



# ANNUAL REPORT & ACCOUNTS

For the year ended  
23 November 2018

Janus Henderson  
— INVESTORS —

**Janus Henderson Multi-Manager Income & Growth Fund**  
(formerly Henderson Multi-Manager Income & Growth Fund)







# Who are Janus Henderson Investors?

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

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

We are proud to offer a highly diversified range of products, harnessing the intellectual capital of some of the industry's most innovative and formative thinkers. Our expertise encompasses the major asset classes, we have investment teams situated around the world and we serve intermediary, institutional and individual investors globally. As at 30 September 2018, we had approximately US\$378bn in assets under management, more than 2,000 employees and offices in 28 cities worldwide. Headquartered in London, we are an independent asset manager that is dual-listed on the New York Stock Exchange and the Australian Securities Exchange.

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



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\* These collectively comprise the Authorised Fund Manager's Report.



## **Authorised Fund Manager's report** for the year ended 23 November 2018

We are pleased to present the Annual Report and Accounts for Janus Henderson Multi-Manager Income & Growth Fund (formerly Henderson Multi-Manager Income & Growth Fund) (the 'fund') for the year ended 23 November 2018.

### **Authorised status**

The fund is an authorised unit trust scheme under Section 243 of the FSMA 2000 Act and is a Non-UCITS Retail Scheme ("NURS") operating under Chapter 5 of the Collective Investment Schemes sourcebook ('COLL') issued by the Financial Conduct Authority. It is an alternative investment scheme for the purpose of the Alternative Investment Fund Manager's Directive (AIFMD) Regulations. The Trustee is also the Depositary for the purposes of the AIFMD pursuant to a depositary agreement dated 22 July 2014.

The fund was established by a Trust Deed dated 13 February 1998. It was authorised by the FCA on 16 February 1998. The scheme launched on 27 February 1998.

Unitholders are not liable for the debts of the fund.

### **Brexit update**

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

### **Other information**

On 15 December 2017, the fund changed its name from Henderson Multi-Manager Income & Growth Fund to Janus Henderson Multi-Manager Income & Growth Fund.



## Authorised Fund Manager's report (continued)

### Service providers

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



## Authorised Fund Manager's report (continued)

### Investment Fund Managers

Dean Cheeseman, Nick Watson and Paul O'Connor

### Investment objective and policy

The fund aims to provide long term capital growth with the potential for some income generation. The fund will invest in a spread of authorised unit trusts and/or authorised companies which may be selected from those available in the whole market. The fund will not be restricted to any particular economic sectors and the investment policy will take a long term balanced view of stock markets worldwide while maintaining a core holding in the UK. The fund may also invest in transferable securities including investment trusts, money market instruments, deposits, derivatives and forward transactions.

### Performance summary

	23 Nov 17 - 23 Nov 18 %	23 Nov 16 - 23 Nov 17 %	23 Nov 15 - 23 Nov 16 %	23 Nov 14 - 23 Nov 15 %	23 Nov 13 - 23 Nov 14 %
<b>Janus Henderson Multi-Manager Income &amp; Growth Fund</b>	(3.1)	8.9	6.8	1.7	5.3
<b>IA Mixed Investment 20-60% shares</b>	(2.5)	8.5	8.1	1.6	5.2

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

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

### Significant portfolio changes for the year ended 23 November 2018

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
iShares \$ TIPS UCITS ETF	10,911	JO Hambro UK Opportunities Fund B Accumulation	12,070
iShares JPMorgan USD Emerging Markets Bond UCITS ETF	9,777	iShares II USD TIPS ETF	10,715
Polar Capital UK Value Opportunities Fund	6,120	Veritas Global Equity Fund D Income	7,357
LF Livingbridge UK Multi Cap Income Fund	5,828	iShares USD Corporate Bond UCITS ETF	6,464
MI TwentyFour Dynamic Bond Fund	4,531	Hermes Asia Ex Japan Equity Fund C Accumulation	3,288
PIMCO Global Investors Series Income Fund	3,305	Stewart Investors Asia Pacific Leaders Fund	2,897
Neuberger Berman CLO Income Fund I5	3,015	AXA US Short Duration High Yield Bond Fund	2,865
AXA US Short Duration High Yield Bond Fund	1,642	PIMCO Global Investors Series Income Fund	2,816
		Polar Capital Global Insurance Fund	2,480
		MI TwentyFour Dynamic Bond Fund	2,180
<b>Total purchases</b>	<b>45,129</b>	<b>Total sales</b>	<b>55,243</b>

All purchases are included.



### Investment review

The fund returned -3.1% on Class A income over the year under review, against a -2.5% fall in the IA Mixed Investment 20-60% shares sector average.

Global equity markets rose in sterling terms but fell in local currency over the review year (MSCI World Index +1.8% in sterling, -2.0% in dollars). However, all regions apart from the US were weak. Rapid gains for equity markets in January were more than offset by falls in February and March. April and May subsequently proved to be a period of moderation as unpredictable geopolitics and volatile markets both seemed to calm somewhat. Global equity markets made positive returns over the summer months. A booming US economy drove US stocks higher, despite some volatile moves in major technology stocks. However, in October, concerns over further US Federal Reserve (Fed) interest rate hikes, trade tensions and slowing global growth caused the worst global sell-off since 2012.

In the UK, the FTSE All-Share Index fell 2.8%. The FTSE 100 Index reached a record high in May as the US dollar rose and oil prices strengthened, but hit a seven-month low in October on weak earnings results and macroeconomic concerns. Ongoing negotiations regarding the UK's exit (Brexit) from the European Union (EU) were chaotic and the likelihood of a 'no-deal' Brexit increased. The Bank of England (BoE) raised the interest rate to 0.75% in August – the highest level since 2009. Inflation slowed throughout most of the review year but reached an unexpected six-month high in August, driven mainly by higher transport prices, before slowing in September.

European equities were also weak over the year (FTSE World Europe ex UK Index -6.7% in sterling). A volatile political backdrop in Italy led European stocks lower over the summer. Towards the end of the year under review, the Italian government clashed with the EU over its budget deficit target. Elsewhere, concerns that instability in Turkey would seep into major European markets depressed equities in August. Although the EU neared a trade agreement with the US in July, negotiations faltered in October. The European Central Bank (ECB) kept interest rates unchanged and restated in September that its bond buying programme (used to stimulate the economy) will end in December. Inflation picked up in the latter half of the year, nearing a six-year high in October.

US markets were strong (S&P 500 Index +7.3% in sterling, +3.3% in dollars), despite ongoing trade tensions with China. All major indices reached record highs during the year and the S&P 500 Index entered its longest ever bull run. However, a significant market sell-off in October, predominantly driven by the technology sector, led the S&P 500 Index to its worst monthly performance in seven years. However, stocks rallied at the end of October on robust corporate earnings results. The annual gross domestic product (GDP) growth rate neared a four-year high of 4.2% in the second quarter of 2018, driven by consumer spending. Although the annual GDP growth rate slowed to 3.5% in the third quarter, it beat expectations. Inflation rose above a six-year high in June on rising oil prices but slowed in August and reached a seven-month low in September as fuel prices declined sharply. The Fed raised interest rates four times over the year; however, in November, Chairman Jay Powell struck a more dovish tone than he did in October, suggesting additional interest rate hikes may be limited.

In Asia, the FTSE World Asia Pacific ex Japan Index fell by 7.0% in sterling (-10.5% in dollars). South Korean equities were weak during the summer on trade concerns, before falling below a one and a half year low in October amid the broader global sell-off. The annual GDP growth rate fell to a nine-year low of 2.0% in the third quarter of 2018, below expectations, as construction activity tumbled. Although Australian equities surpassed 10-year highs during summer, the market weakened towards the end of the year for numerous reasons, including regulatory pressure on bank stocks and mounting trade-related concerns. Equities in Taiwan fell towards their worst monthly performance in over 10 years in October as the sell-off in China and more general geopolitical tensions spooked investors, while Apple components manufacturers suffered amid the global technology sell-off. The country's annual GDP rate for the third quarter fell to a one-year low as private consumption slowed and government spending decreased, among other factors.

Japanese equities were weak over the year (Topix Index -4.1% in sterling, -6.4% in yen). The bellwether Nikkei index hit a 26-year high in September but tumbled in October amid the global technology sell-off, as well as disappointing second quarter earnings results. US President Donald Trump opposed joining the Trans-Pacific Partnership in April and did not exempt Japan from steel tariffs. However, in September, the US increased pressure on Japan to enter trade talks, causing exports to fall for the first time in almost two years. Japan's economy rebounded in the second quarter, revised higher from 1.9% to 3.0% – the fastest growth pace in over two years. The Bank of Japan (BoJ) kept interest rates unchanged but reduced the amount of its monthly bond purchases throughout 2018. In October, policy makers lowered their inflation forecast for both 2018 and 2019 – a move that reconfirmed that the BoJ is unlikely to reduce its stimulus measures in the near term.

Emerging markets fell over the year (MSCI Emerging Markets Index -10.2% in sterling, -13.5% in dollars). The US-China trade dispute brought Chinese equities towards a four-year low in the final few months of the review year and also weakened Chinese annual GDP growth, which hit a nine-year low of 6.5% in the third quarter. Equities in India hit a record high in August but fell alongside global markets in October; rupee weakness and rising crude oil prices led foreign institutional investors to sell out of stocks at the highest rate in two years. Brazilian equities tumbled in June as the real fell to a two-year low on fuel price cuts and uncertainty over the October election. However, equities rallied in the run-up to and immediate aftermath of the election, as President-elect Jair Bolsonaro's economic plans were popular among investors.



## Authorised Fund Manager's report (continued)

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

Our allocations to North American equities and global bonds provided the strongest positive performance contribution over the year. Key underlying holdings were the Findlay Park American Fund (up 10.7%) and the PIMCO Global Investors Series Income Fund (up 3.1%). Our holdings in the Stewart Investors Asia Pacific Leaders Fund (up 3.9%) and the Janus Henderson UK Property PAIF (up 6.8%) also contributed to the fund's performance. On the negative side, our allocation to European ex-UK equities was the main drag on performance over the year. Holdings in the Invesco Perpetual European Equity Income Fund and Janus Henderson European Growth Fund were down 8.2% and 11.4% respectively. Other detractors to performance contribution included positions in the MontLake Dunn WMA Institutional UCITS Fund (down 7%), the MI TwentyFour Dynamic Bond Fund (down 1.4%) and the BlackRock Emerging Markets Flexi Dynamic Bond Fund (down 7.4%).

The volatility observed across a range of asset classes in the first quarter of 2018 offered the opportunity for some contrarian technical-driven investment activity. Equity risk was gradually dialled down through January as volatility troughed and investor euphoria reached uncomfortable levels; we fully redeemed our position in the Veritas Global Equity Income Fund and reduced our holding in the Hermes Asia ex-Japan Equity Fund. The ensuing spike in risk and sell-off in risk assets presented an opportunity to rebuild equity positions at more attractive levels in February; we achieved this mainly through index futures. Within our allocation to UK equities, we initiated new holdings in the Polar Capital UK Value Opportunities Fund and the LF Livingbridge UK Multi Cap Income Fund. The latter is a smaller-company focused dividend strategy that complements the rest of our UK equity holdings. Elsewhere, within our bond allocation, we reduced government bonds but added new positions in the iShares JP Morgan USD Emerging Markets Bond UCITS ETF and the Neuberger Berman CLO Income Fund.

In terms of our overall positioning versus the peer group average, we maintain a neutral position to equities, an underweight position to fixed interest and an overweight position to other (including alternative) asset classes.

Financial market volatility is currently higher compared with recent years; the removal of quantitative easing (central bank liquidity measures) was always likely to result in greater instability. However, the moves have not been out of the ordinary in a longer-term historical context. We have now seen a degree of repricing across most asset classes, creating a more even opportunity set for multi-asset investors. Given the low level of cash rates, return prospects now appear more reasonable across a range of asset classes, particularly credit and equities, in our view. At the same time, we are seeing tentative progress on a number of the issues that have afflicted markets, namely US-China relations, the Italian budget and oil price stabilisation. Greater risk in markets also creates more opportunities and we believe we remain well positioned to take advantage of any openings.



## Comparative tables for the year ended 23 November 2018

	Class A accumulation		
	2018 (pence per unit)	2017 (pence per unit)	2016 (pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	176.50	162.55	152.45
Return before operating charges*	(1.14)	17.77	13.59
Operating charges	(3.92)	(3.82)	(3.49)
Return after operating charges*	(5.06)	13.95	10.10
Distributions on accumulation units	(4.26)	(3.48)	(3.54)
Retained distributions on accumulation units	4.26	3.48	3.54
Closing net asset value per unit	171.44	176.50	162.55
* after direct transaction costs of:	0.01	-	0.01

### Performance

Return after charges	(2.87%)	8.58%	6.63%
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### Other information

Closing net asset value (£000s)	12,148	14,198	15,310
Closing number of units	7,085,604	8,044,182	9,418,893
Operating charges	2.22%	2.23%	2.24%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest unit price (pence)	180.30	178.10	166.50
Lowest unit price (pence)	171.00	161.10	143.40

	Class A income		
	2018 (pence per unit)	2017 (pence per unit)	2016 (pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	155.34	145.96	140.02
Return before operating charges*	(0.92)	15.89	12.35
Operating charges	(3.42)	(3.41)	(3.18)
Return after operating charges*	(4.34)	12.48	9.17
Distributions on income units	(3.71)	(3.10)	(3.23)
Closing net asset value per unit	147.29	155.34	145.96
* after direct transaction costs of:	-	-	0.01

### Performance

Return after charges	(2.79%)	8.55%	6.55%
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### Other information

Closing net asset value (£000s)	114,163	128,808	149,941
Closing number of units	77,506,794	82,917,604	102,725,522
Operating charges	2.22%	2.23%	2.24%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest unit price (pence)	158.70	157.70	150.60
Lowest unit price (pence)	147.90	144.70	131.70



## Comparative tables (continued)

	Class B income		
	2018 (pence per unit)	2017 (pence per unit)	2016 (pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	118.87	110.73	105.33
Return before operating charges*	(1.10)	12.15	9.37
Operating charges	(1.74)	(1.72)	(1.61)
Return after operating charges*	(2.84)	10.43	7.76
Distributions on income units	(2.85)	(2.29)	(2.36)
Closing net asset value per unit	113.18	118.87	110.73
* after direct transaction costs of:	-	-	0.01

### Performance

Return after charges	(2.39%)	9.42%	7.37%
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### Other information

Closing net asset value (£000s)	1,683	1,929	1,798
Closing number of units	1,487,490	1,622,546	1,623,801
Operating charges	1.47%	1.48%	1.50%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest unit price (pence)	121.30	120.40	114.00
Lowest unit price (pence)	113.60	109.80	99.36

	Class I accumulation		
	2018 (pence per unit)	2017 (pence per unit)	2016 (pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	124.49	113.71	105.90
Return before operating charges*	(1.25)	12.47	9.37
Operating charges	(1.76)	(1.69)	(1.56)
Return after operating charges*	(3.01)	10.78	7.81
Distributions on accumulation units	(3.09)	(2.45)	(2.45)
Retained distributions on accumulation units	3.09	2.45	2.45
Closing net asset value per unit	121.48	124.49	113.71
* after direct transaction costs of:	-	-	0.01

### Performance

Return after charges	(2.42%)	9.48%	7.37%
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### Other information

Closing net asset value (£000s)	39,142	43,434	105,504
Closing number of units	32,220,094	34,889,752	92,786,727
Operating charges	1.41%	1.42%	1.43%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest unit price (pence)	127.30	125.40	116.30
Lowest unit price (pence)	121.10	112.70	99.79



## Comparative tables (continued)

	Class I income		
	2018 (pence per unit)	2017 (pence per unit)	2016 (pence per unit)
<b>Change in net assets per unit</b>			
Opening net asset value per unit	133.00	123.83	117.99
Return before operating charges*	(1.24)	13.63	10.26
Operating charges	(1.86)	(1.84)	(1.72)
Return after operating charges*	(3.10)	11.79	8.54
Distributions on income units	(3.27)	(2.62)	(2.70)
Closing net asset value per unit	126.63	133.00	123.83
* after direct transaction costs of:	-	-	0.01
<b>Performance</b>			
Return after charges	(2.33%)	9.52%	7.24%
<b>Other information</b>			
Closing net asset value (£000s)	110,031	130,578	207,912
Closing number of units	86,892,539	98,177,137	167,900,817
Operating charges	1.41%	1.42%	1.43%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest unit price (pence)	135.80	134.80	127.60
Lowest unit price (pence)	127.10	122.80	111.20

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

Performance values are at close of business on a bid basis and may differ from the performance summary.

### Operating charges

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

### Unit class launches and closures

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



## Ongoing charge figure

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

	2018 %	2017 %
<b>Class A</b>	2.22	2.23
<b>Class B</b>	1.47	1.48
<b>Class I</b>	1.41	1.42

The OCF includes a synthetic element of 0.56% (2017: 0.58%) to incorporate the OCF of underlying funds.

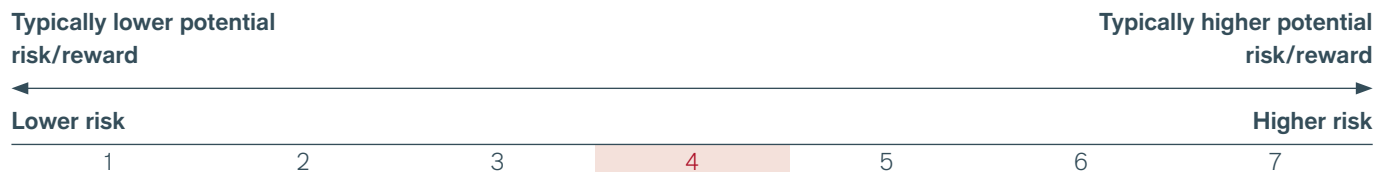
The OCF is calculated in accordance with guidelines issued by the European Securities and Markets Authority (ESMA).

The fund is a non-UCITS fund and we have used this disclosure to enable comparison across our fund range.



## Risk and reward profile

The fund currently has 5 unit classes available; A income, A accumulation, B income, I income and I 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 period<sup>1</sup>, it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions.

The value of an investment in the fund can go up or down. When you sell your units, they may be worth less than you paid for them. The risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

The unit classes appear at 4 out of 7. Unit classes in higher categories have shown greater and/or more frequent variations in the unit 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.

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

The full list of the fund's risks are contained in the 'Risk Warnings' section of the funds prospectus. SRRI conforms to the ESMA guidelines for the calculation of the SRRI.

<sup>1</sup> Class B income and I accumulation launched on 25 November 2013 and 17 January 2014 respectively, as these share classes do not have a 5 year history, a synthetic history has been created using the fund's relevant sector average.



## Portfolio statement as at 23 November 2018

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Alternatives 5.09% (2017: 4.52%)</b>			
6,229,202	Janus Henderson Diversified Alternatives Z Income <sup>1</sup>	7,494	2.71
52,369	MontLake Dunn WMA Institutional UCITS Fund	6,603	2.38
		<u>14,097</u>	<u>5.09</u>
<b>Asia Ex Japan Equity 4.88% (2017: 6.36%)</b>			
6,322,621	Hermes Asia Ex Japan Equity Fund C Accumulation	9,306	3.36
583,359	Stewart Investors Asia Pacific Leaders Fund	4,217	1.52
		<u>13,523</u>	<u>4.88</u>
<b>Commodities 2.78% (2017: 2.71%)</b>			
84,296	ETFS Physical Gold	<u>7,696</u>	<u>2.78</u>
<b>Diversified Bonds 10.64% (2017: 8.63%)</b>			
118,041	MI TwentyFour Dynamic Bond Fund	12,633	4.56
1,921,611	PIMCO Global Investors Series Income Fund	16,853	6.08
		<u>29,486</u>	<u>10.64</u>
<b>Emerging Market Bonds 5.46% (2017: 1.98%)</b>			
84,845	BlackRock Emerging Markets Flexi Dynamic Bond Fund	5,586	2.02
120,368	iShares JPMorgan USD Emerging Markets Bond UCITS ETF	9,555	3.44
		<u>15,141</u>	<u>5.46</u>
<b>Europe ex UK Equity 12.19% (2017: 12.03%)</b>			
7,516,296	BlackRock Continental European Income Fund	10,162	3.67
9,782,732	Invesco Perpetual European Equity Income Fund	12,777	4.61
2,261,681	Janus Henderson European Growth Fund I Accumulation <sup>1</sup>	10,843	3.91
		<u>33,782</u>	<u>12.19</u>
<b>Global Emerging Market Equity 3.86% (2017: 3.66%)</b>			
298,902	Janus Henderson Fund Emerging Markets Fund R\$ Accumulation <sup>1</sup>	4,010	1.45
5,975,149	JPMorgan Emerging Markets Income Fund	6,692	2.41
		<u>10,702</u>	<u>3.86</u>
<b>Global Equity 0.00% (2017: 2.30%)</b>			
<b>Government Bonds 3.95% (2017: 3.33%)</b>			
2,905,819	iShares \$ TIPS UCITS ETF	<u>10,953</u>	<u>3.95</u>
<b>High Yield Bonds 3.65% (2017: 3.68%)</b>			
10,886,918	AXA US Short Duration High Yield Bond Fund	<u>10,115</u>	<u>3.65</u>
<b>Investment Grade Bonds 0.00% (2017: 2.07%)</b>			
<b>Japan Equity 5.12% (2017: 4.65%)</b>			
1,718,082	CF Morant Wright Nippon Yield	5,953	2.15
4,505,344	MAN GLG Japan CoreAlpha Fund	8,227	2.97
		<u>14,180</u>	<u>5.12</u>



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>North America Equity 6.91% (2017: 5.41%)</b>		
217,598	Findlay Park American Fund	19,150	6.91
	<b>Property 3.31% (2017: 2.76%)</b>		
8,190,173	Janus Henderson UK Property PAIF Z Income <sup>1</sup>	9,167	3.31
	<b>Specialist Equity 2.97% (2017: 2.37%)</b>		
299,725	Neuberger Berman CLO Income Fund I5	3,012	1.09
1,054,324	Polar Capital Global Insurance Fund	5,209	1.88
		8,221	2.97
	<b>UK Equity 18.65% (2017: 17.24%)</b>		
3,511,473	Artemis Income Fund	7,236	2.61
2,575,159	LF Lindsell Train UK Equity Income Fund	7,535	2.72
1,709,822	JO Hambro UK Opportunities Fund B Accumulation	4,570	1.65
5,575,989	Jupiter UK Special Situations	10,320	3.72
5,291,921	LF Livingbridge UK Multi Cap Income Fund	5,564	2.01
8,198,249	Merian UK Alpha Fund Class U1 Accumulation	11,085	3.99
497,370	Polar Capital UK Value Opportunities Fund	5,406	1.95
		51,716	18.65
	<b>Derivatives (0.37%) (2017: (0.16%))</b>		
	<b>Futures 0.03% (2017: (0.10%))</b>		
16	CME S&P 500 E-mini December 2018	(176)	(0.07)
(90)	EUX Euro Stoxx 50 December 2018	160	0.06
114	ICE Long Gilt December 2018	108	0.04
		92	0.03
	<b>Forward Foreign Exchange Contracts (0.40%) (2017: (0.06%))<sup>2</sup></b>		
	Buy EUR 15,259,294 : Sell GBP 13,545,797 November 2018	(26)	(0.01)
	Buy EUR 2,511,367 : Sell GBP 2,200,000 November 2018	25	0.01
	Buy GBP 13,554,896 : Sell EUR 15,259,294 December 2018	26	0.01
	Buy GBP 1,500,000 : Sell USD 1,950,071 November 2018	(23)	(0.01)
	Buy GBP 15,685,084 : Sell EUR 17,770,662 November 2018	(59)	(0.02)
	Buy GBP 2,666 : Sell JPY 387,057 November 2018 <sup>3</sup>	-	-
	Buy GBP 27,456 : Sell JPY 4,023,221 November 2018 <sup>3</sup>	-	-
	Buy GBP 39,156,324 : Sell USD 51,489,860 November 2018	(1,050)	(0.38)
	Buy GBP 41,485,676 : Sell USD 53,439,931 December 2018	(204)	(0.07)
	Buy JPY 387,057 : Sell GBP 2,667 December 2018 <sup>3</sup>	-	-
	Buy JPY 4,410,278 : Sell GBP 30,000 November 2018	1	-
	Buy USD 53,439,931 : Sell GBP 41,523,739 November 2018	204	0.07
		(1,106)	(0.40)
	<b>Investment assets including investment liabilities</b>	<b>246,915</b>	<b>89.09</b>
	Other net assets	30,252	10.91
	<b>Total net assets</b>	<b>277,167</b>	<b>100.00</b>

<sup>1</sup> Related party to the fund

<sup>2</sup> Unquoted securities

<sup>3</sup> 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.



## Portfolio statement (continued)

### Composition of portfolio

2018

Market value  
£000

Percentage  
of total  
net assets  
%

#### Investments

Total collective investment schemes

219,725

79.29

Total equities

28,204

10.17

Total derivatives

(1,014)

(0.37)

#### Investment assets including investment liabilities

**246,915**

**89.09**

Other net assets

30,252

10.91

#### Total net assets

**277,167**

**100.00**

2017

Market value  
£000

Percentage  
of total  
net assets  
%

#### Investments

Total collective investment schemes

241,137

75.59

Total equities

25,837

8.11

Total derivatives

(513)

(0.16)

#### Investment assets including investment liabilities

**266,461**

**83.54**

Other net assets

52,486

16.46

#### Total net assets

**318,947**

**100.00**

The collective investment schemes held are approved regulated collective investment schemes within the meaning of the FCA rules. Exchange traded funds and all other investments are listed on recognised stock exchanges and are 'approved securities' within the meaning of FCA rules unless otherwise stated.



## **Statement of Authorised Fund Manager's responsibilities** for the year ended 23 November 2018

The Financial Conduct Authority's Collective Investment Schemes sourcebook requires the Authorised Fund Manager to prepare financial statements for each annual accounting year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland), of the financial affairs of the fund and of its revenue/expenditure for the year. In preparing the financial statements the Authorised Fund Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements, as prepared by Henderson Investment Funds Limited, comply with the above requirements;
- make best judgements and estimates that are reasonable; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the fund will continue in operation for the foreseeable future.

The Authorised Fund Manager is responsible for the management of the fund in accordance with its Trust Deed, Prospectus and the Regulations.

The Authorised Fund Manager is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Statement of Trustee's responsibilities and report of Trustee to the unitholders of Janus Henderson Multi-Manager Income & Growth Fund (the 'Scheme')**

for the year ended 23 November 2018

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Fund Sourcebook, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Trust Deed and Prospectus (together 'the Scheme documents') as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Scheme and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Scheme in accordance with the Regulations.

The Trustee must ensure that:

- the Scheme's cash flows are properly monitored and that cash of the Scheme is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units in the Scheme is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time limits;
- the Scheme's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ('the AIFM') are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Scheme is managed in accordance with the Regulation and the Scheme documents in relation to the investment and borrowing powers applicable to the Scheme.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Scheme, acting through the AIFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Schemes income in accordance with the Regulations and the Scheme documents, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

NatWest Trustee and Depositary Services Limited  
London  
8 February 2019



# **Independent Auditors' report to the Unitholders of Janus Henderson Multi-Manager Income & Growth Fund (the 'Trust')**

for the year ended 23 November 2018

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Janus Henderson Multi-Manager Income & Growth Fund's financial statements:

- give a true and fair view of the financial position of the Trust as at 23 November 2018 and of the net revenue and, the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law, the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Accounts (the 'Annual Report'), which comprise: the balance sheet as at 23 November 2018; the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

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

### **Independence**

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

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Fund Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern.

### **Reporting on other information**

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

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

### **Authorised Fund Manager's Report**

In our opinion, the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# **Independent Auditors' report to the Unitholders of Janus Henderson Multi-Manager Income & Growth Fund (the 'Trust')** (continued)

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the Authorised Fund Manager for the financial statements**

As explained more fully in the Statement of Authorised Fund Manager's responsibilities set out on page 13, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intend to wind up or terminate the Trust, or have no realistic alternative but to do so.

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

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

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

### **Use of this report**

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

## **Other required reporting**

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

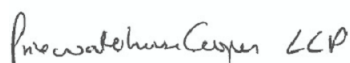
In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

### **Collective Investment Schemes sourcebook exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
8 February 2019



## Statement of total return for the year ended 23 November 2018

		2018		2017	
	Note	£000	£000	£000	£000
Income					
Net capital (losses)/gains	4		(11,423)		34,476
Revenue	5	7,775		8,591	
Expenses	6	(3,655)		(4,700)	
Interest payable and similar charges	7	-		(2)	
Net revenue before taxation		4,120		3,889	
Taxation	8	(21)		-	
Net revenue after taxation			4,099		3,889
Total return before distributions			(7,324)		38,365
Distributions	9		(7,397)		(8,133)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(14,721)</b>		<b>30,232</b>

## Statement of change in net assets attributable to unitholders

for the year ended 23 November 2018

		2018		2017	
		£000	£000	£000	£000
<b>Opening net assets attributable to unitholders</b>			<b>318,947</b>		<b>480,465</b>
Amounts receivable on issue of units		17,563		6,183	
Amounts payable on cancellation of units		(45,974)		(199,599)	
			(28,411)		(193,416)
Dilution adjustment			-		120
Change in net assets attributable to unitholders from investment activities			(14,721)		30,232
Retained distributions on accumulation units			1,350		1,545
Unclaimed distributions			2		1
<b>Closing net assets attributable to unitholders</b>			<b>277,167</b>		<b>318,947</b>



## Balance sheet as at 23 November 2018

	Note	2018 £000	2017 £000
<b>Assets:</b>			
Investments		248,453	267,153
Current assets:			
Debtors	10	1,610	1,390
Cash and bank balances	11	2,334	3,697
Cash equivalents	12	30,817	52,148
<b>Total assets</b>		<b>283,214</b>	<b>324,388</b>
<b>Liabilities:</b>			
Investment liabilities		1,538	692
Creditors:			
Amounts held at derivatives clearing houses and brokers		269	-
Bank overdrafts		1,545	2,202
Distribution payable		1,545	1,534
Other creditors	13	1,150	1,013
<b>Total liabilities</b>		<b>6,047</b>	<b>5,441</b>
<b>Net assets attributable to unitholders</b>		<b>277,167</b>	<b>318,947</b>

## Directors' statement

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



R Chaudhuri  
(Director)



G Foggin  
(Director)

8 February 2019



## **1 Accounting policies**

### **(a) Basis of preparation**

The financial statements of Janus Henderson Multi-Manager Income & Growth Fund (formerly Henderson Multi-Manager Income & Growth Fund) (the 'fund') have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association (IMA) in May 2014 (the 'SORP'), the Financial Reporting Standard 102 ('FRS 102'), the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL') and the Trust Deed. The financial statements have been prepared on a going concern basis.

### **(b) Basis of valuation of investments**

The valuation of listed investments has been at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of debt securities, at close of business on the last valuation day of the accounting year (23 November 2018) in accordance with the provisions of the scheme particulars.

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

The AFM has appointed the Janus Henderson EMEA Pricing Committee whose function is to review and approve fair value pricing decisions on a regular basis and report to the Board of Directors on suspended, defaulted, delisted, unquoted or manually priced securities, taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

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

### **(c) Revenue recognition**

Distributions from CIS and dividends receivable from quoted equity and non equity shares are credited to revenue, when the security is quoted ex-dividend. Dividends on unquoted stocks are credited to revenue when the dividend is announced.

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

Bank interest is recognised on an accruals basis.

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

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

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

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

Any annual management charge rebates from underlying funds, including offshore, are recognised on an accruals basis when the entitlement arises in accordance with the treatment of the annual management charge on the underlying CIS.

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

### **(d) Treatment of expenses (including Authorised Fund Manager expenses)**

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

### **Annual Management Charge (AMC)**

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

Authorised Fund Manager and Trustee have agreed that 100% of the AMC for this fund is to be taken to capital for the purpose of calculating the distribution, in accordance with the Trust Deed and the Prospectus. The distribution currently payable reflects this treatment together with any associated tax effect.



## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (d) Treatment of expenses (including Authorised Fund Manager expenses) (continued)

##### General Administration Charge

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

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

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

#### (e) Exchange rates

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

#### (f) Taxation

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

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

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

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

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

#### (g) Cash flow statement

The fund is not required to produce a cash flow statement as it meets the exemption criteria set out in FRS 102 7.1A as the fund's investments are highly liquid, are carried at market value and a Statement of change in net assets attributable to unitholders is provided for the fund.

#### (h) Cash equivalents

Cash equivalents are highly liquid investments held in the base currency of the fund, which are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three-month high quality government bond.

#### (i) Treatment of derivatives

Derivative transactions are accounted for on a trade date basis. Where such transactions are used to protect or enhance revenue and the circumstances support it, the revenue and expenses derived there from are included in 'Revenue' in the Statement of total return on an accruals basis. Where such transactions are used to protect or enhance capital and the circumstances support it, the gains and losses derived there from are included in Net capital gains/(losses) in the Statement of total return.

#### Forward foreign currency contracts

Open forward currency contracts are shown in the portfolio statement at fair value and the net gains/(losses) are reflected in Forward currency contracts in Net capital gains/(losses) on investments.

#### Futures contracts

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



## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (j) Dilution adjustment

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

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

### 2 Distribution Policy

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

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

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

Marginal tax relief has not been taken into account when determining the amount available for distribution.

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

The fund makes quarterly distributions (23 April, 23 July, 23 October, and 23 January) to unitholders.

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

#### Equalisation

Income equalisation applies to the fund.

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

### 3 Risk

In pursuing its investment objective the fund holds a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors arising from the fund's operations. Derivative instruments may be used in the fund for the purposes of hedging and efficient portfolio management (EPM) only; the use of derivatives in this manner is not expected to increase the risk profile of the fund.

The risk management policy and process for the fund is designed to satisfy the requirements of the AIFMD; associated regulatory technical standards and guidelines; and local regulations. The framework for risk controls and limits for the fund is documented within Henderson Investment Fund Limited's ('HIFL') Risk Management Policy and Process document, which outlines for each main risk category the controls and risk measures in place, including stress tests for assessing sensitivity to the most relevant risks. This risk framework includes setting of limits and monitoring against those limits.

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

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

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

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



## Notes to the financial statements (continued)

### 3 Risk (continued)

#### (a) Market risk

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

The investments of the fund are subject to normal market fluctuations and other risks inherent in investing in securities including authorised unit trusts and/or authorised companies and investment trusts in pursuance of the relevant investment objective and policy.

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

#### Currency risk

Currency risk is the risk that the value of the fund's investments will fluctuate as a result of changes in foreign currency exchange rates.

Where a proportion of the fund's assets and income are denominated in currencies other than sterling the fund's financial statements can be affected by movements in exchange rates. The Investment Manager may seek to manage exposure to currency movements by using hedging transactions in line with the fund's investment objective, powers and limits, though this will not eliminate the fund's currency risk.

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

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Some securities such as bonds are directly impacted by interest rate movements but others are indirectly affected. The majority of the fund's financial assets are investments which neither pay interest nor have a maturity date.

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

#### Other price risk

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

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

#### Leverage

Leverage is considered in terms of the fund's overall exposure and includes any method by which the exposure of the fund is increased whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. HIFL as the AIFM is required to calculate and monitor the level of leverage of the fund, expressed as the ratio between the total exposure of the fund and its net asset value with exposure values being calculated by both the gross method and commitment method.

Exposure values under the gross method basis are calculated as the absolute value of all positions of the fund; this includes all eligible assets and liabilities, relevant borrowings, derivatives (converted into their equivalent underlying positions) and all other positions even those held purely for risk reduction purposes, such as forward foreign exchange contracts held for currency hedging.

The global exposure of the funds is calculated by using the commitment approach by which derivatives or forward transactions are converted into the market value of an equivalent position in the underlying asset.

The gross method of exposure of the fund requires the calculation to:

- include the sum of all non-derivative assets held at market value, plus the absolute value of all such liabilities;
- exclude cash and cash equivalents which are highly liquid investments held in the base currency of the fund, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality bond;
- convert derivative instruments into the equivalent position in their underlying assets;
- exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
- include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised and the total amount of cash borrowed; and
- include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.



## Notes to the financial statements (continued)

### 3 Risk (continued)

#### Leverage (continued)

The table below sets out the current maximum limit and actual level of leverage for the fund as at the current and prior year end:

	Leverage as a percentage of net asset value	
	Gross method	Commitment method
	%	%
Maximum level	250%	175%
Actual level as at 23 November 2018	157%	102%
Actual level as at 23 November 2017	160%	102%

#### (b) Credit and counterparty risk

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

Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the fund may only buy and sell investments through brokers which have been approved by the Authorised Fund Manager as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in broker's financial ratings are periodically reviewed by the Janus Henderson Credit Risk Committee along with set limits and new counterparty approval.

The fund's assets that are held with banks could be exposed to credit and counterparty risk. The banks used by the fund and Authorised Fund Manager are subject to regular reviews. Only counterparties that have been approved by Janus Henderson's Credit Risk Committee are used for derivative transactions.

Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Prospectus and in the Financial Conduct Authority Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

#### (c) Liquidity risk

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

The fund is generally able to realise cash quickly to meet its liabilities. The main liquidity requirements of the fund includes the redemption of any units that a unitholder wishes to sell. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of units.

The Authorised Fund Manager manages the fund's cash positions to ensure it can meet its liabilities. The Authorised Fund Manager receives daily reports of subscriptions and redemptions enabling the Authorised Fund Manager to raise cash from the fund's portfolio in order to meet redemption requests. In addition the Authorised Fund Manager monitors market liquidity of all securities, with particular focus on collective investment schemes which may contain restrictions on withdrawals, seeking to ensure the fund maintains sufficient liquidity to meet known and potential redemption activity. The fund's cash balances are monitored daily by the Authorised Fund Manager. When investments cannot be realised in time to meet any potential liability, the fund may borrow up to 10% of its property to ensure settlement.



## Notes to the financial statements (continued)

### 3 Risk (continued)

#### (c) Liquidity risk (continued)

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2018</b>				
Amounts held at derivatives clearing houses and brokers	269	-	-	-
Bank overdrafts	1,545	-	-	-
Derivative financial liabilities	-	1,538	-	-
Distribution payable	-	1,545	-	-
Other creditors	-	1,150	-	-
<b>Total</b>	<b>1,814</b>	<b>4,233</b>	<b>-</b>	<b>-</b>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2017</b>				
Bank overdrafts	2,202	-	-	-
Derivative financial liabilities	-	692	-	-
Distribution payable	-	1,534	-	-
Other creditors	-	1,013	-	-
<b>Total</b>	<b>2,202</b>	<b>3,239</b>	<b>-</b>	<b>-</b>

#### (d) Brexit Risk

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

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

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



## Notes to the financial statements (continued)

### 4 Net capital (losses)/gains

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

	2018 £000	2017 £000
Capital management fee rebates	365	520
Derivative securities*	679	(218)
Forward currency contracts*	(1,706)	3,097
Non-derivative securities*	(10,791)	31,189
Other currency gains/(losses)	41	(101)
Transaction costs	(11)	(11)
<b>Net capital (losses)/gains</b>	<b>(11,423)</b>	<b>34,476</b>

**\* The above includes:**

Realised gains	8,940	41,039
Unrealised losses	(20,758)	(6,971)
	<b>(11,818)</b>	<b>34,068</b>

\* Where realised gains/(losses) include gains/(losses) arising in previous years, a corresponding gain/(loss) is included in unrealised gains/(losses).

### 5 Revenue

	2018 £000	2017 £000
Bank interest	4	2
Derivative revenue	125	10
Distributions from overseas funds	1,702	2,264
Distributions from UK regulated collective investment schemes:		
Franked investment revenue	3,720	4,272
Interest distribution	1,072	1,030
Interest on margin	2	31
Management fee rebates	244	216
Overseas dividends	613	442
UK REIT revenue - PID	293	324
<b>Total revenue</b>	<b>7,775</b>	<b>8,591</b>



## Notes to the financial statements (continued)

### 6 Expenses

	2018 £000	2017 £000
<b>Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager and agents of either of them:</b>		
Annual management charge	3,298	4,244
GAC*	317	405
	<u>3,615</u>	<u>4,649</u>
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Trustee fees	27	35
Safe custody fees	13	16
	<u>40</u>	<u>51</u>
<b>Total expenses</b>	<u><b>3,655</b></u>	<u><b>4,700</b></u>

Irrecoverable VAT is included in the above expenses where relevant.

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

### 7 Interest payable and similar charges

The interest payable and similar charges comprise:

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

### 8 Taxation

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

The tax charge comprises:

	2018 £000	2017 £000
<b>Current tax</b>		
Irrecoverable income tax	21	-
<b>Total tax (note 8b)</b>	<u><b>21</b></u>	<u><b>-</b></u>



## Notes to the financial statements (continued)

### b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for an authorised unit trust of 20% (2017: 20%). The differences are explained below:

	2018 £000	2017 £000
Net revenue before taxation	4,120	3,889
Corporation tax at 20% (2017: 20%)	824	778
Effects of:		
Irrecoverable overseas tax	21	-
Overseas dividends*	(94)	(151)
Tax effect of capitalised management fee rebates	73	104
UK dividends**	(744)	(855)
Unused management expenses	(59)	124
<b>Tax charge for the year (note 8a)</b>	<b>21</b>	<b>-</b>

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

\*\*As an authorised unit trust this item is not subject to corporation tax.

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

### c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2017: nil).

### d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £1,505,552 (2017: £1,555,973) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

The movement in the potential tax asset identified in note (d) may not match the movement shown in 'Unused management expenses' in note (b) due to filing adjustments.

## 9 Distributions

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

	2018 £000	2017 £000
Interim income	4,418	4,403
Interim accumulation	999	1,197
Final income	1,545	1,534
Final accumulation	351	348
	<b>7,313</b>	<b>7,482</b>
Amounts deducted on cancellation of units	150	669
Amounts received on issue of units	(66)	(18)
<b>Total distributions</b>	<b>7,397</b>	<b>8,133</b>
Net revenue after taxation	4,099	3,889
Annual management charge borne by the capital account	3,298	4,244
<b>Total distributions</b>	<b>7,397</b>	<b>8,133</b>

Details of the distribution per unit are set out in the distribution tables on pages 33 to 34.



## Notes to the financial statements (continued)

### 10 Debtors

	2018 £000	2017 £000
Accrued revenue	1,109	831
Amounts receivable for issue of units	65	10
Income tax recoverable	160	389
Management fee rebates	270	160
Sales awaiting settlement	6	-
<b>Total debtors</b>	<b>1,610</b>	<b>1,390</b>

### 11 Cash and bank balances

	2018 £000	2017 £000
Amounts held at derivative clearing houses and brokers	788	1,495
Cash and bank balances	1,546	2,202
<b>Total cash and bank balances</b>	<b>2,334</b>	<b>3,697</b>

### 12 Cash equivalents

	2018 £000	2017 £000
Short term investments	30,817	52,148
<b>Total cash equivalents</b>	<b>30,817</b>	<b>52,148</b>

### 13 Other creditors

	2018 £000	2017 £000
Accrued annual management charge	457	518
Accrued Trustee's fee	4	5
Accrued other expenses	58	53
Amounts payable for cancellation of units	631	437
<b>Total other creditors</b>	<b>1,150</b>	<b>1,013</b>

### 14 Contingent liabilities and commitments

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



## Notes to the financial statements (continued)

### 15 Related party transactions

Henderson Investment Funds Limited as Authorised Fund Manager to the fund is deemed to be a related party because it provides key management personnel services to the fund. All transactions and balances associated with the Authorised Fund Manager are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to unitholders' and the 'Balance sheet' on pages 17 and 18 and notes 4, 5, 6, 9, 10 and 13 on pages 25 to 28 including all issues and cancellations where the Authorised Fund Manager acted as principal.

Transactions with the Authorised Fund Manager are as follows:

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

The ultimate controlling party of Henderson Investment Funds Limited is Janus Henderson Group plc. The transactions associated with Janus Henderson Group plc, its subsidiaries and other funds managed by Henderson Investment Funds Limited are as follows:

- a) The aggregate value of purchases and sales transactions was nil (2017: £22,248,801) and the balance outstanding at the year end was nil (2017: nil).
- b) Revenue receivable for the year was £785,253 (2017: £1,022,038) and the balance outstanding at the year end was nil (2017: nil).
- c) Management fee rebates receivable for the year was £153,703 (2017: £142,324) and the balance outstanding at the year end was £218,318 (2017: £64,615).
- d) The aggregate value of investments held at the year end was £31,513,176 (2017: £32,734,201).

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

### 16 Unitholders' funds

The fund currently has 3 unit classes available; Class A (Retail with front-end charges), Class B (Institutional) and Class I (Institutional). The annual management charge on each unit class is as follows:

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

\* Class B is closed to new investment.

The net asset value of each unit class, the net asset value per unit and the number of units in each unit class are given in the comparative tables on pages 6 to 8. The distribution per unit class is given in the distribution tables on pages 33 to 34. All unit classes have the same rights on winding up.

#### Units reconciliation as at 23 November 2018

	Class A accumulation	Class A income	Class B income
Opening number of units	8,044,182	82,917,604	1,622,546
Issues during the year	259,078	5,905,454	37,122
Cancellations during the year	(1,202,713)	(11,018,136)	(172,178)
Units converted during the year	(14,943)	(298,128)	-
<b>Closing units in issue</b>	<b>7,085,604</b>	<b>77,506,794</b>	<b>1,487,490</b>

	Class I accumulation	Class I income
Opening number of units	34,889,752	98,177,137
Issues during the year	3,058,201	3,225,154
Cancellations during the year	(5,819,839)	(14,790,616)
Units converted during the year	91,980	280,864
<b>Closing units in issue</b>	<b>32,220,094</b>	<b>86,892,539</b>



## Notes to the financial statements (continued)

### 17 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 23 November 2018 (2017: nil).

#### 2018

At 23 November 2018 the underlying exposure for the derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
Barclays	1	-	1
BNP Paribas	230	-	230
Morgan Stanley	25	-	25
UBS	-	268	268
	<b>256</b>	<b>268</b>	<b>524</b>

#### 2017

At 23 November 2017 the underlying exposure for the derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	179
	<b>179</b>

### 18 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

#### Fair value hierarchy

	2018		2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	28,472	176	25,837	319
Level 2	219,981	1,362	241,316	373
Level 3	-	-	-	-
	<b>248,453</b>	<b>1,538</b>	<b>267,153</b>	<b>692</b>



## Notes to the financial statements (continued)

### 19 Direct transaction costs

	Purchases		Sales	
	2018	2017	2018	2017
	£000	£000	£000	£000
<b>Trades in the year</b>				
Collective investment schemes	24,441	4,331	37,300	651
Equities	20,685	52,219	17,947	235,091
<b>Trades in the year before transaction costs</b>	<b>45,126</b>	<b>56,550</b>	<b>55,247</b>	<b>235,742</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Collective investment schemes	-	-	-	-
Equities	3	17	4	38
<b>Total commissions</b>	<b>3</b>	<b>17</b>	<b>4</b>	<b>38</b>
<b>Taxes</b>				
Collective investment schemes	-	-	-	-
Equities	-	-	-	-
<b>Total taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other expenses</b>				
Collective investment schemes	-	-	-	-
Equities	-	-	-	-
<b>Total other expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>3</b>	<b>17</b>	<b>4</b>	<b>38</b>
<b>Total net trades in the year after transaction costs</b>	<b>45,129</b>	<b>56,567</b>	<b>55,243</b>	<b>235,704</b>

	Purchases		Sales	
	2018	2017	2018	2017
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Collective investment schemes	-	-	-	-
Equities	0.01	0.03	0.02	0.02
<b>Taxes</b>				
Collective investment schemes	-	-	-	-
Equities	-	-	-	-
<b>Other expenses</b>				
Collective investment schemes	-	-	-	-
Equities	-	-	-	-
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	-	0.01		
Taxes	-	-		
Other expenses	-	-		
<b>Total costs</b>	<b>-</b>	<b>0.01</b>		

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

There were direct transaction costs associated with derivatives in the year of £2,890 (2017: £7,357) which is 0.00% of the average net asset value of the fund (2017: 0.00%).



## Notes to the financial statements (continued)

### 19 Direct transaction costs (continued)

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

The costs of acquiring and disposing of units/shares in other collective investment schemes are included within the expense ratio which is an intrinsic part of the NAV price per unit/share of the underlying fund.

The portfolio dealing spread as at 23 November 2018 was 0.19% (2017: 0.20%). The portfolio dealing spread is calculated at the fund's 12 noon valuation point.

### 20 Events after the Balance sheet date

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



## Distribution tables for the year ended 23 November 2018 (in pence per unit)

### Interim dividend distribution (accounting date 23 February 2018, paid on 23 April 2018)

Group 1: shares purchased prior to 24 November 2017

Group 2: shares purchased on or after 24 November 2017

	Distribution per share	Equalisation	Total distribution per share 23/04/18	Total distribution per share 21/04/17
<b>Class A accumulation</b>				
Group 1	1.0360	-	1.0360	0.8476
Group 2	0.4849	0.5511	1.0360	0.8476
<b>Class A income</b>				
Group 1	0.9118	-	0.9118	0.7611
Group 2	0.0286	0.8832	0.9118	0.7611
<b>Class B income</b>				
Group 1	0.6557	-	0.6557	0.5376
Group 2	0.1204	0.5353	0.6557	0.5376
<b>Class I accumulation</b>				
Group 1	0.7031	-	0.7031	0.5671
Group 2	0.4077	0.2954	0.7031	0.5671
<b>Class I income</b>				
Group 1	0.7513	-	0.7513	0.6182
Group 2	0.2827	0.4686	0.7513	0.6182

### Interim dividend distribution (accounting date 23 May 2018, paid on 23 July 2018)

Group 1: shares purchased prior to 24 February 2018

Group 2: shares purchased on or after 24 February 2018

	Distribution per share	Equalisation	Total distribution per share 23/07/18	Total distribution per share 21/07/17
<b>Class A accumulation</b>				
Group 1	1.0547	-	1.0547	0.7950
Group 2	0.6833	0.3714	1.0547	0.7950
<b>Class A income</b>				
Group 1	0.9229	-	0.9229	0.7103
Group 2	0.6143	0.3086	0.9229	0.7103
<b>Class B income</b>				
Group 1	0.6468	-	0.6468	0.5240
Group 2	0.4150	0.2318	0.6468	0.5240
<b>Class I accumulation</b>				
Group 1	0.6967	-	0.6967	0.5561
Group 2	0.4585	0.2382	0.6967	0.5561
<b>Class I income</b>				
Group 1	0.7403	-	0.7403	0.6033
Group 2	0.4621	0.2782	0.7403	0.6033



## Distribution tables for the year ended 23 November 2018 (in pence per unit)

### Interim dividend distribution (accounting date 23 August 2018, paid on 23 October 2018)

Group 1: shares purchased prior to 24 May 2018

Group 2: shares purchased on or after 24 May 2018

	Distribution per share	Equalisation	Total distribution per share 23/10/18	Total distribution per share 23/10/17
<b>Class A accumulation</b>				
Group 1	1.0140	-	1.0140	0.8180
Group 2	0.5874	0.4266	1.0140	0.8180
<b>Class A income</b>				
Group 1	0.8802	-	0.8802	0.7275
Group 2	0.2746	0.6056	0.8802	0.7275
<b>Class B income</b>				
Group 1	0.7813	-	0.7813	0.5281
Group 2	0.1660	0.6153	0.7813	0.5281
<b>Class I accumulation</b>				
Group 1	0.8555	-	0.8555	0.5654
Group 2	0.2253	0.6302	0.8555	0.5654
<b>Class I income</b>				
Group 1	0.9047	-	0.9047	0.6092
Group 2	0.3132	0.5915	0.9047	0.6092

### Final dividend distribution (accounting date 23 November 2018, paid on 23 January 2019)

Group 1 : shares purchased prior to 24 August 2018

Group 2 : shares purchased on or after 24 August 2018

	Distribution per share	Equalisation	Total distribution per share 23/01/19	Total distribution per share 23/01/18
<b>Class A accumulation</b>				
Group 1	1.1511	-	1.1511	1.0186
Group 2	0.5106	0.6405	1.1511	1.0186
<b>Class A income</b>				
Group 1	0.9954	-	0.9954	0.9017
Group 2	0.4766	0.5188	0.9954	0.9017
<b>Class B income</b>				
Group 1	0.7650	-	0.7650	0.7000
Group 2	0.3731	0.3919	0.7650	0.7000
<b>Class I accumulation</b>				
Group 1	0.8368	-	0.8368	0.7629
Group 2	0.5876	0.2492	0.8368	0.7629
<b>Class I income</b>				
Group 1	0.8769	-	0.8769	0.7892
Group 2	0.4181	0.4588	0.8769	0.7892



## Appendix - additional information (unaudited)

This unaudited additional information section for the year ended 23 November 2018 has been prepared by and is the responsibility of Henderson Investment Funds Limited ('HIFL'), as Alternative Investment Fund Manager ('AIFM') to the fund, to meet the periodic disclosure requirements of AIFMD. This information does not form part of the audited financial statements of the fund, but does reference some sections therein and should be read in conjunction with the audited financial statements and Fund Prospectus.

### Risk profile

#### Investment objective and policy

The Investment objective and policy, which outlines the investment approach for the fund subject to the limits set out in Chapter 5 of the COLL Sourcebook applicable to Non UCITS Retail Schemes, is stated above within the Authorised Fund Manager's report and in more detail in the Prospectus within the Appendix headed 'Fund Details'.

The fund aims to provide long term capital growth with the potential for some income generation.

#### Permitted instruments

The fund invests in a spread of authorised unit trusts and/or authorised companies which may be selected from those available in the whole market.

The fund is not restricted to any particular economic sectors and the investment policy will take a long term balanced view of stock markets worldwide while maintaining a core holding in the UK.

The fund may also invest in transferable securities including investment trusts, money market instruments, deposits, derivatives and forward transactions.

The collective investment schemes in which the fund invests may be based in any EEA State, Guernsey, Jersey, Bermuda, British Virgin Islands, Cayman Islands or the United States.

The fund may deal through securities markets established in an EEA State on which transferable securities admitted to official listing in the EEA State are dealt in or traded. In addition, up to 10 per cent in value of the fund may be invested in transferable securities which are not approved securities. The fund may also deal through the securities markets and derivatives markets as indicated in the fund Prospectus within the Appendix headed 'Eligible Securities Market'.

#### Basis of valuation

The Authorised Fund Manager has appointed the Investment Fund Manager to perform the valuation of the assets of the fund in accordance with its responsibilities under the AIFMD Rules. As required under the AIFMD Rules, the Investment Manager has adopted a written valuation policy, which may be modified from time to time, which is consistent with the Prospectus.

The fair value of financial assets and liabilities traded in active markets (such as publicly-traded derivatives and securities) is based on quoted market prices at the close of trading on the reporting date. Listed investments are valued at fair value which is generally deemed to be the bid price, excluding any accrued interest in the case of fixed interest securities.

All investment funds are valued at cancellation price. Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Investment Fund Manager, may permit some other method of valuation to be used if they consider that it better reflects value and is in accordance with good accounting practice. The EMEA Pricing Committee of the Investment Manager is responsible for determining or approving these fair values, which are reported to the Authorised Fund Manager, at each board meeting.

The EMEA Pricing Committee provides an appropriate level of supervision and oversight to ensure the effective application of fair value pricing in the Fund. Where deemed necessary the EMEA Pricing Committee will seek ratification of decisions from the Janus Henderson Investment Performance and Risk Committee. The EMEA Pricing Committee meets on a monthly basis and consists of representatives from various parts of the Janus Henderson business who act as an independent party, segregated from the fund management function, to review and approve fair value pricing decisions and pricing models on a regular basis.



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

### Risk profile (continued)

#### Risk types

The investments held by the fund are subject to market fluctuations and to the risk inherent in all such investments.

The value of units, and the income from them, are not guaranteed and may fall as well as rise. Where investments are made overseas, changes in exchange rates between currencies may also cause the value of a holding to either diminish or increase. An investor who realises an investment in the fund, particularly after only a short period, may not get back the amount originally invested.

The main categories of risk to which the fund is or might reasonably be expected to be exposed include:

- a) market risk: being foreign currency risk; interest rate risk; and other market price risk;
- b) liquidity risk; and
- c) credit/counterparty risk

whose impact on the fund is detailed in Note 3 to the Financial Statements covering Risk.

The fund is also subject to operational risk, being the risk of loss resulting from inadequate internal processes and failures in relation to people and systems or from external events; this includes risk resulting from the trading, settlement, safe-keeping and valuation procedures operated on behalf of the fund. The basis of valuation and accounting treatment are detailed in Note 1 to the Financial Statements covering Accounting policies.

#### Leverage

The fund may achieve leverage by utilising financial gearing, such as bank borrowings and overdrafts; and synthetic gearing through derivatives and/or other non-fully funded instruments or techniques for efficient portfolio management purposes such as stock-lending. Typically leverage will arise through the use of index futures, forward foreign exchange contracts or contracts for difference, where cash is paid to the counterparty as margin against the current mark to market value of the derivative contract; as a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may even result in further loss exceeding any margin deposited. The use of leverage therefore creates additional risks and may significantly increase the market and counterparty risk of the fund through non-fully funded exposure to underlying markets or securities.

#### Charges to capital

The Authorised Fund Manager and the Trustee have agreed that all of the annual management charge is to be treated as a capital charge. This will increase the amount of income available for distribution to unitholders in the fund but may constrain capital growth. Such an increase in the income generated by the fund may increase the liability of a unitholder to tax on income distributions. Conversely, however, if capital growth is constrained, a unitholder's liability to tax on capital gains may be reduced on a disposal of units.

#### Derivatives

Derivative transactions may be used for the purposes of hedging for efficient portfolio management only. It is not expected that the use of derivatives will lead to a higher risk profile.

#### Exchange traded funds

The fund may invest in Exchange Traded Funds. Exchange Traded Funds represent a basket of securities that are traded on an exchange and therefore, unlike collective investment schemes, they do not necessarily trade at the net asset value of their underlying holdings. As a result, they may trade at a price that is above or below the value of the underlying portfolio.

#### Additional risks

In addition to the above, the Prospectus includes additional general risks for the fund within the section headed 'Risk Factors' including:

Effect of initial charge or redemption charge; Dilution provision;  
Exchange rates;  
Suspension of dealing in units;  
Tax;  
Inflation risk;  
Performance risk;  
Custody; and  
EMIR (European Union Regulation on OTC derivatives, central counterparties and trade repositories)

For a detailed explanation of the above and further risks involved in investing in the fund, reference should be made to the Prospectus; investors and prospective investors are recommended to discuss all potential conflicts of interest and risks with their own legal, tax and financial advisors.



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

### Risk profile (continued)

#### Risk controls and limits

The risk management policy and process for the fund is designed to satisfy the requirements of the AIFMD; associated regulatory technical standards and guidelines; and local regulations. The framework for risk controls and limits for the fund is documented within HIFL's Risk Management Policy and Process document, which outlines for each main risk category the controls and risk measures in place, including stress tests for assessing sensitivity to the most relevant risks. This risk framework includes setting of limits and monitoring against those limits.

There have been no breaches of risk limits set for the fund in the year under review and there are no such breaches anticipated.

#### Leverage

Details of the current maximum limit and actual level of leverage for the fund are stated in Note 3 to the financial statements covering Risk. There have been no breaches of the maximum level during the year, no changes to the maximum level of leverage employed by the fund or to its right of reuse of collateral or any guarantee granted under the leveraging arrangements.

#### Risk management systems

During the year there have been no changes in the main features of the fund's risk management systems, which have been outlined in the Notes to the financial statements.

#### Liquidity management

There have been no changes to the arrangements for managing the liquidity of the fund during the year and none of the fund's assets are subject to special arrangements arising from their illiquid nature.

#### Remuneration policy

The Authorised Fund Manager (AFM), Henderson Investment Funds Limited (HIFL), is authorised as an Alternative Investment Fund Manager (AIFM), and appointed as such, with effect from 22 July 2014.

The FCA's general guidance on the AIFMD remuneration Code (SYSC 19B) was published in January 2014. Under the Code, the Compensation Committee of Janus Henderson Group plc in its oversight of HIFL must make relevant remuneration disclosures no later than 6 months following the end of the relevant financial year, splitting remuneration into fixed and variable remuneration and breaking down remuneration for categories of AIFMD Code Staff which is defined as all staff whose professional activities have a material impact on the risk profiles of the AIFM or of the AIFs it manages.

The Compensation Committee approves the list of AIFMD Code Staff annually. In addition, identified AIFMD Code Staff are notified of their status and the associated implications annually.

Janus Henderson Multi-Manager Income & Growth Fund is managed by HIFL, which is a subsidiary of Janus Henderson Group plc.

The Compensation Committee of Janus Henderson Group plc has established a Remuneration Policy, one of the guiding principles of which is to ensure that the remuneration of its employees is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of each AIFM and the AIFs they manage. This policy applies to HIFL and Janus Henderson Multi-Manager Income & Growth Fund.



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

### Remuneration policy (continued)

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

	Headcount (1)	Total Remuneration (£000s) (2,3)
<b>Janus Henderson Multi-Manager Income &amp; Growth Fund</b>	<b>1,943</b>	<b>642</b>
<b>of which</b>		
Fixed Remuneration	1,943	276
Variable Remuneration	1,933	366
Carried Interest	n/a	-
<b>Janus Henderson Multi-Manager Income &amp; Growth Fund Remuneration Code Staff</b>	<b>176</b>	<b>594</b>
<b>of which</b>		
Senior Management (4)	27	41
Other Code Staff (5)	149	553

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



## Further information

### Unitholder 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 units please telephone at local rate: **0845 608 8703**

The following line is also available:

Client Services: **0800 832 832**

or you can contact us via e-mail at **[support@janushenderson.com](mailto:support@janushenderson.com)**

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



## Important Information

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

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

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