802	Triparty	JP Morgan	26,983	Triparty
RBS	4,123	Triparty	RBS	3,031	Triparty
BNP Paribas	2,356	Triparty	BNP Paribas	1,585	Triparty
Goldman Sachs	2,147	Triparty	Barclays	776	Triparty
Barclays	925	Triparty	Goldman Sachs	554	Triparty
Credit Suisse	776	Triparty		32,929	
	49,129				
Janus Henderson Institutional UK Gilt Fund			Janus Henderson Preference & Bond Fund		
Natixis	79,695	Triparty	Société Générale	21,057	Triparty
Barclays	26,815	Triparty	Deutsche Bank	770	Triparty
JP Morgan	4,860	Triparty		21,827	
	111,370				
Janus Henderson Strategic Bond Fund			Janus Henderson UK Equity Income & Growth Fund		
Société Générale	71,169	Triparty	Natixis	15,847	Triparty
Bank of Nova Scotia	24,662	Triparty	JP Morgan	12,719	Triparty
Natixis	22,470	Triparty	Bank of Nova Scotia	4,613	Triparty
JP Morgan	2,035	Triparty	Deutsche Bank	3,232	Triparty
Deutsche Bank	1,930	Triparty	Morgan Stanley	483	Triparty
BNP Paribas	1,486	Triparty	Merrill Lynch	396	Triparty
	123,752		Citigroup	52	Triparty
			ABN Amro	13	Triparty
			Société Générale	3	Triparty
			HSBC	1	Triparty
				37,359	

All counterparties have been included

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Aggregate transaction data

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

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
Janus Henderson All Stocks Credit Fund							
Barclays	United Kingdom	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	289
Barclays	United Kingdom	Corporate Bond	Investment grade	GBP	Triparty	BNP Paribas	1
Barclays	United Kingdom	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	683
Barclays	United Kingdom	Government Bond	Investment grade	GBP	Triparty	BNP Paribas	5
BNP Paribas	France	Corporate Bond	Investment grade	BRL	Triparty	BNP Paribas	301
BNP Paribas	France	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	493
BNP Paribas	France	Corporate Bond	Investment grade	GBP	Triparty	BNP Paribas	58
BNP Paribas	France	Corporate Bond	Investment grade	NZD	Triparty	BNP Paribas	128
BNP Paribas	France	Corporate Bond	Investment grade	TRY	Triparty	BNP Paribas	18
BNP Paribas	France	Corporate Bond	Investment grade	USD	Triparty	BNP Paribas	1,398
BNP Paribas	France	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	86
Credit Suisse	Switzerland	Corporate Bond	Investment grade	USD	Triparty	BNP Paribas	260
Credit Suisse	Switzerland	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	560
Goldman Sachs	United States	Government Bond	Investment grade	GBP	Triparty	BNP Paribas	2,710
JP Morgan	United States	Government Bond	Investment grade	AUD	Triparty	BNP Paribas	41,001
RBS	United Kingdom	Government Bond	Investment grade	JPY	Triparty	BNP Paribas	4,342
							52,333
Janus Henderson Institutional Long Dated Credit Fund							
Barclays	United Kingdom	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	243
Barclays	United Kingdom	Corporate Bond	Investment grade	GBP	Triparty	BNP Paribas	1
Barclays	United Kingdom	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	572
Barclays	United Kingdom	Government Bond	Investment grade	GBP	Triparty	BNP Paribas	4
BNP Paribas	France	Corporate Bond	Investment grade	BRL	Triparty	BNP Paribas	202
BNP Paribas	France	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	332
BNP Paribas	France	Corporate Bond	Investment grade	GBP	Triparty	BNP Paribas	39
BNP Paribas	France	Corporate Bond	Investment grade	NZD	Triparty	BNP Paribas	86
BNP Paribas	France	Corporate Bond	Investment grade	TRY	Triparty	BNP Paribas	12
BNP Paribas	France	Corporate Bond	Investment grade	USD	Triparty	BNP Paribas	941
BNP Paribas	France	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	58
Goldman Sachs	United States	Government Bond	Investment grade	GBP	Triparty	BNP Paribas	699
JP Morgan	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	7
JP Morgan	United States	Equity	Main market listing	DKK	Triparty	BNP Paribas	3
JP Morgan	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	91
JP Morgan	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	33
JP Morgan	United States	Equity	Main market listing	HKD	Triparty	BNP Paribas	46
JP Morgan	United States	Equity	Main market listing	JPY	Triparty	BNP Paribas	52
JP Morgan	United States	Equity	Main market listing	NOK	Triparty	BNP Paribas	3
JP Morgan	United States	Equity	Main market listing	SEK	Triparty	BNP Paribas	1
JP Morgan	United States	Equity	Main market listing	SGD	Triparty	BNP Paribas	3
JP Morgan	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	15
JP Morgan	United States	Government Bond	Investment grade	AUD	Triparty	BNP Paribas	28,271
RBS	United Kingdom	Government Bond	Investment grade	JPY	Triparty	BNP Paribas	3,192
							34,906

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 UK Gilt Fund							
Barclays	United Kingdom	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	8,390
Barclays	United Kingdom	Corporate Bond	Investment grade	GBP	Triparty	BNP Paribas	42
Barclays	United Kingdom	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	19,754
Barclays	United Kingdom	Government Bond	Investment grade	GBP	Triparty	BNP Paribas	146
JP Morgan	United States	Government Bond	Investment grade	AUD	Triparty	BNP Paribas	5,135
Natixis	France	Equity	Main market listing	CAD	Triparty	BNP Paribas	1,215
Natixis	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	2,181
Natixis	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	53,111
Natixis	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	8,851
Natixis	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	6,414
Natixis	France	Equity	Main market listing	SEK	Triparty	BNP Paribas	4,411
Natixis	France	Equity	Main market listing	USD	Triparty	BNP Paribas	12,669
							122,319
Janus Henderson Preference & Bond Fund							
Deutsche Bank	Germany	Equity	Main market listing	CHF	Triparty	BNP Paribas	157
Deutsche Bank	Germany	Equity	Main market listing	EUR	Triparty	BNP Paribas	245
Deutsche Bank	Germany	Equity	Main market listing	GBP	Triparty	BNP Paribas	47
Deutsche Bank	Germany	Equity	Main market listing	HKD	Triparty	BNP Paribas	20
Deutsche Bank	Germany	Equity	Main market listing	JPY	Triparty	BNP Paribas	14
Deutsche Bank	Germany	Equity	Main market listing	NOK	Triparty	BNP Paribas	23
Deutsche Bank	Germany	Equity	Main market listing	SEK	Triparty	BNP Paribas	12
Deutsche Bank	Germany	Equity	Main market listing	USD	Triparty	BNP Paribas	337
Société Générale	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	112
Société Générale	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	5,383
Société Générale	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	2,867
Société Générale	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	15,035
							24,252

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 Strategic Bond Fund							
Bank of Nova Scotia	Canada	Equity	Main market listing	CAD	Triparty	BNP Paribas	7,880
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	BNP Paribas	357
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	BNP Paribas	18,214
Bank of Nova Scotia	Canada	Equity	Main market listing	JPY	Triparty	BNP Paribas	128
Bank of Nova Scotia	Canada	Equity	Main market listing	USD	Triparty	BNP Paribas	823
BNP Paribas	France	Corporate Bond	Investment grade	BRL	Triparty	BNP Paribas	190
BNP Paribas	France	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	311
BNP Paribas	France	Corporate Bond	Investment grade	GBP	Triparty	BNP Paribas	37
BNP Paribas	France	Corporate Bond	Investment grade	NZD	Triparty	BNP Paribas	81
BNP Paribas	France	Corporate Bond	Investment grade	TRY	Triparty	BNP Paribas	11
BNP Paribas	France	Corporate Bond	Investment grade	USD	Triparty	BNP Paribas	881
BNP Paribas	France	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	54
Deutsche Bank	Germany	Equity	Main market listing	CHF	Triparty	BNP Paribas	398
Deutsche Bank	Germany	Equity	Main market listing	EUR	Triparty	BNP Paribas	618
Deutsche Bank	Germany	Equity	Main market listing	GBP	Triparty	BNP Paribas	118
Deutsche Bank	Germany	Equity	Main market listing	HKD	Triparty	BNP Paribas	49
Deutsche Bank	Germany	Equity	Main market listing	JPY	Triparty	BNP Paribas	34
Deutsche Bank	Germany	Equity	Main market listing	NOK	Triparty	BNP Paribas	58
Deutsche Bank	Germany	Equity	Main market listing	SEK	Triparty	BNP Paribas	30
Deutsche Bank	Germany	Equity	Main market listing	USD	Triparty	BNP Paribas	840
JP Morgan	United States	Government Bond	Investment grade	AUD	Triparty	BNP Paribas	2,151
Natixis	France	Equity	Main market listing	CAD	Triparty	BNP Paribas	343
Natixis	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	582
Natixis	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	14,974
Natixis	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	2,495
Natixis	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	1,808
Natixis	France	Equity	Main market listing	SEK	Triparty	BNP Paribas	1,244
Natixis	France	Equity	Main market listing	USD	Triparty	BNP Paribas	3,571
Société Générale	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	378
Société Générale	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	18,195
Société Générale	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	9,691
Société Générale	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	50,812
							137,356

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Aggregate transaction data (continued)

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
Janus Henderson UK Equity Income & Growth Fund							
ABN Amro	Netherlands	Equity	Main market listing	EUR	Triparty	BNP Paribas	5
ABN Amro	Netherlands	Equity	Main market listing	GBP	Triparty	BNP Paribas	9
ABN Amro	Netherlands	Equity	Main market listing	SEK	Triparty	BNP Paribas	1
Bank of Nova Scotia	Canada	Equity	Main market listing	CAD	Triparty	BNP Paribas	1,474
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	BNP Paribas	67
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	BNP Paribas	3,407
Bank of Nova Scotia	Canada	Equity	Main market listing	JPY	Triparty	BNP Paribas	24
Bank of Nova Scotia	Canada	Equity	Main market listing	USD	Triparty	BNP Paribas	154
Citigroup	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	2
Citigroup	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	25
Citigroup	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	20
Citigroup	United States	Equity	Main market listing	HKD	Triparty	BNP Paribas	2
Citigroup	United States	Equity	Main market listing	JPY	Triparty	BNP Paribas	6
Citigroup	United States	Equity	Main market listing	NOK	Triparty	BNP Paribas	2
Deutsche Bank	Germany	Equity	Main market listing	CHF	Triparty	BNP Paribas	719
Deutsche Bank	Germany	Equity	Main market listing	EUR	Triparty	BNP Paribas	1,036
Deutsche Bank	Germany	Equity	Main market listing	GBP	Triparty	BNP Paribas	198
Deutsche Bank	Germany	Equity	Main market listing	HKD	Triparty	BNP Paribas	82
Deutsche Bank	Germany	Equity	Main market listing	JPY	Triparty	BNP Paribas	57
Deutsche Bank	Germany	Equity	Main market listing	NOK	Triparty	BNP Paribas	98
Deutsche Bank	Germany	Equity	Main market listing	SEK	Triparty	BNP Paribas	51
Deutsche Bank	Germany	Equity	Main market listing	USD	Triparty	BNP Paribas	1,400
HSBC	United Kingdom	Equity	Main market listing	EUR	Triparty	BNP Paribas	2
HSBC	United Kingdom	Equity	Main market listing	GBP	Triparty	BNP Paribas	1
JP Morgan	United States	Equity	Main market listing	AUD	Triparty	BNP Paribas	27
JP Morgan	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	437
JP Morgan	United States	Equity	Main market listing	DKK	Triparty	BNP Paribas	191
JP Morgan	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	5,026
JP Morgan	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	1,832
JP Morgan	United States	Equity	Main market listing	HKD	Triparty	BNP Paribas	2,576
JP Morgan	United States	Equity	Main market listing	JPY	Triparty	BNP Paribas	2,702
JP Morgan	United States	Equity	Main market listing	NOK	Triparty	BNP Paribas	161
JP Morgan	United States	Equity	Main market listing	SEK	Triparty	BNP Paribas	42
JP Morgan	United States	Equity	Main market listing	SGD	Triparty	BNP Paribas	175
JP Morgan	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	969
Merrill Lynch	United States	Government Bond	Investment grade	JPY	Triparty	BNP Paribas	410
Merrill Lynch	United States	Government Bond	Investment grade	USD	Triparty	BNP Paribas	8
Morgan Stanley	United States	Government Bond	Investment grade	JPY	Triparty	BNP Paribas	510
Natixis	France	Equity	Main market listing	CAD	Triparty	BNP Paribas	242
Natixis	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	409
Natixis	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	10,560
Natixis	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	1,760
Natixis	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	1,275
Natixis	France	Equity	Main market listing	SEK	Triparty	BNP Paribas	877
Natixis	France	Equity	Main market listing	USD	Triparty	BNP Paribas	2,518
Société Générale	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	1
Société Générale	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	2
							41,552

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Aggregate transaction data (continued)

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 six months ended 31 December 2018:

	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000	% return of the securities lending agent	% return of the fund
Janus Henderson All Stocks Credit Fund	86	13	73	15%	85%
Janus Henderson Index Linked Bond Fund	4	1	3	15%	85%
Janus Henderson Institutional Long Dated Credit Fund	55	8	47	15%	85%
Janus Henderson Institutional Long Dated Gilt Fund	2	0	2	15%	85%
Janus Henderson Institutional UK Gilt Fund	64	10	54	15%	85%
Janus Henderson Preference & Bond Fund	45	7	38	15%	85%
Janus Henderson Strategic Bond Fund	152	23	129	15%	85%
Janus Henderson UK Equity Income & Growth Fund	60	9	51	15%	85%

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.

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