



ANNUAL REPORT & ACCOUNTS

For the year ended
30 June 2020

Janus Henderson
— INVESTORS —

Janus Henderson UK & Europe Funds

Who are Janus Henderson Investors?



* Source: Janus Henderson Investors. Staff and AUM data as at 30 June 2020. AUM data excludes Exchange-Traded Note ('ETN') assets.

Who we are

The notion of “connecting” is powerful – it has shaped our evolution and our world today. At Janus Henderson Investors ('Janus Henderson'), we seek to benefit clients through the connections we make.

Connections enable strong relationships with clients based on trust and insight as well as the flow of ideas among our investment teams and our engagement with companies, all of which allow us to make a positive difference. These connections are central to our values as a firm, to what active management stands for and to the outperformance we seek to deliver.

Our commitment to active management offers clients the opportunity to outperform passive strategies over the course of market cycles. Through times of both market calm and growing uncertainty, our managers apply their experience weighing risk versus reward potential – seeking to ensure clients are on the right side of change.

Why Janus Henderson Investors?

At Janus Henderson, we believe in linking our world-class investment teams and experienced global distribution professionals with our clients around the world.

Active because active matters

We selectively invest in what we believe are the most compelling opportunities. Our investment teams are free to form their own views and seek to actively position portfolios to connect clients with their financial goals.

Global strength to deliver local solutions

We offer true global reach with a presence in all major markets, combined with the responsiveness, tailored solutions and personal touch you would expect from a local partner.

Empowering clients through knowledge shared

We connect our clients with insights and knowledge that empower them to make better investment and business decisions.

Contents

Authorised Corporate Director's (ACD) report	Page 1
Director's statement	Page 2
Market review	Page 4
Statement of Authorised Corporate Director's (ACD) responsibilities	Page 6
Statement of Depositary's responsibilities and report of the Depositary to the shareholders of Janus Henderson UK & Europe Funds	Page 7
Independent Auditors' report to the shareholders of Janus Henderson UK & Europe Funds	Page 8
Aggregated notes to the financial statements	Page 10
Financial statements	
Janus Henderson Absolute Return Fixed Income Fund	Page 18
Janus Henderson All Stocks Credit Fund	Page 51
Janus Henderson European Smaller Companies Fund	Page 88
Janus Henderson Index Linked Bond Fund	Page 112
Janus Henderson Institutional Long Dated Credit Fund	Page 143
Janus Henderson Institutional Long Dated Gilt Fund	Page 175
Janus Henderson Institutional Short Duration Bond Fund	Page 205
Janus Henderson Institutional UK Gilt Fund	Page 230
Janus Henderson Preference & Bond Fund	Page 260
Janus Henderson Strategic Bond Fund	Page 297
Janus Henderson UK Equity Income & Growth Fund	Page 341
Janus Henderson UK Smaller Companies Fund	Page 372
Appendix - additional information (unaudited)	
Securities financing transactions	Page 393
Remuneration policy	Page 398
Further information	Page 401

Authorised Corporate Director's (ACD) report for the year ended 30 June 2020

We are pleased to present the Annual Report and Accounts for Janus Henderson UK & Europe Funds (the 'Company') for the year ended 30 June 2020.

Authorised status

The Company is an open-ended investment company (OEIC) with variable capital incorporated in England and Wales under registered number IC70 and authorised by the Financial Conduct Authority (FCA) with effect from 21 June 2000. It is an Undertakings for Collective Investment in Transferable Securities (UCITS) scheme structured as an umbrella company, comprising of twelve sub-funds ('funds') complying with chapter 5 of the Collective Investment Schemes Sourcebook (COLL). The operation of the Company is governed by the OEIC regulations, COLL, its Instrument of Incorporation and Prospectus.

The Company has an unlimited duration. Shareholders are not liable for the debts of the Company.

Segregation of assets

Each fund is treated as a separate entity and is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against that fund.

Brexit update

Janus Henderson Investors established a Brexit project following the 2016 referendum to look at all possible Brexit impacts including distribution, regulatory permissions and licences, Human Resources, Information Technology and Operations. Through this project, Janus Henderson Investors sought to minimise the potential impact on investors regardless of the end outcome of Brexit.

The project is actively involved in discussions with regulators, industry groups and clients to remain abreast of developments that may impact on our preparations.

The project team is supported by a number of law firms both in the UK and across multiple European countries.

We have a long history in both the UK and continental Europe, and the planned build out of our existing office in Luxembourg was completed in 2019. We are well placed to continue to support our clients globally after Brexit.

Value assessment

The board of Henderson Investment Funds Limited (HIFL) present the value assessment report for the period to 31 December 2019, made available on our website www.janushenderson.com. Access by this link (<https://www.janushenderson.com/en-gb/adviser/notice/value-assessment-report>).

Over the period 2015 to 2019, the UK's financial services regulator, the FCA, carried out a study of the asset management industry to understand how asset managers compete to deliver value to investors. The findings of this study have given rise to a range of FCA initiatives, one being for the Board of the ACD (the body responsible for an investment fund) in the UK to perform detailed assessments of whether funds are providing value to investors, and publish an annual statement summarising the outcome of this process, known as the value assessment.

The value assessment considers a minimum of seven criteria set by the FCA; while investment performance and quality of service are clearly important factors, costs and charges paid by investors are also key considerations. At Janus Henderson, ensuring value is delivered to investors has always been central to our process and therefore the value assessment is an extension to the existing ongoing monitoring processes that provide oversight of how the funds are managed on your behalf.

The report contains an overview of the process that Janus Henderson undertook to perform this assessment along with the conclusions.

COVID-19

An outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now been declared a pandemic by the World Health Organization. The impact of COVID-19 has now been highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a fund's investments. This may impact liquidity in the marketplace, which in turn may affect the fund's ability to meet redemption requests. Public health crises caused by the COVID-19 pandemic may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 pandemic and its effects cannot be determined with certainty, and could prevent a fund from executing advantageous investment decisions in a timely manner and negatively impact a fund's ability to achieve its investment objective.

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

Other information

The Janus Henderson Asset-Backed Securities Fund launched on 15 September 2020.

With effect from 5 May 2020 the investment objective and policy changed for all funds.

With effect from 25 October 2019 the Instrument of Incorporation and the Prospectus were amended to allow the investment manager more flexibility in the way it manages the following funds:

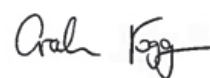
Janus Henderson Absolute Return Fixed Income Fund;
Janus Henderson Preference & Bond Fund; and
Janus Henderson Strategic Bond Fund.

The amendments allow the investment manager to invest over 35% of the scheme property of each fund in government and public securities (GAPS) issued by certain governments.

This amendment is not expected to have any impact on the risk profile of the funds or increase the costs payable by investors. The updated investment objectives can be found under the relevant sub-funds within the accounts.

Director's statement

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority. I hereby certify the investment reviews and financial statements on behalf of the Directors of Henderson Investment Funds Limited.



G Foggin
(Director)

19 October 2020

Authorised Corporate Director's report (continued)

Service providers

	Name	Address	Regulator
Authorised Corporate Director	Henderson Investment Funds Limited Member of the Investment Association The ultimate holding company is Janus Henderson Group plc	Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531 Dealing – 0845 608 8703 Enquiries – 0800 832 832	Authorised and regulated by the Financial Conduct Authority
Directors of the ACD	R Chaudhuri (from 17.03.20) A Crooke G Foggin G Fogo S Hillenbrand H J de Sausmarez P Shea* F Smith* R Thompson (to 31.12.19) * Independent		
Investment Manager	Henderson Global Investors Limited The ultimate holding company is Janus Henderson Group plc	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
Shareholder Administrator	SS&C Financial Services International Limited and SS&C Financial Services Europe Limited	SS&C House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
Depository	NatWest Trustee and Depository Services Limited The ultimate holding company is the Royal Bank of Scotland Group plc	250 Bishopsgate London EC2M 4AA	Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and by the Prudential Regulation Authority
Independent Auditors	PricewaterhouseCoopers LLP	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
Legal Adviser	Eversheds Sutherland (International) LLP	One Wood Street London EC2V 7WS	The Law Society

Global equity markets rose over the year to 30 June 2020, with the MSCI World Index increasing by 6.5% in sterling and 3.4% in US dollar terms. Geopolitics, the COVID-19 global pandemic and optimism about an economic recovery – tempered by concerns about a resurgence of infections – heavily influenced markets during the year.

In the UK, the FTSE All Share Index finished the year sharply lower, down by 13.0% in sterling terms. Shares ended 2019 strongly after the Conservative Party decisively won December's general election, which gave some clarity on Brexit. However, equities plummeted in February and March, coinciding with a wider slump in global markets, as COVID-19 spread and many countries went into lockdown. The crisis prompted major central banks, including the Bank of England, and governments around the world to announce huge amounts of fiscal and monetary support, which helped markets rebound. The rally in equities continued as the easing of lockdown restrictions boosted hopes of a global economic recovery, although recurring worries about a resurgence in infections limited the gains. The economic toll of the pandemic was dramatic. The UK's monthly GDP slumped by a record 20.4% in April while the economy shrank by 2.2% over the first quarter, which was the largest drop in more than 40 years. The number of people claiming unemployment benefit surged and had reached almost three million by mid-June.

European stocks, as measured by the FTSE World Europe ex UK Index, edged up by 0.6% in sterling terms, but were down by 1.6% in euro terms because of the relative strength of the pound. Markets made gains in 2019, helped by looser monetary policy from global central banks, optimism around US/China trade relations and the decline in Brexit worries. Stocks plunged as Europe became the centre of the pandemic in February and March. In response, the European Central Bank announced a huge emergency bond-buying programme totalling €1.35trn, while countries unveiled large financial support packages, which helped shares to recover. Plans for a €750bn European Union recovery fund supported the gains, although countries had yet to approve it by the end of June. The ease in lockdown restrictions further lifted sentiment. The pandemic pushed the eurozone economy into a record slump of 3.6% over the first quarter. The eurozone composite purchasing managers' index (PMI) rebounded from April's record low, which gave some encouragement to markets, although it remained in contractionary territory in June.

US equities, as measured by the S&P 500 Index, rose strongly, by 10.7% in sterling and 7.5% in US dollars. Shares plunged from record highs – which the major US indices repeatedly breached in 2019 and early 2020 – during the global sell-off in equities in February and March. Supportive monetary policy from the US Federal Reserve (Fed) and government economic aid, which totalled US\$3trn by the end of June, helped drive the rebound. The gains continued as lockdown restrictions were eased, with sentiment boosted further by a surprise rise in US employment in June. However, the Fed's gloomy assessment of the economy's prospects and a spike in COVID-19 infections in some US states pressured shares in the final weeks of the year. The pandemic, unsurprisingly, battered the economy – the US was by far the worst-affected country in terms of infections and deaths. US GDP contracted by an annualised 5% in January-March while new jobless claims soared.

In Japan, the TOPIX Index increased by 6.1% in sterling and 3.1% in yen terms as it benefited from the relative success of the government's efforts to contain the country's COVID-19 outbreak. Shares, which had made gains over the second half of 2019, slumped during the pandemic-led rout on global markets. Monetary policy easing by major central banks, including the Bank of Japan, combined with US\$2.2trn of government stimulus helped shares recover some of the lost ground. An ease in COVID-19 restrictions, which were relatively light compared with many other countries, further boosted sentiment. However, a rise in infections in Japan, and elsewhere in the world, unsettled markets towards the end of the year. The economy, which was struggling before the pandemic, fell into recession in the first quarter of 2020 as GDP shrank by 0.6% compared with the previous three months.

Asian equity markets, as measured by the MSCI AC Asia Pacific ex Japan Index, moved higher by 2.9% in sterling but were lower by just 0.1% in US dollar terms. Stocks tended to follow the rise and fall of US/China trade tensions in 2019. The spread of COVID-19 led to sharp losses before monetary and fiscal stimulus worldwide helped equities rebound. The Chinese market gained as the decline in infections allowed some parts of the economy to restart relatively quickly. However, an increase in tensions with the US in May – particularly over China's plans to impose a new security law in Hong Kong – and a rise in new COVID-19 cases in Beijing in June dampened sentiment. Equities rose very strongly in Taiwan, helped by the success of the government's COVID-19 containment efforts. The country, particularly its technology sector, is expected to benefit from the disruptions to supply chains caused by the pandemic and the US/China tensions, which boosted sentiment. Australian shares were lower, as the pandemic raised concerns about a recession. The country's GDP shrank 0.3% over the first quarter, which was the first contraction in nine years.

The MSCI Emerging Markets Index declined by 0.1% in sterling and by 3.0% in US dollar terms. The COVID-19-led slump in the first quarter hit developing economies particularly hard. In India, where markets were sharply lower over the year, the government imposed a strict lockdown with little warning and then started easing restrictions despite rising COVID-19 cases. The government's COVID-19 economic support plan also underwhelmed investors. Equities plunged in Brazil as the pandemic hurt an already fragile economy – the country had the second-highest COVID-19 death toll at the end of June. Political uncertainty, particularly over the leadership of President Jair Bolsonaro, added further pressure. Shares in Argentina plummeted as COVID-19 exacerbated an economic crisis and complicated government efforts to restructure US\$65bn of debt – the country technically defaulted on its repayments in May.

Market review (continued)

Within fixed income, the JPM Global Government Bond Index rose by 8.4% in sterling and by 5.2% in US dollar terms. US and the UK government bond yields fell sharply as COVID-19 and the equity market panic increased demand for 'safe haven' investments. US benchmark 10-year Treasury yields hit record lows in early March, while the UK government sold negative-yielding bonds for the first time in May, in an auction of three-year gilts. The pandemic prompted a surge in bond issuance from US investment-grade companies as they looked to bolster their balance sheets to get through the crisis and take advantage of low borrowing costs. The US high-yield market unexpectedly found support in April when the Fed said that it would buy lower-rated corporate debt – through exchange-traded funds – as part of its efforts to mitigate the effects of COVID-19.

In commodity markets, oil prices declined significantly as the pandemic caused a collapse in demand. US benchmark West Texas Intermediate briefly turned negative in April as supply hugely outstripped demand. An oil price war between Saudi Arabia and Russia exacerbated the slump in prices. The two countries and other major producers subsequently agreed a new deal to cut supply, which helped prices rebound. Gold prices were significantly higher as the precious metal benefited from geopolitical uncertainty in 2019 and turmoil caused by COVID-19 in 2020. Gold spot prices reached a near eight-year high of just over US\$1,780 per troy ounce on 30 June.

Statement of Authorised Corporate Director's (ACD) responsibilities for the year ended 30 June 2020

The FCA's COLL requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view, in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014, United Kingdom Generally Accepted Accounting Practice (UK GAAP) (United Kingdom Accounting Standards, comprising FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland), of the financial affairs of the Company and each of the sub-funds, and their revenue/expenditure for the year. In preparing the financial statements the ACD is required to:

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

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, Prospectus and the Regulations. The ACD is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Depositary's responsibilities and report of the Depositary to the shareholders of Janus Henderson UK & Europe Funds (the 'Company')

for the year ended 30 June 2020

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited
London
19 October 2020

Independent Auditors' report to the shareholders of Janus Henderson UK & Europe Funds

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Janus Henderson UK & Europe Funds (the 'Company'):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 June 2020 and of the net revenue and the net capital gains/(losses) on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Janus Henderson UK & Europe Funds is an Open Ended Investment Company ('OEIC') with twelve sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report & Accounts (the 'Annual Report'), which comprise: the balance sheets as at 30 June 2020; the statements of total return and the statements of changes in net assets attributable to shareholders 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's or any of the sub-funds' ability to continue as a going concern.

Reporting on other information

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

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

Authorised Corporate Director's Report

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

Independent Auditors' report to the shareholders of Janus Henderson UK & Europe Funds (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's (ACD) responsibilities set out on page 6, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

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

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
19 October 2020

1 Accounting policies

(a) Basis of preparation

The financial statements of Janus Henderson UK & Europe Funds (the 'Company') comprise the financial statements of each of the funds. They have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the SORP for UK Authorised Funds issued by the IMA in May 2014, the Financial Reporting Standard 102 (FRS 102), the FCA's COLL, the Company's Instrument of Incorporation and Prospectus.

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 working day of the accounting year (30 June 2020) in accordance with the provisions of the scheme particulars.

The ACD has assigned the responsibility to review and approve fair value pricing decisions on a regular basis to the Janus Henderson UK & EMEA Fair Value Pricing Committee. The Committee report to the Board of Directors on suspended, defaulted, delisted, unquoted or manually priced securities, taking into consideration where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

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.

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.

Secured loans are valued by the ACD taking into account latest dealing prices, broker quotes and valuations from Markit which is a reliable third party source that obtains multiple broker quotes.

Certificates of deposit are valued using a yield curve approach. The yield curve provides a graphical illustration of the relationship between redemption yields and instrument's maturity dates, and from this an appropriate market yield can be derived for the instrument which can in turn be used to calculate its fair value.

(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 and overseas REIT revenue are disclosed gross of any foreign tax suffered, the tax element being separately disclosed in the tax note.

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

Bank interest, deposit interest and interest from certificates of deposit are recognised on an accruals basis.

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

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

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

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the fund is required to take up all or some of the shares underwritten in which case an appropriate proportion of the commission received are deducted from the cost of the relevant shares.

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

Revenue derived from the gains/losses on hedged class forward currency contracts is allocated to both the capital and revenue of the share class based upon the prior day capital/revenue split.

Aggregated notes to the financial statements (continued)

1 Accounting policies (continued)

(c) Revenue recognition (continued)

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

Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. The revenue forms part of any distribution.

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 ACD expenses)

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

Annual Management Charge (AMC)

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

The investment objective of Janus Henderson Preference & Bond Fund, Janus Henderson Strategic Bond Fund and Janus Henderson UK Equity Income & Growth Fund concentrates on the generation of income as a higher priority than capital growth. The ACD and Depositary have agreed that 100% of the AMC for these funds are to be taken to capital for the purpose of calculating the distribution, as permitted by the OEIC regulations and in accordance with the Prospectus. The distribution currently payable reflects this treatment together with any associated tax effect.

General Administration Charge

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

Allocation of revenue and expenses to multiple share classes

With the exception of the AMC, the GAC and revenue derived from the gains/losses on hedged class forward currency contracts, which are directly attributable to individual share classes, all revenue and expenses are allocated to share classes pro rata to the value of the net assets of the relevant share class on the day that the revenue or expense is incurred.

(e) Exchange rates

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

(f) Taxation

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

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

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

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

(g) Cash flow statement

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

Aggregated notes to the financial statements (continued)

1 Accounting policies (continued)

(h) Hedged share classes

The following hedged share classes are held by the funds:

- Class A EUR (hedged) accumulation and Class A USD (hedged) accumulation on Janus Henderson UK Equity Income & Growth Fund.

Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in those classes and sterling which is the base currency of the fund.

Any benefits or losses of the hedging transactions accrue to shareholders in that hedged share class only.

The currency transactions will not cause the Euro and US dollar hedged class shares to be leveraged. The value of the share class to be hedged will be made up of both capital and income elements and the ACD intends to hedge between 95-105% of the value of each hedged share class. Adjustments to any hedge to keep within this target range will only be made when the required adjustment is material. As such the Euro and US dollar hedged class shares will not be completely protected from all currency fluctuations.

(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.

Forward foreign currency contracts on hedged share classes

Open forward currency contracts on hedged share classes are shown in the Portfolio statement at fair value. The net gains/(losses) on forward currency contracts on hedged share classes are apportioned between Hedged income on forward currency contracts in the Revenue account and Forward currency contracts on hedged share classes in Net capital gains/(losses) on investments reflecting the income and capital elements of the hedged share classes.

Bond, Equity and Index future 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. 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.

Swaps

Open credit default swaps (CDS), credit default index swaps (CDX), inflation index swaps (IIS) and interest rate swaps (IRS) are shown in the Portfolio statement at fair value and the net capital gains/(losses) are reflected within Derivative securities in Net capital gains/(losses) on investments. Premiums receivable or payable on CDS, CDX and IIS and interest receivable or payable on IRS are included in the Revenue account on an accruals basis.

Options contracts

Options contracts are shown in the Portfolio statement at fair value and the net gains/(losses) are reflected within Derivative securities in Net capital gains/(losses) on investments. Premiums receivable or payable on options are included within Derivative contracts in Net capital gains/(losses) on investments.

(j) Dilution adjustment

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

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

2 Distribution Policy

The distribution policy of the funds is to distribute/accumulate all available revenue, after the deduction of expenses properly chargeable against revenue, subject to any expense which may currently be transferred to capital. Janus Henderson UK Smaller Companies Fund, Janus Henderson European Smaller Companies and Janus Henderson UK Equity Income & Growth Fund pay dividend distributions; all other funds pay interest distributions.

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

Marginal tax relief is not taken into account when determining the amount available for distribution on the funds.

For the purpose of calculating the distribution, interest on debt securities is computed on an effective yield basis, the same basis on which it is reflected in the financial statements with the exception of Janus Henderson Absolute Return Fixed Income Fund, Janus Henderson Preference & Bond and Janus Henderson Strategic Bond which are computed on a coupon basis, unless the effective yield calculation is higher than that calculated on a coupon basis.

For the purposes of calculating the distribution on Janus Henderson Index Linked Bond Fund, revenue is computed on an effective yield basis utilising the exemption set out in the Financial Conduct Authority's COLL 6.8.3 (for funds whose policy is to invest predominantly in index linked securities) to treat capital indexation as non-distributable.

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

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

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

- Janus Henderson UK Smaller Companies Fund
- Janus Henderson European Smaller Companies Fund

The following funds make quarterly distributions (30 November, last day of February, 31 May and 31 August) to shareholders:

- Janus Henderson Absolute Return Fixed Income Fund
- Janus Henderson All Stocks Credit Fund
- Janus Henderson Index Linked Bond Fund
- Janus Henderson Institutional Long Dated Credit Fund
- Janus Henderson Institutional Long Dated Gilt Fund
- Janus Henderson Institutional Short Duration Bond Fund
- Janus Henderson Institutional UK Gilt Fund
- Janus Henderson Institutional Preference & Bond Fund
- Janus Henderson Strategic Bond Fund
- Janus Henderson UK Equity Income & Growth Fund

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

Equalisation

Income equalisation currently applies to all funds except Janus Henderson European Smaller Companies Fund and Janus Henderson UK Smaller Companies Fund.

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

3 Risk

In pursuing their investment objectives the funds hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors arising from the funds' operations. Derivative instruments may be used in all funds for the purposes of hedging and, in the bond funds may also be used for meeting the investment objectives of the funds, including risk reduction and implementation of investment policies.

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

Aggregated notes to the financial statements (continued)

3 Risk (continued)

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

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

- Charles River system's Compliance module for investment restrictions monitoring;
- Nasdaq 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 developed system, the Janus Henderson Derivatives Risk and Compliance database.

(a) Market risk

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

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

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. Some of the more common risks associated with emerging markets investments include: fraudulent securities; lack of liquidity; currency fluctuations; settlement and custody risks; investment and remittance restrictions; and accounting requirements.

Investing in smaller companies means investing in transferable securities which may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies.

The funds may use derivatives instruments for hedging purposes. This should not lead to an increase in risk to a fund. In adverse situations, however a fund's use of derivatives may become ineffective in hedging or efficient portfolio management and a fund may suffer significant loss as a result. Derivatives, when used to implement an investment policy, may increase the volatility of a fund's share price although it is not intended that their use will otherwise cause its existing risk profile to change.

Fund's investing in secured loans are subject to risks such as lack of liquidity and custody risks.

The global exposure of the funds is calculated by using either the commitment approach or Value-at-Risk (VaR) approach by reference to their risk profile.

VaR is a mathematical statistical concept and is commonly used as a standard measure of risk in the financial sector. For each fund the maximum potential loss that it could suffer in normal market conditions within a given time horizon and a certain degree of confidence is estimated. In these calculations all positions in the relevant investment portfolio are taken into consideration including those undertaken for efficient portfolio management purposes. VaR is calculated daily using a Monte Carlo simulation approach; as a control mechanism, Monte Carlo results are compared to the parametric model for validation purposes within the daily monitoring process. The following parameters are applied as a minimum: a one-tailed 99% confidence interval, a holding period equivalent to one month (20 business days), effective observation period (history) of risk factors of at least 1 year (250 business days), quarterly data set updates and daily calculation.

For those funds using the VaR approach to calculate global exposure and for which it is not appropriate to determine a reference portfolio absolute monthly VaR is not to exceed a regulatory maximum limit of 20%. For funds which have a suitable reference portfolio, the regulatory limit is that the VaR of the total portfolio's positions shall not be greater than twice the VaR of the portfolio's reference portfolio.

The level of leverage arising from the use of derivative instruments is disclosed in the individual funds' accounts as a percentage of the relevant fund's total Net Asset Value. The calculation is based on the sum of notional exposures of financial derivative instruments in the investment portfolio including those held for risk reduction purposes. Please note this level of leverage is explicitly not an investment limit for the fund and will vary over time under differing market conditions to ensure that each fund meet its investment objective.

Aggregated notes to the financial statements (continued)

3 Risk (continued)

(a) Market risk (continued)

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

Currency risk

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

A proportion of a fund's assets and income may be denominated in currencies other than sterling (the funds' functional currency and the one in which financial statements are reported). As a result, movements in exchange rates may affect the sterling value of those items so a fund's total return and balance sheet can be significantly affected by currency fluctuations.

The Investment Manager may seek to manage exposure to currency movements by using hedging transactions in line with each fund's investment objective, powers and limits, though this will not eliminate the fund's currency risk.

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

Hedged share classes

Hedged share classes exist in the Janus Henderson UK Equity Income & Growth Fund.

Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in such classes and sterling which is the base currency of the funds.

Any benefits or losses of the hedging transactions accrue to shareholders in that hedged share class only. The ACD will review the relevant hedging positions on a regular basis and, if considered appropriate, make adjustments to correct the allocations across share classes.

The currency transactions will not cause the hedged class to be leveraged. The value of the share class to be hedged will be made up of both capital and income elements and the ACD intends to hedge between 95-105% of the value of each hedged share class. Adjustments to any hedge to keep within this target range will only be made when the required adjustment is material. As such the hedged class shares will not be completely protected from all currency fluctuations.

Where such hedging is undertaken it may substantially protect investors in the relevant class against a decrease in the value of sterling relative to the US Dollar or Euro but it may also preclude investors from benefiting from an increase in the value of sterling.

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 funds invest in debt securities including secured loans and sub-investment grade bonds. The accumulation and disposal of holdings may be more expensive, time consuming and generally more difficult than in more developed markets. As regards security, there is the possibility of the invalidation of an investment as a fraudulent conveyance under relevant creditors' rights laws. Where sub-participations are used to gain exposure there is the additional credit and bankruptcy risk of the direct participant and its failure to account for monies received. A fund does not generally have the right to force compliance by the obligor with the terms of the applicable debt agreements nor directly benefit from the supporting collateral for the debt in respect of which it has purchased a sub-participation. Secured loans will be registered in the name of the fund who will therefore be the legal owner and benefit from the indemnities and covenants under the loan documentation. The associated risk of the loans not being held in the name of the custodian are failure to acquire proper title and improper disposal. The Investment Manager has no control over the activities of any company which has entered into a secured loan invested in by the funds.

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

From time to time Janus Henderson Absolute Return Fixed Income Fund, Janus Henderson All Stocks Credit Fund, Janus Henderson Institutional Long Dated Credit Fund, Janus Henderson Preference & Bond Fund and Janus Henderson Strategic Bond Fund may hold sub-investment grade bonds. Such bonds have a lower credit rating than investment grade bonds and carry a higher degree of risk.

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

3 Risk (continued)

(a) Market risk (continued)

Other market price risk

Other market price risk is the risk that the value of the funds' investments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. The risk arises mainly from uncertainty about future prices of financial instruments the funds might hold. It represents the potential loss the funds might suffer through holding market positions in the face of price movements.

The funds' investment portfolios are exposed to market price fluctuations, which are monitored by the ACD in pursuance of the investment objectives and policies.

An outbreak of an infectious respiratory illness known as COVID-19 was first detected in China in December 2019 and has now been declared a pandemic by the World Health Organization. Due to this outbreak, market volatility in all major asset classes has increased substantially, which has led to an increase in volatility of fund valuations. There can be an increase in a wide range of impacts on the fund from COVID-19, as with all stressed market events, which might include: a reduction in revenues, a reduction in net asset value due to market fluctuations, and financial and non-financial covenant defaults.

In response to the COVID-19 pandemic, the Financial Reporting Council (FRC) has issued guidance to companies to ensure that they maintain sufficient capital reserves, which in some circumstances could result in cancelled dividend payments already announced to the market. In order to assess and mitigate the risk of not receiving income accrued at the end of the year, procedures are in place to monitor the effect of any cancelled dividends and to make suitable provisions when calculating the amount available for distribution.

(b) Credit and counterparty risk

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

In order to manage credit risk each fund is subject to investment limits for issuers of securities (including secured loans) as outlined in the Prospectus. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the funds may only buy and sell investments through brokers which have been approved by the ACD as acceptable counterparties and limits are set and monitored to cover the exposure to any individual broker. Changes in brokers financial ratings are periodically reviewed by the Janus Henderson Counterparty Risk Committee along with set limits and new counterparty approval.

The funds' assets that are held with the banks could be exposed to credit and counterparty risk. The banks used by the funds and ACD are subject to regular reviews. Only counterparties that have been approved by the Janus Henderson Counterparty Risk Committee are used for derivative transactions. The continuing creditworthiness of counterparties is monitored on a daily basis.

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

Whilst COVID-19 has affected counterparties used by Janus Henderson, the risk controls and procedures in place help to mitigate the risk caused by the pandemic. There have been additional controls put in place to protect against the risk of not receiving income that has been accrued, to make appropriate provisions in calculating the amount available for distribution, and also to consider the risk of pricing errors. The risk framework is regularly monitored and reviewed to ensure the controls and procedures are adequate to protect against credit and counterparty risk.

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

(c) Operational risk

Failure of Janus Henderson systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets. Janus Henderson have a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption or major disaster.

COVID-19 has the potential to affect the daily operations of the Manager and other service providers. Supply chain risk is now considered to be one of the highest risks facing asset management firms. Janus Henderson's current service providers have demonstrated that they have robust business continuity plans in place which have not adversely affected their service, which is further supported by regular updates on business process controls from both internal and external suppliers.

Aggregated notes to the financial statements (continued)

3 Risk (continued)

(d) Liquidity risk

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

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

Funds investing in smaller companies invest in transferable securities which may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading.

Some funds invest in secured loans for which there may be a lack of liquidity, whereby the accumulation and disposal of holdings may be more expensive, time-consuming and generally more difficult than in more developed markets.

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

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

Market volatility in all major asset classes has increased substantially which has led to an increase in fund volatilities and reduced liquidity. Even though market liquidity has been more challenging during this stressed period in certain markets, we have not had any issues meeting redemptions for the funds and believe that the funds will be able to handle typical redemption patterns going forward.

(e) Brexit Risk

On 31 January 2020, the United Kingdom formally left the EU ('Brexit'). Under the terms of the withdrawal agreement concluded between the United Kingdom and the EU, a transition period will run until 31 December 2020, during which time the United Kingdom will continue to benefit from and be bound by many EU laws.

The terms of the United Kingdom's future relationship with the EU are uncertain and will depend on how the United Kingdom and the EU re-negotiate their relationship following Brexit. Given this, it is difficult to predict how the United Kingdom's withdrawal from the EU will be implemented and what the implications will be for the asset management industry and the broader European and global financial markets more generally.

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 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.

4 Cross holdings 2020

		Holding Fund	
		Janus Henderson Institutional Long Dated Credit Fund	
		Number of Shares	Market Value £000
Investor Fund	Janus Henderson Index Linked Bond Fund	1,746,436	5,174
Investor Fund	Janus Henderson Institutional Long Dated Gilt Fund	567,210	1,681

		Holding Fund	
		Janus Henderson All Stocks Credit Fund	
		Number of Shares	Market Value £000
Investor Fund	Janus Henderson Institutional UK Gilt Fund	1,257,368	3,417

2019

As at 30 June 2019 there were no sub-fund cross holdings within the Janus Henderson UK & Europe Funds.

Janus Henderson Absolute Return Fixed Income Fund

Authorised Corporate Director's report

Investment Fund Managers

Nick Maroutsos, Daniel Siluk, Jason England, Tim Winstone

Investment objective and policy

The fund aims to provide a positive (absolute) return regardless of market conditions, over any 12 month period. A positive return is not guaranteed over this or any other time period, and particularly over the shorter term the fund may experience periods of negative returns. Consequently your capital is at risk.

Performance target: To outperform the ICE Bank of America ML 3 month Sterling Government Bill Index by at least 2% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in a global portfolio of bonds of any quality, including high yield (non-investment grade) bonds and asset-backed and mortgage-backed securities, issued by governments or companies. The fund may invest directly or via derivatives (complex financial instruments).

In certain market conditions, the fund may invest more than 35% of its assets in government bonds issued by any one body. The fund will not invest more than 15% of its assets in high yield (non-investment grade) bonds and will never invest in bonds rated lower than B- or B3 (credit agency ratings), or if unrated deemed to be of a comparable quality by the investment manager. The investment manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the fund's objective, to reduce risk, to manage the fund more efficiently, or to generate additional capital or income for the fund.

The fund is actively managed with reference to the ICE Bank of America ML 3 month Sterling Government Bill Index as this forms the basis of the fund's performance target. The investment manager has a high degree of freedom to choose individual investments for the fund.

Performance summary

	First published data	
	30 Jun 19 - 30 Jun 20	25 Feb 19* - 30 Jun 19
	%	%
Class I accumulation (Net)	2.8	1.2
ICE Bank of America ML 3 month Sterling Government Bill Index	0.7	0.3
Class I accumulation (Gross)	3.3	1.4
ICE Bank of America ML 3 month Sterling Government Bill Index + 2%	2.7	0.9

Please note that the performance target is to be achieved over a specific annualised time period. Refer to the performance target section above within the investment objective.

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 12 noon valuation point.

Benchmark values are at close of business.

* Inception date.

Class I accumulation is disclosed as it is the representative share class.

Benchmark Usage

Index: ICE Bank of America ML 3 month Sterling Government Bill Index

Index usage: Target

Index description: The Bank of America Merrill Lynch 3 month Sterling Government Bill Index is an unmanaged index that is comprised of a single UK Gilt issue with approximately three months to final maturity. It is the basis for the fund's performance target.

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.

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 30 June 2020

Largest purchases	£000	Largest sales/maturities	£000
US Treasury 0.00% 23/07/2020	13,757	US Treasury 0.00% 28/04/2020	13,699
US Treasury 0.00% 18/08/2020	13,711	US Treasury 0.00% 31/03/2020	13,696
US Treasury 0.00% 31/03/2020	13,274	US Treasury 0.00% 26/05/2020	12,200
US Treasury 0.00% 28/04/2020	13,266	US Treasury 0.00% 25/06/2020	8,033
US Treasury 0.00% 26/05/2020	12,229	Energy Transfer 0.00% 30/06/2020	1,141
US Treasury 0.00% 25/06/2020	8,183	Smithfield Foods 0.00% 24/03/2020	870
US Treasury 0.00% 10/01/2020	8,114	Boston Scientific 0.00% 24/03/2020	870
Australia and New Zealand Banking 2.95% 22/07/2030	1,367	Huntington 0.00% 24/03/2020	870
Wells Fargo 2.188% 30/04/2026	1,255	ONEOK 0.00% 23/03/2020	852
National Australia Bank FRN 22/05/2022	1,167	UnitedHealth 0.00% 27/03/2020	850
Total purchases	174,495	Total sales/maturities	97,280

Investment review

The fund returned 3.3% based on Class I accumulation (Gross) over the year under review, compared with a return of 2.7% in the ICE Bank of America ML 3 month Sterling Government Bill Index + 2%.

Financial market returns over the year were heavily impacted by the spread of COVID-19 in the first quarter of 2020. The pandemic resulted in governments imposing varying degrees of shutdown, which caused a rapid decline in economic activity and significant uncertainty in financial markets. This was followed by a swift policy response, with central banks cutting interest rates to near zero, expanding their quantitative easing asset purchases and governments announcing huge fiscal spending programmes.

Government bond yields fell sharply (prices rose), reflecting demand for safety and central banks globally cutting interest rates to the lower bound. In the flight to quality, the yield on the US benchmark 10-year Treasury note reached a record low of 0.31% in intraday trading in March, compared with the high of 2.00% at the start of the year. Corporate bonds and riskier asset classes had a very strong end to 2019, with credit spreads reaching their tightest levels for a decade. However, this was unwound in 2020, with double-digit falls in high-yield credit and emerging market asset prices during March. Uncertainty dominated as investors scrambled to reduce risk amid the economic crisis caused by the COVID-19 pandemic. While the pace of the sell-off in credit in March was unprecedented, the rally was just as spectacular as huge stimulus measures from central banks and governments around the globe led to a recovery in sentiment. In addition, virus data in many regions peaked, allowing economies to begin to reopen.

The fund is invested in a core of shorter-maturity global investment-grade bonds alongside a smaller number of derivatives-based strategies that seek to add incremental return and mitigate risk.

We maintained a higher interest rate duration position than average, concentrated in the US and, to a lesser extent, Australia. This was increased in early 2020, and as central banks cut interest rates to the lower bound in March, the fund was able to benefit from this, as high-quality bond prices rise as yields fall. Since then, we have reduced interest rate duration to around 1.2 years because we felt that the scope for further capital appreciation was more limited. However, we also expect government bond yields to be rangebound at the shorter maturity end of the curve, with rates on hold for the foreseeable future.

Coupon income from the fund's core holdings of cash-based, shorter-duration, corporate credit, with a focus on issuers in the US, Asia excluding Japan and Australia, aided returns. We entered 2020 with the fund relatively conservatively positioned from a credit perspective. Despite increasing the credit quality of our holdings, and maintaining duration within a range we deemed appropriate, any portfolio with exposure to credit assets could not fully escape the speed of March's sell-off, aggravated by market illiquidity. However, this has provided an opportunity to selectively add to credit exposures, which we did primarily through new issuance opportunities in US dollar-denominated bonds. We believed the actions of the US Federal Reserve would be very supportive for the 1-5-year part of the curve, helping to drive spreads tighter and volatility lower.

Detractors from performance over the year were primarily risk-mitigating trades towards US interest rates in the fourth quarter of 2019, and more recently small currency positions, where the fund was positioned long the US dollar versus the euro and Australian dollar. This detracted from performance as risk appetite bounced amid the strong market recovery in the final quarter of the reporting year.

The fund utilised derivatives. During the year, derivative positions included using forward foreign exchange contracts for hedging the currency risk of Australian dollar and US dollar-denominated securities back to sterling, bond futures and options on US Treasury futures for managing interest rate exposure, and the use of index credit default swaps to manage credit risk exposure.

Our concern over longer-term growth, corporate profitability and the lingering effects of the global shutdown cause us to continue with more conservative positioning. We remain concerned over further market turmoil and will maintain conservative risk exposure. We will await further information before materially increasing risk positions.

While we remain biased for lower short-term rates, they have already been priced in and we have little conviction in overall direction of interest rates or equities. While market talk of negative US rates is premature, low short-term rates are a given for the next 12-18 months. We are not believers in the consensus view for a steeper yield curve as massive deficits fuel record US Treasury bond issuance. Lessons from Japan and Europe demonstrate longer-term deflation risks combined with central bank purchases override supply concerns.

Bond market liquidity has continued to improve. We remain 100% investment grade, biased towards shorter-dated (less than five-year) issues, and with a continued avoidance of more volatile or higher beta sectors (such as commodity, energy, gaming, tourism and airlines) as well as the worst-affected regions. For the coming period, our main goal will remain protecting the fund from a further sell-off in risk assets and corporate bond spreads.

Comparative tables for the year ended 30 June 2020

	Class G accumulation	
	2020	27/06/19 - 30/06/19
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	99.96	100.00 ¹
Return before operating charges*	3.01	(0.04)
Operating charges	(0.44)	-
Return after operating charges*	2.57	(0.04)
Distributions on accumulation shares	(1.05)	(0.04)
Retained distributions on accumulation shares	1.05	0.04
Closing net asset value per share	102.53	99.96
* after direct transaction costs of:	-	-
Performance		
Return after charges	2.57%	(0.04%)
Other information		
Closing net asset value (£000s)	1	1
Closing number of shares	500	500
Operating charges	0.44%	0.43%
Direct transaction costs	0.00%	0.00%
Prices		
Highest share price (pence)	102.57	100.03
Lowest share price (pence)	100.03	100.00

¹ Class G accumulation launched on 27 June 2019 and this is the first published price.

	Class G income	
	2020	27/06/19 - 30/06/19
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	99.92	100.00 ²
Return before operating charges*	3.03	(0.04)
Operating charges	(0.44)	-
Return after operating charges*	2.59	(0.04)
Distributions on income shares	(1.01)	(0.04)
Closing net asset value per share	101.50	99.92
* after direct transaction costs of:	-	-
Performance		
Return after charges	2.59%	(0.04%)
Other information		
Closing net asset value (£000s)	1	1
Closing number of shares	500	500
Operating charges	0.44%	0.43%
Direct transaction costs	0.00%	0.00%
Prices		
Highest share price (pence)	101.56	100.03
Lowest share price (pence)	99.55	100.00

² Class G income launched on 27 June 2019 and this is the first published price.

Comparative tables (continued)

	Class I accumulation	
	2020	25/02/19 - 30/06/19
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	101.15	100.00 ³
Return before operating charges*	3.39	1.34
Operating charges	(0.57)	(0.19)
Return after operating charges*	2.82	1.15
Distributions on accumulation shares	(1.29)	(0.77)
Retained distributions on accumulation shares	1.29	0.77
Closing net asset value per share	103.97	101.15
* after direct transaction costs of:	-	-
Performance		
Return after charges	2.79%	1.15%
Other information		
Closing net asset value (£000s)	3,775	2,529
Closing number of shares	3,630,672	2,500,499
Operating charges	0.56%	0.56%
Direct transaction costs	0.00%	0.00%
Prices		
Highest share price (pence)	104.01	101.25
Lowest share price (pence)	101.23	99.96

³ The fund launched on 25 February 2019 and this is the first published price.

	Class I income	
	2020	25/02/19 - 30/06/19
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	100.38	100.00 ⁴
Return before operating charges*	3.34	1.34
Operating charges	(0.56)	(0.19)
Return after operating charges*	2.78	1.15
Distributions on income shares	(1.26)	(0.77)
Closing net asset value per share	101.90	100.38
* after direct transaction costs of:	-	-
Performance		
Return after charges	2.77%	1.15%
Other information		
Closing net asset value (£000s)	3,474	2,510
Closing number of shares	3,409,965	2,500,499
Operating charges	0.56%	0.56%
Direct transaction costs	0.00%	0.00%
Prices		
Highest share price (pence)	102.02	101.11
Lowest share price (pence)	100.02	99.96

⁴ The fund launched on 25 February 2019 and this is the first published price.

Comparative tables (continued)

Class S accumulation 09/12/19 - 30/06/20 (pence per share)

Change in net assets per share

Opening net asset value per share	100.00 ⁵
Return before operating charges*	2.64
Operating charges	(0.14)
Return after operating charges*	2.50
Distributions on accumulation shares	(0.83)
Retained distributions on accumulation shares	0.83
Closing net asset value per share	102.50
* after direct transaction costs of:	-

Performance

Return after charges	2.50%
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Other information

Closing net asset value (£000s)	26,123
Closing number of shares	25,486,071
Operating charges	0.26%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	102.53
Lowest share price (pence)	99.95

⁵ Class S accumulation launched on 9 December 2019 and this is the first published price.

Class S income 20/02/20 - 30/06/20 (pence per share)

Change in net assets per share

Opening net asset value per share	100.00 ⁶
Return before operating charges*	1.59
Operating charges	(0.09)
Return after operating charges*	1.50
Distributions on income shares	(0.33)
Closing net asset value per share	101.17
* after direct transaction costs of:	-

Performance

Return after charges	1.50%
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Other information

Closing net asset value (£000s)	58,589
Closing number of shares	57,913,611
Operating charges	0.26%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	101.35
Lowest share price (pence)	99.68

⁶ Class S income launched on 20 February 2020 and this is the first published price.

Comparative tables (continued)

	Class Z accumulation	
	2020	25/02/19 - 30/06/19
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	101.32	100.00 ⁷
Return before operating charges*	3.42	1.34
Operating charges	(0.06)	(0.02)
Return after operating charges*	3.36	1.32
Distributions on accumulation shares	(1.80)	(0.94)
Retained distributions on accumulation shares	1.80	0.94
Closing net asset value per share	104.68	101.32
* after direct transaction costs of:	-	-
Performance		
Return after charges	3.32%	1.32%
Other information		
Closing net asset value (£000s)	14,237	2,533
Closing number of shares	13,600,962	2,500,499
Operating charges	0.06%	0.06%
Direct transaction costs	0.00%	0.00%
Prices		
Highest share price (pence)	104.71	101.41
Lowest share price (pence)	101.41	99.97

⁷ The fund launched on 25 February 2019 and this is the first published price.

	Class Z income	
	2020	25/02/19 - 30/06/19
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	100.38	100.00 ⁸
Return before operating charges*	3.35	1.34
Operating charges	(0.06)	(0.02)
Return after operating charges*	3.29	1.32
Distributions on income shares	(1.77)	(0.94)
Closing net asset value per share	101.90	100.38
* after direct transaction costs of:	-	-
Performance		
Return after charges	3.28%	1.32%
Other information		
Closing net asset value (£000s)	2,548	2,510
Closing number of shares	2,500,499	2,500,499
Operating charges	0.06%	0.06%
Direct transaction costs	0.00%	0.00%
Prices		
Highest share price (pence)	102.14	101.23
Lowest share price (pence)	100.02	99.97

⁸ The fund launched on 25 February 2019 and this is the first published price.

Comparative tables (continued)

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

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

Operating charges

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

Share class launches and closures

The following share classes launched in the year:

Share class	Launch date
Class S accumulation	9 December 2019
Class S income	20 February 2020

There were no share classes closed in the year.

Ongoing charge figure

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

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class G	0.44 ²	0.43	0.44
Class I	0.56 ³	0.56	0.57
Class S⁴	0.26 ²	n/a	0.27
Class Z	0.06 ²	0.06	0.06

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

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 30 June 2020.

² The GAC on Class G, Class S and Class Z increased from 0.023% to 0.03% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

³ The GAC on Class I increased from 0.075% to 0.09% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

⁴ Class S accumulation launched on 9 December 2019 and Class S income launched on 20 February 2020 so there are no prior year comparatives.

Risk and reward profile

The fund currently has 8 types of share class in issue; G accumulation, G income, I accumulation, I income, S accumulation, S income, Z accumulation and Z income.

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



The share classes appear at 2 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class I accumulation, Class I income, Class Z accumulation and Class Z income launched on 25 February 2019, Class G accumulation and Class G income launched on 27 June 2019, Class S accumulation launched on 9 December 2019 and Class S income launched on 20 February 2020. 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 30 June 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 43.45% (2019: 94.11%)		
	Australia 12.85% (2019: 27.93%)		
	Fixed Rate Bond 4.56% (2019: 9.65%)		
AUD 100,000	AGL Energy 5.00% 05/11/2021	57	0.05
AUD 120,000	Ausgrid Finance 3.75% 30/10/2024	72	0.07
USD 310,000	Ausgrid Finance 3.85% 01/05/2023	264	0.24
AUD 240,000	AusNet Services 2.60% 31/07/2029	137	0.13
AUD 500,000	AusNet Services 7.50% 01/04/2021	292	0.27
USD 1,700,000	Australia and New Zealand Banking 2.95% 22/07/2030	1,403	1.30
AUD 100,000	Australian Gas Networks (Vic 3) 4.50% 17/12/2021	58	0.05
AUD 100,000	Brisbane Airport 6.00% 21/10/2020	56	0.05
AUD 150,000	ConnectEast Finance 3.40% 25/03/2026	88	0.08
AUD 430,000	Network Finance 2.25% 11/11/2026	243	0.22
AUD 500,000	Optus Finance 1.60% 01/07/2025	278	0.26
AUD 140,000	Perth Airport 5.50% 25/03/2021	80	0.07
AUD 860,000	QPH Finance 5.75% 29/07/2020	481	0.44
AUD 80,000	SCA Property 3.75% 20/04/2021	45	0.04
AUD 200,000	Scentre Management 4.50% 08/09/2021	115	0.11
AUD 600,000	SGSP Australia Assets 3.75% 28/06/2023	358	0.33
USD 270,000	Suncorp-Metway 3.30% 15/04/2024	230	0.21
USD 560,000	Sydney Airport Finance 3.625% 28/04/2026	475	0.44
USD 130,000	Telstra 4.80% 12/10/2021	110	0.10
AUD 200,000	United Energy Distribution 2.20% 29/10/2026	114	0.10
		<hr/> 4,956	<hr/> 4.56
	Floating Rate Note 7.76% (2019: 16.23%)		
AUD 940,000	AAI FRN 18/11/2040	526	0.48
AUD 250,000	Ausgrid Finance FRN 30/10/2024	139	0.13
AUD 650,000	Australia and New Zealand Banking FRN 06/12/2023	368	0.34
AUD 600,000	Australia and New Zealand Banking FRN 26/07/2029	331	0.30
AUD 200,000	Bank of Queensland FRN 01/05/2020	109	0.10
AUD 500,000	Bank of Queensland FRN 10/05/2026	282	0.26
AUD 450,000	Bank of Queensland FRN 30/10/2024	251	0.23
AUD 200,000	Bendigo & Adelaide Bank FRN 09/12/2026	113	0.10
AUD 240,000	Bendigo and Adelaide Bank FRN 18/08/2020	134	0.12
AUD 80,000	Challenger Life Company FRN 24/11/2020	44	0.04
AUD 500,000	Commonwealth Bank of Australia FRN 03/06/2026	282	0.26
USD 150,000	Commonwealth Bank of Australia FRN 04/06/2024	123	0.11
AUD 1,000,000	Commonwealth Bank of Australia FRN 11/01/2020	568	0.53
AUD 100,000	ETSA Utilities Finance FRN 13/12/2023	55	0.05
AUD 160,000	Heritage Bank FRN 12/08/2022	89	0.08
AUD 600,000	La Trobe Financial Capital Markets FRN 11/02/2051 2A1L	333	0.31
AUD 500,000	La Trobe Financial Capital Markets FRN 11/02/2051 2A2L	274	0.25
AUD 500,000	Latitude Australia Personal Loans FRN 17/06/2028 1AL	278	0.26
AUD 100,000	Liberty Financial FRN 07/03/2022	55	0.05
AUD 144,400	Liberty Funding FRN 10/04/2049	80	0.07
AUD 500,000	Liberty Funding FRN 10/06/2051	277	0.25
AUD 200,000	Members Equity Bank FRN 18/07/2022	112	0.10
USD 330,000	National Australia Bank FRN 12/04/2023	268	0.25
AUD 200,000	National Australia Bank FRN 17/05/2029	111	0.10
AUD 700,000	National Australia Bank FRN 18/11/2031	382	0.35

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Floating Rate Note (continued)		
USD 1,500,000	National Australia Bank FRN 22/05/2022	1,223	1.13
AUD 125,639	Pepper Residential Securities Trust FRN 12/08/2058	70	0.06
AUD 110,000	Vicinity Centres FRN 27/06/2025	59	0.05
AUD 1,400,000	Westpac Banking FRN 10/03/2026	787	0.73
AUD 800,000	Westpac Banking FRN 16/11/2023	452	0.42
AUD 500,000	Westpac Banking FRN 27/08/2029	276	0.25
		<u>8,451</u>	<u>7.76</u>
	Variable Rate Bond 0.53% (2019: 2.05%)		
USD 430,000	Commonwealth Bank of Australia 3.375% 20/10/2026	353	0.33
USD 260,000	Macquarie 3.189% 28/11/2023	219	0.20
		<u>572</u>	<u>0.53</u>
	Canada 2.71% (2019: 5.14%)		
	Fixed Rate Bond 1.44% (2019: 2.08%)		
USD 700,000	Bank of Montreal 1.85% 01/05/2025	587	0.54
USD 900,000	Bank of Nova Scotia 1.30% 11/06/2025	732	0.66
GBP 200,000	Royal Bank of Canada 1.125% 15/12/2025	200	0.18
USD 70,000	Royal Bank of Canada 2.55% 16/07/2024	60	0.06
		<u>1,579</u>	<u>1.44</u>
	Floating Rate Note 1.17% (2019: 3.06%)		
USD 300,000	Bank of Montreal FRN 27/08/2021	245	0.22
USD 320,000	Bank of Nova Scotia FRN 25/01/2021	260	0.24
AUD 1,000,000	Canadian Imperial Bank of Commerce FRN 09/06/2023	558	0.51
USD 130,000	Canadian Imperial Bank of Commerce FRN 16/06/2020	106	0.10
USD 130,000	Toronto-Dominion Bank FRN 19/07/2020	105	0.10
		<u>1,274</u>	<u>1.17</u>
	Stepped Rate Bond 0.10% (2019: 0.00%)		
USD 130,000	Toronto-Dominion Bank FRN 27/01/2023	105	0.10
	Cayman Islands 0.16% (2019: 1.60%)		
	Fixed Rate Bond 0.16% (2019: 1.60%)		
USD 200,000	CK Hutchison International (19) 3.25% 11/04/2024	172	0.16
	China 1.30% (2019: 5.52%)		
	Fixed Rate Bond 0.63% (2019: 0.00%)		
USD 400,000	CNOOC Finance (2013) 3.00% 09/05/2023	338	0.31
USD 400,000	Sinopec Group Overseas Development 2018 3.75% 12/09/2023	347	0.32
		<u>685</u>	<u>0.63</u>
	Floating Rate Note 0.67% (2019: 5.52%)		
AUD 500,000	Agricultural Bank of China FRN 26/09/2022	276	0.25
USD 200,000	Bank of China FRN 07/06/2023	162	0.15
USD 200,000	ICBCIL Finance FRN 15/05/2023	160	0.15
AUD 240,000	Industrial & Commercial Bank of China FRN 29/03/2022	134	0.12
		<u>732</u>	<u>0.67</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Finland 0.38% (2019: 0.00%)		
	Fixed Rate Bond 0.38% (2019: 0.00%)		
USD 500,000	Nordea Bank 1.00% 09/06/2023	409	0.38
	Germany 1.10% (2019: 3.29%)		
	Fixed Rate Bond 0.95% (2019: 1.73%)		
GBP 170,000	BMW International Investment 1.25% 11/07/2022	171	0.16
GBP 100,000	Daimler International Finance 2.00% 04/09/2023	101	0.09
GBP 100,000	Daimler International Finance 2.75% 04/12/2020	101	0.09
AUD 130,000	Volkswagen Financial Services 3.10% 17/04/2023	74	0.07
USD 700,000	Volkswagen of America 2.90% 13/05/2022	585	0.54
		1,032	0.95
	Floating Rate Note 0.15% (2019: 1.56%)		
USD 200,000	Volkswagen of America FRN 13/11/2020	162	0.15
	Hong Kong 0.16% (2019: 0.00%)		
	Fixed Rate Bond 0.16% (2019: 0.00%)		
USD 200,000	Hutchison Whampoa International 4.625% 13/01/2022	170	0.16
	Japan 1.37% (2019: 2.07%)		
	Fixed Rate Bond 0.00% (2019: 0.81%)		
	Floating Rate Note 1.37% (2019: 1.26%)		
AUD 250,000	Mitsubishi UFJ Financial FRN 01/10/2024	136	0.13
USD 200,000	Mizuho Financial FRN 11/09/2022	162	0.15
USD 200,000	Mizuho Financial FRN 16/07/2023	162	0.15
AUD 450,000	Sumitomo Mitsui Financial FRN 16/10/2024	246	0.23
AUD 1,400,000	Sumitomo Mitusi Banking FRN 05/06/2020	781	0.71
		1,487	1.37
	Netherlands 0.77% (2019: 0.00%)		
	Fixed Rate Bond 0.77% (2019: 0.00%)		
USD 650,000	Cooperatieve Rabobank 1.339% 24/06/2026	527	0.49
GBP 300,000	Cooperatieve Rabobank 2.25% 23/02/2022	308	0.28
		835	0.77
	New Zealand 0.11% (2019: 0.00%)		
	Fixed Rate Bond 0.11% (2019: 0.00%)		
AUD 210,000	Spark Finance 2.60% 18/03/2030	119	0.11
	Singapore 0.16% (2019: 2.58%)		
	Fixed Rate Bond 0.16% (2019: 0.00%)		
USD 200,000	DBS Bank 4.52% 11/12/2028	175	0.16
	Floating Rate Note 0.00% (2019: 1.02%)		
	Variable Rate Bond 0.00% (2019: 1.56%)		

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	South Korea 0.83% (2019: 6.13%)		
	Fixed Rate Bond 0.16% (2019: 2.61%)		
USD 200,000	Korea East-West Power Company 3.875% 19/07/2023	176	0.16
	Floating Rate Note 0.67% (2019: 3.52%)		
USD 205,000	Export-Import Bank of Korea FRN 01/06/2023	166	0.15
USD 200,000	Korea National Oil FRN 16/07/2020	162	0.15
AUD 650,000	Korea Southern Power FRN 30/10/2024	357	0.33
AUD 70,000	Shinhan Bank FRN 17/03/2021	39	0.04
		724	0.67
	Supranational 0.10% (2019: 0.00%)		
	Fixed Rate Bond 0.10% (2019: 0.00%)		
INR 10,150,000	Inter-American Development Bank 5.50% 23/08/2021	110	0.10
	Sweden 0.00% (2019: 1.01%)		
	Fixed Rate Bond 0.00% (2019: 1.01%)		
	Switzerland 0.00% (2019: 0.33%)		
	Fixed Rate Bond 0.00% (2019: 0.33%)		
	United Kingdom 1.71% (2019: 5.55%)		
	Fixed Rate Bond 1.28% (2019: 2.63%)		
USD 300,000	Lloyds Bank 1.326% 15/06/2023	244	0.22
USD 500,000	Lloyds Bank 3.87% 09/07/2025	439	0.41
USD 420,000	Lloyds Bank 3.90% 12/03/2024	372	0.35
GBP 230,000	Logicor Financing 1.875% 17/11/2026	230	0.21
GBP 100,000	Sky 2.875% 24/11/2020	101	0.09
		1,386	1.28
	Floating Rate Note 0.27% (2019: 1.33%)		
USD 200,000	Barclays FRN 15/02/2023	162	0.14
USD 170,000	HSBC FRN 18/05/2024	136	0.13
		298	0.27
	Variable Rate Bond 0.16% (2019: 1.59%)		
USD 200,000	Barclays 3.932% 07/05/2025	175	0.16
	United States 19.74% (2019: 32.96%)		
	Fixed Rate Bond 14.23% (2019: 20.86%)		
USD 1,000,000	Amazon.com 0.80% 03/06/2025	816	0.75
USD 365,000	American Express 3.40% 22/02/2024	321	0.30
USD 1,000,000	Apple 0.75% 11/05/2023	818	0.75
USD 1,200,000	Bank of America 1.486% 19/05/2024	987	0.91
USD 550,000	Bank of America 1.319% 19/06/2026	446	0.41
GBP 210,000	Bank of America 5.50% 22/11/2021	222	0.20
USD 600,000	Barclays 2.852% 07/05/2026	507	0.47
USD 220,000	Broadcom 2.25% 15/11/2023	184	0.17
USD 500,000	Broadcom 4.70% 15/04/2025	456	0.42
USD 700,000	Capital One Financial 2.60% 11/05/2023	593	0.55
USD 300,000	Capital One 2.15% 06/09/2022	249	0.23

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
USD 1,400,000	Citigroup 3.106% 08/04/2026	1,220	1.11
GBP 185,000	Citigroup 2.75% 24/01/2024	194	0.18
USD 150,000	Comcast 3.60% 01/03/2024	135	0.12
USD 130,000	Constellation Brands 3.20% 15/02/2023	112	0.10
USD 145,000	CVS Health 2.625% 15/08/2024	125	0.12
USD 700,000	eBay 1.90% 11/03/2025	585	0.54
USD 920,000	Goldman Sachs 3.50% 01/04/2025	816	0.75
USD 300,000	Hyundai Capital America 3.40% 20/06/2024	250	0.23
USD 570,000	Intuit 0.65% 15/07/2023	462	0.43
USD 600,000	John Deere Capital 0.55% 05/07/2022	487	0.45
USD 400,000	JPMorgan Chase 1.514% 01/06/2024	329	0.30
USD 130,000	JPMorgan Chase 3.20% 25/01/2023	112	0.10
USD 50,000	Mars 2.70% 01/04/2025	43	0.04
USD 75,000	Molson Coors Brewing 2.10% 15/07/2021	61	0.06
USD 700,000	Morgan Stanley 2.188% 28/04/2026	590	0.54
USD 500,000	Oracle 2.50% 01/04/2025	433	0.40
USD 500,000	Paypal 1.35% 01/06/2023	413	0.38
USD 700,000	Royal Bank of Canada 1.15% 10/06/2025	567	0.52
USD 800,000	Toronto-Dominion Bank 1.15% 12/06/2025	655	0.60
USD 300,000	Toyota Motor Credit 1.80% 13/02/2025	252	0.23
USD 500,000	Walt Disney 1.75% 13/01/2026	416	0.38
USD 1,550,000	Wells Fargo 2.188% 30/04/2026	1,298	1.18
GBP 300,000	Wells Fargo 5.25% 01/08/2023	333	0.31
		<hr/> 15,487	<hr/> 14.23
Floating Rate Note 5.32% (2019: 10.51%)			
USD 165,000	American Honda Finance FRN 05/11/2021	133	0.12
USD 150,000	American Honda Finance FRN 11/06/2020	121	0.11
USD 250,000	Bank of America FRN 20/01/2020	204	0.19
USD 270,000	Bank of America FRN 23/07/2024	219	0.20
USD 290,000	Cardinal Health FRN 15/06/2022	234	0.22
USD 300,000	Caterpillar Financial Services FRN 06/06/2022	244	0.22
USD 700,000	Caterpillar Financial Services FRN 13/05/2022	571	0.53
USD 360,000	Citigroup FRN 08/12/2021	294	0.27
USD 160,000	Constellation Brands FRN 15/11/2021	129	0.12
USD 300,000	General Motors Financial FRN 05/01/2023	234	0.22
USD 100,000	Goldman Sachs FRN 15/11/2021	81	0.07
USD 300,000	Goldman Sachs FRN 29/11/2023	247	0.23
USD 1,000,000	JPMorgan Chase FRN 25/04/2023	812	0.75
USD 210,000	JPMorgan Chase FRN 23/04/2024	169	0.16
AUD 120,000	McDonald's FRN 08/03/2024	67	0.06
CAD 1,500,000	Morgan Stanley FRN 03/02/2023	867	0.79
USD 730,000	Morgan Stanley FRN 10/06/2020	591	0.54
USD 130,000	Nissan Motor Acceptance FRN 13/07/2022	98	0.09
USD 140,000	TD Ameritrade FRN 01/11/2021	113	0.10
USD 300,000	Verizon Communications FRN 16/03/2022	246	0.23
USD 135,000	Vulcan Materials FRN 01/03/2021	109	0.10
		<hr/> 5,783	<hr/> 5.32

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Variable Rate Bond 0.19% (2019: 1.59%)		
USD 50,000	Citigroup 2.312% 04/11/2022	41	0.04
USD 200,000	JPMorgan Chase 3.207% 01/04/2023	169	0.15
		<u>210</u>	<u>0.19</u>
	Collective Investment Schemes 5.75% (2019: 0.00%)		
6,250,000	Deutsche Global Liquidity Managed Platinum Sterling Fund	<u>6,250</u>	<u>5.75</u>
	Commercial Paper 5.66% (2019: 0.00%)		
	United States 5.66% (2019: 0.00%)		
USD 1,400,000	ETP Legacy 0.00% 01/07/2020	1,134	1.05
USD 1,400,000	ETP Legacy 0.00% 02/07/2020	1,133	1.05
USD 1,400,000	General Motors Financial 0.00% 10/07/2020	1,133	1.04
USD 1,000,000	Glencore Funding 0.00% 06/07/2020	809	0.74
USD 1,000,000	Hyundai Capital America 0.00% 13/07/2020	809	0.74
USD 1,400,000	Jabil 0.00% 06/07/2020	1,133	1.04
		<u>6,151</u>	<u>5.66</u>
	Treasury Bill 32.74% (2019: 0.00%)		
	United States 32.74% (2019: 0.00%)		
USD 10,000,000	US Treasury 0.00% 10/01/2020	8,090	7.44
USD 17,000,000	US Treasury 0.00% 18/08/2020	13,756	12.65
USD 17,000,000	US Treasury 0.00% 23/07/2020	13,757	12.65
		<u>35,603</u>	<u>32.74</u>
	Derivatives 0.19% (2019: (0.10%))		
	Futures (0.02%) (2019: (0.17%))		
(6)	CBT US 10 Year Note September 2020	(2)	-
103	CBT US 2 Year Note September 2020	8	0.01
(52)	CBT US 5 Year Note September 2020	(31)	(0.03)
59	SFE Australia 3 Year Bond September 2020	2	-
		<u>(23)</u>	<u>(0.02)</u>
	Options 0.00% (2019: 0.11%)¹		
	Swaps (0.03%) (2019: (0.04%))¹		
	Interest Rate Swaps (0.03%) (2019: (0.04%))¹		
100,000	IRS 0.6577% LIBOR 6 month - Receive Floating - GBP	(2)	-
7,400,000	IRS 0.749% BBR 6 month - Receive Fixed - AUD	9	0.01
800,000	IRS 0.8607% LIBOR 6 month - Receive Floating - GBP	(22)	(0.02)
500,000	IRS 1.2492% LIBOR 6 month - Receive Floating - GBP	(19)	(0.02)
		<u>(34)</u>	<u>(0.03)</u>
	Forward Foreign Exchange Contracts 0.24% (2019: 0.00%)¹		
	Buy AUD 400,000 : Sell GBP 216,065 August 2020	7	0.01
	Buy GBP 164,596 : Sell AUD 300,000 August 2020	(3)	-
	Buy GBP 20,340,417 : Sell USD 25,000,000 August 2020	114	0.10
	Buy GBP 380,898 : Sell AUD 700,000 August 2020	(9)	(0.01)
	Buy GBP 501,384 : Sell AUD 900,000 August 2020 ²	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts <small>(continued)</small>			
	Buy GBP 548,144 : Sell AUD 1,000,000 August 2020	(9)	(0.01)
	Buy GBP 551,017 : Sell AUD 1,000,000 August 2020	(6)	(0.01)
	Buy GBP 59,806,853 : Sell USD 73,200,000 August 2020	584	0.55
	Buy GBP 771,148 : Sell AUD 1,400,000 August 2020	(9)	(0.01)
	Buy GBP 855,698 : Sell CAD 1,460,000 August 2020	(12)	(0.01)
	Buy GBP 8,909,714 : Sell AUD 16,600,000 August 2020	(339)	(0.31)
	Buy USD 349,141 : Sell AUD 500,000 August 2020	4	-
	Buy USD 955,485 : Sell AUD 1,500,000 July 2020	(63)	(0.06)
		<u>259</u>	<u>0.24</u>
	Investment assets including investment liabilities	95,470	87.79
	Other net assets	13,278	12.21
	Total net assets	108,748	100.00

¹ Unquoted securities

² Due to rounding to nearest £1,000

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

Statement of total return for the year ended 30 June 2020

		2020		25/02/09 - 30/06/19	
	Note	£000	£000	£000	£000
Income					
Net capital gains	2		796		43
Revenue	3	709		91	
Expenses	4	(88)		(11)	
Interest payable and similar charges	5	(1)		-	
Net revenue before taxation		620		80	
Taxation	6	-		-	
Net revenue after taxation			620		80
Total return before distributions			1,416		123
Distributions	7		(673)		(85)
Change in net assets attributable to shareholders from investment activities			743		38

Statement of change in net assets attributable to shareholders for the year ended 30 June 2020

		2020		25/02/09 - 30/06/19	
		£000	£000	£000	£000
Opening net assets attributable to shareholders*			10,084		-
Amounts receivable on issue of shares		114,925		10,003	
Amounts payable on cancellation of shares		(17,573)		-	
			97,352		10,003
Dilution adjustment			96		-
Change in net assets attributable to shareholders from investment activities			743		38
Retained distributions on accumulation shares			473		43
Closing net assets attributable to shareholders			108,748		10,084

* The fund launched on 25 February 2019.

Balance sheet as at 30 June 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		95,996	9,544
Current assets:			
Debtors	8	44,434	71
Cash and bank balances	9	6,240	601
Total assets		146,670	10,216
Liabilities:			
Investment liabilities		526	64
Creditors:			
Amounts held at derivative clearing houses and brokers		21	7
Bank overdrafts		133	24
Distributions payable		97	34
Other creditors	10	37,145	3
Total liabilities		37,922	132
Net assets attributable to shareholders		108,748	10,084

Notes to the financial statements for the year ended 30 June 2020

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year/period comprise:

	2020 £000	25/02/09 - 30/06/19 £000
Capital management fee rebates	1	-
Derivative securities	415	(16)
Forward currency contracts	(2,168)	(328)
Non-derivative securities	2,367	343
Other currency gains	188	44
Transaction costs	(7)	-
Net capital gains	796	43

3 Revenue

	2020 £000	25/02/09 - 30/06/19 £000
Bank interest	18	3
Derivative revenue	(34)	-
Interest on debt securities	725	88
Total revenue	709	91

4 Expenses

	2020 £000	25/02/09 - 30/06/19 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	68	8
GAC*	14	2
	82	10
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	4	-
Safe custody fees	2	-
	6	-
Other expenses:		
Professional fees	-	1
Total expenses	88	11

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £10,316 (2019: £10,316).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	25/02/09 - 30/06/19 £000
Interest payable	1	-
Total interest payable and similar charges	1	-

6 Taxation

a) Analysis of charge in the year/period

There is no tax charge for the current year/period (2019: nil).

b) Factors affecting tax charge for year/period

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	25/02/09 - 30/06/19 £000
Net revenue before taxation	620	80
Corporation tax at 20% (2019: 20%)	124	16
Effects of: Revenue being paid as interest distributions	(124)	(16)
Tax charge for the year/period (note 6a)	-	-

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2019: nil).

d) Factors that may affect future tax charges

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

Notes to the financial statements (continued)

7 Distributions

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

	2020 £000	25/02/09 - 30/06/19 £000
Interim income	166	8
Interim accumulation	388	8
Final income	97	34
Final accumulation	85	35
	<u>736</u>	<u>85</u>
Amounts deducted on cancellation of shares	15	-
Amounts received on issue of shares	(78)	-
Total distributions	<u>673</u>	<u>85</u>
Net revenue after taxation	620	80
Effective yield coupon based adjustment	53	5
Total distributions	<u>673</u>	<u>85</u>

Details of the distribution per share are set out in the Distribution tables on pages 48 to 51.

8 Debtors

	2020 £000	2019 £000
Accrued revenue	213	70
Amounts receivable for issue of shares	23,486	1
Currency transactions awaiting settlement	20,735	-
Total debtors	<u>44,434</u>	<u>71</u>

9 Cash and bank balances

	2020 £000	2019 £000
Amounts held at derivative clearing houses and brokers	226	107
Cash and bank balances	5,724	494
Cash pledged as collateral	290	-
Total cash and bank balances	<u>6,240</u>	<u>601</u>

10 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	14	2
Accrued Depositary's fee	1	-
Accrued other expenses	3	1
Amounts payable for cancellation of shares	567	-
Derivative revenue payable	1	-
Currency transactions awaiting settlement	20,848	-
Purchases awaiting settlement	15,711	-
Total other creditors	<u>37,145</u>	<u>3</u>

Notes to the financial statements (continued)

11 Contingent liabilities and commitments

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

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 36 and 37 and notes 4, 8, and 10 on pages 38 to 40 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

Allfunds Nominee Ltd, as a material shareholder, is a related party holding shares comprising 50.30% of the total net assets of the fund as at the year end (2019: nil). The previous material shareholder, Harewood Nominees Ltd, now has a holding comprising 20.12% of the total net assets of the fund as at the year end (2019: 99.97%).

13 Shareholders' funds

The fund currently has 4 share classes available; Class G (Institutional), Class I (Institutional), Class S (Retail) and Class Z (Institutional).

The annual management charge on each share class is as follows:

	2020	2019
	%	%
Class G	0.40	0.40
Class I	0.45	0.45
Class S ¹	0.22	n/a
Class Z ²	0.00	0.00

¹ Class S accumulation launched on 9 December 2019 and Class S income launched on 20 February 2020.

² Charges for managing Z class shares are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 22 to 26. The distribution per share class is given in the Distribution tables on pages 48 to 51. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2020

	Class G accumulation	Class G income	Class I accumulation	Class I income
Opening number of shares	500	500	2,500,499	2,500,499
Issues during the year	-	-	2,362,472	945,691
Cancellations during the year	-	-	(1,232,299)	(36,225)
Shares converted during the year	-	-	-	-
Closing shares in issue	500	500	3,630,672	3,409,965
	Class S accumulation	Class S income	Class Z accumulation	Class Z income
Opening number of shares	-	-	2,500,499	2,500,499
Issues during the year	25,486,071	60,461,190	24,491,325	-
Cancellations during the year	-	(2,547,579)	(13,390,862)	-
Shares converted during the year	-	-	-	-
Closing shares in issue	25,486,071	57,913,611	13,600,962	2,500,499

Notes to the financial statements (continued)

14 Financial derivatives

The fund may use financial derivatives for efficient portfolio management and for meeting the investment objectives including risk reduction and implementation of investment policies.

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

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

At 30 June 2020 there was cash collateral pledged in respect of derivatives of £290,000 (2019: nil) and there was £170,627 of bonds held as collateral in respect of derivatives as at 30 June 2020 (2019: nil). The cash collateral pledged has not been reinvested by the counterparty.

2020

At 30 June 2020 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Interest rate swaps £000	Total by counterparty
Citigroup	-	-	9	9
Goldman Sachs	584	-	-	584
JP Morgan	7	-	-	7
Morgan Stanley	118	-	-	118
UBS	-	10	-	10
	709	10	9	728

2019

At 30 June 2019 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Interest rate swaps £000
Citigroup	12	-	28
UBS	-	3	-
	12	3	28

Counterparty	Options £000	Total by counterparty £000
Citigroup	11	51
UBS	-	3
	11	54

15 Risk

Currency risk

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

Notes to the financial statements (continued)

15 Risk (continued)

Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2020				
Australian dollar	9,961	2,667	553	13,181
Canadian dollar	873	-	1	874
Indian rupee	-	110	5	115
UK sterling	5,525	1,960	30,470	37,955
US dollar	51,617	22,554	20,374	94,545
Total	67,976	27,291	51,403	146,670
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2019				
Australian dollar	1,557	334	10	1,901
UK sterling	318	738	30	1,086
US dollar	3,874	3,296	59	7,229
Total	5,749	4,368	99	10,216
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2020				
Australian dollar	12	-	825	837
UK sterling	175	-	21,918	22,093
US dollar	8	-	14,984	14,992
Total	195	-	37,727	37,922
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2019				
Australian dollar	3	-	-	3
UK sterling	31	-	50	81
US dollar	28	-	20	48
Total	62	-	70	132

Notes to the financial statements (continued)

15 Risk (continued)

Credit Ratings

	Market value £000	Percentage of total net assets %
2020		
Investments		
Investment grade (AAA - BBB)	82,867	76.19
Total debt securities	82,867	76.19
Collective investment schemes	6,250	5.75
Derivatives	202	0.19
Money Market Instruments	6,151	5.66
Investment assets including investment liabilities	95,470	87.79
Other net assets	13,278	12.21
Total net assets	108,748	100.00
2019		
Investments		
Investment grade (AAA - BBB)	9,116	90.41
Unrated	374	3.70
Total debt securities	9,490	94.11
Derivatives	(10)	(0.10)
Investment assets including investment liabilities	9,480	94.01
Other net assets	604	5.99
Total net assets	10,084	100.00

Sensitivity analysis

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

VaR Results	Global Exposure Calculation Basis	Actual VaR in period			VaR limit	Utilisation of VaR limit		
		Minimum %	Maximum %	Average %		Minimum %	Maximum %	Average %
2020	Absolute VaR	0.17	1.27	0.51	20.00	0.84	6.33	2.54
2019	Absolute VaR	0.15	0.39	0.27	20.00	0.76	1.97	1.34
Leverage								
		Minimum %	Maximum %	Average %				
2020		63.40	281.73	133.69				
2019		48.87	246.77	126.81				

Notes to the financial statements (continued)

15 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Amounts held at derivatives clearing houses and brokers	21	-	-	-
Bank overdrafts	133	-	-	-
Derivative financial liabilities	-	483	43	-
Distribution payable	-	97	-	-
Other creditors	-	37,145	-	-
Total	154	37,725	43	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2019				
Amounts held at derivatives clearing houses and brokers	7	-	-	-
Bank overdrafts	24	-	-	-
Derivative financial liabilities	-	32	8	24
Distribution payable	-	34	-	-
Other creditors	-	3	-	-
Total	31	69	8	24

Notes to the financial statements (continued)

16 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	35,612*	33	3	20
Level 2	60,384	493	9,541	44
Level 3	-	-	-	-
	95,996	526	9,544	64

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £35,601,271 as at 30 June 2020 (2019: nil).

17 Direct transaction costs

	Purchases		Sales	
	2020 £000	2019 £000	2020 £000	2019 £000
Trades in the year/period				
Debt securities	131,760	9,941	59,842	789
Money market instruments	42,735	-	37,438	-
Trades in the year/period before transaction costs	174,495	9,941	97,280	789
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Money market instruments	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Money market instruments	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Money market instruments	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year/period after transaction costs	174,495	9,941	97,280	789

Notes to the financial statements (continued)

17 Direct transaction costs (continued)

	Purchases		Sales	
	2020	2019	2020	2019
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Debt securities	-	-	-	-
Money market instruments	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Money market instruments	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Money market instruments	-	-	-	-
	2020	2019		
	%	%		
Total transaction costs expressed as a percentage of net asset value				
Commissions	-	-		
Taxes	-	-		
Other expenses	-	-		
Total costs	<u>-</u>	<u>-</u>		

There were no in specie transfers during the year (2019: nil). There were no corporate actions during the year (2019: nil).

There were direct transaction costs associated with derivatives in the year of £2,241 (2019: £101) which is 0.00% of the average net asset value of the fund (2019: 0.00%).

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

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

The portfolio dealing spread as at 30 June 2020 was 0.12% (2019: 0.16%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 15 October 2020, the Net Asset Value of the fund had increased.

Distribution tables for the year ended 30 June 2020 (in pence per share)

Interim interest distribution (accounting date 30 September 2019, paid on 29 November 2019)

Group 1: shares purchased prior to 1 July 2019

Group 2: shares purchased on or after 1 July 2019

	Distribution per share	Equalisation	Total distribution per share 29/11/19
Class G accumulation¹			
Group 1	0.3760	-	0.3760
Group 2	0.3760	-	0.3760
Class G income¹			
Group 1	0.3720	-	0.3720
Group 2	0.3720	-	0.3720
Class I accumulation²			
Group 1	0.4508	-	0.4508
Group 2	0.1821	0.2687	0.4508
Class I income²			
Group 1	0.4474	-	0.4474
Group 2	0.2196	0.2278	0.4474
Class Z accumulation²			
Group 1	0.5803	-	0.5803
Group 2	0.5500	0.0303	0.5803
Class Z income²			
Group 1	0.5750	-	0.5750
Group 2	0.5750	-	0.5750

¹ Class G accumulation and Class G income launched on 27 June 2019.

² Class I accumulation, Class I income, Class Z accumulation and Class Z income launched on 25 February 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2019, paid on 28 February 2020)

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased on or after 1 October 2019

	Distribution per share	Equalisation	Total distribution per share 28/02/20
Class G accumulation¹			
Group 1	0.4220	-	0.4220
Group 2	0.4220	-	0.4220
Class G income¹			
Group 1	0.4120	-	0.4120
Group 2	0.4120	-	0.4120
Class I accumulation²			
Group 1	0.4759	-	0.4759
Group 2	0.3996	0.0763	0.4759
Class I income²			
Group 1	0.4696	-	0.4696
Group 2	0.2616	0.2080	0.4696
Class S accumulation³			
Group 1	0.2240	-	0.2240
Group 2	0.2240	-	0.2240
Class Z accumulation²			
Group 1	0.6061	-	0.6061
Group 2	0.6061	-	0.6061
Class Z income²			
Group 1	0.5968	-	0.5968
Group 2	0.5968	-	0.5968

¹ Class G accumulation and Class G income launched on 27 June 2019.

² Class I accumulation, Class I income, Class Z accumulation and Class Z income launched on 25 February 2019.

³ Class S accumulation launched on 9 December 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 March 2020, paid on 29 May 2020)

Group 1: shares purchased prior to 1 January 2020

Group 2: shares purchased on or after 1 January 2020

	Distribution per share	Equalisation	Total distribution per share 29/05/20	Total distribution per share 31/05/19
Class G accumulation¹				
Group 1	0.2180	-	0.2180	n/a
Group 2	0.2180	-	0.2180	n/a
Class G income¹				
Group 1	0.2080	-	0.2080	n/a
Group 2	0.2080	-	0.2080	n/a
Class I accumulation				
Group 1	0.2677	-	0.2677	0.1393
Group 2	0.1044	0.1633	0.2677	0.1393
Class I income				
Group 1	0.2625	-	0.2625	0.1393
Group 2	0.1245	0.1380	0.2625	0.1393
Class S accumulation²				
Group 1	0.3980	-	0.3980	n/a
Group 2	0.3980	-	0.3980	n/a
Class S income³				
Group 1	0.1730	-	0.1730	n/a
Group 2	0.1245	0.0485	0.1730	n/a
Class Z accumulation				
Group 1	0.3972	-	0.3972	0.1848
Group 2	0.1392	0.2580	0.3972	0.1848
Class Z income				
Group 1	0.3883	-	0.3883	0.1847
Group 2	0.3883	-	0.3883	0.1847

¹ Class G accumulation and Class G income launched on 27 June 2019.

² Class S accumulation launched on 9 December 2019.

³ Class S income launched on 20 February 2020.

Distribution tables (continued)

Final interest distribution (accounting date 30 June 2020, paid on 28 August 2020)

Group 1: shares purchased prior to 1 April 2020

Group 2: shares purchased on or after 1 April 2020

	Distribution per share	Equalisation	Total distribution per share 28/08/20	Total distribution per share 30/08/19
Class G accumulation				
Group 1	0.0340	-	0.0340	0.0440
Group 2	0.0340	-	0.0340	0.0440
Class G income				
Group 1	0.0140	-	0.0140	0.0440
Group 2	0.0140	-	0.0140	0.0440
Class I accumulation				
Group 1	0.0987	-	0.0987	0.6283
Group 2	0.0876	0.0111	0.0987	0.6283
Class I income				
Group 1	0.0847	-	0.0847	0.6274
Group 2	0.0676	0.0171	0.0847	0.6274
Class S accumulation¹				
Group 1	0.2069	-	0.2069	n/a
Group 2	0.0482	0.1587	0.2069	n/a
Class S income²				
Group 1	0.1534	-	0.1534	n/a
Group 2	0.1100	0.0434	0.1534	n/a
Class Z accumulation				
Group 1	0.2140	-	0.2140	0.7551
Group 2	0.2140	-	0.2140	0.7551
Class Z income				
Group 1	0.2086	-	0.2086	0.7538
Group 2	0.2086	-	0.2086	0.7538

¹ Class S accumulation launched on 9 December 2019.

² Class S income launched on 20 February 2020.

Janus Henderson All Stocks Credit fund

Authorised Corporate Director's report

Investment Fund Managers

Philip Payne and James Briggs

Investment objective and policy

The fund aims to provide a return, from a combination of income and capital growth over the long term.

Performance target: To outperform the Markit iBoxx GBP Non-Gilts all maturities Index by 1% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in sterling-denominated investment grade (equivalent to BBB rated or higher) corporate bonds. The investment manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the fund's objective, to reduce risk or to manage the fund more efficiently.

The fund is actively managed with reference to the Markit iBoxx GBP Non-Gilts all maturities Index, which is broadly representative of the bonds in which it may invest, as this forms the basis of the fund's performance target. The investment manager has discretion to choose investments for the fund with weightings different to the index or not in the index, but at times the fund may hold investments similar to the index.

Performance summary

	30 Jun 19 - 30 Jun 20	30 Jun 18 - 30 Jun 19	30 Jun 17 - 30 Jun 18	30 Jun 16 - 30 Jun 17	30 Jun 15 - 30 Jun 16
	%	%	%	%	%
Class I accumulation (Net)	7.1	5.9	0.8	6.1	7.0
Markit iBoxx GBP Non-Gilts all maturities Index	6.4	5.9	0.6	5.3	9.0
IA Sterling Corporate Bond Sector	5.7	5.6	0.7	6.3	6.0
Class I accumulation (Gross)	7.6	6.4	1.3	6.7	7.5
Markit iBoxx GBP Non-Gilts all maturities Index + 1%	7.5	6.9	1.6	6.3	10.1

Please note that the performance target is to be achieved over a specific annualised time period. Refer to the performance target section above within the investment objective.

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 12 noon valuation point.

Benchmark values are at close of business.

Class I accumulation is disclosed as it is the representative share class.

Benchmark Usage

Index: Markit iBoxx GBP Non-Gilts all maturities Index

Index usage: Target

Index description: The Markit iBoxx Non-Gilts all maturities Index is a measure of the combined performance of investment grade corporate bonds issued in pounds sterling. It is the basis for the fund's performance target.

Peer group: IA Sterling Corporate Bond Sector

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

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.

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 30 June 2020

Largest purchases	£000	Largest sales/maturities	£000
UK Treasury 1.75% 07/09/2037	18,435	UK Treasury 1.75% 07/09/2037	17,179
UK Treasury 5.00% 07/03/2025	13,443	UK Treasury 4.50% 07/12/2042	12,703
UK Treasury 1.75% 07/09/2022	10,268	UK Treasury 1.50% 22/07/2047	12,604
UK Treasury 4.25% 07/12/2040	7,583	UK Treasury 5.00% 07/03/2025	12,423
Logicor Financing 1.875% 17/11/2026	7,184	UK Treasury 4.75% 07/12/2038	11,717
UK Treasury 1.50% 22/07/2047	7,053	European Investment Bank 6.00% 07/12/2028	10,884
Logicor Financing 1.625% 15/07/2027	6,443	Santander UK 1.875% 17/02/2020	8,775
Citigroup 1.75% 23/10/2026	6,441	LCR Finance 4.50% 07/12/2028	7,849
UK Treasury 4.50% 07/12/2042	6,127	UK Treasury 1.75% 07/09/2022	7,764
UK Treasury 0.875% 22/10/2029	5,989	UK Treasury 4.25% 07/12/2040	6,945
Total purchases	406,587	Total sales/maturities	730,940

Investment review

The fund returned 7.6% based on Class I accumulation (Gross) over the year under review, compared with a return of 7.5% in the Markit iBoxx GBP Non-Gilts all maturities Index + 1%.

Sterling investment-grade bonds delivered strong total returns over the year under review. Performance was driven by movements in UK government bond markets as yields declined significantly across the curve. Excess returns (versus government equivalents), however, marginally detracted from performance as credit spreads (the extra yield demanded over an equivalent government bond) widened over the year.

The first half of the year delivered positive total and excess returns (versus government equivalents), largely driven by credit spreads tightening in the final three months of 2019. These moves in credit spreads were driven by improvements in global economic data, continued global monetary support and a US/China 'phase one' trade deal in December. Brexit negotiations and the political deadlock in the UK rattled the sterling credit market over the fourth quarter of 2019. However, by the end of 2019, the avoidance of a 'no deal' Brexit and the removal of election uncertainties – because of a decisive result – boosted sentiment.

Market dynamics over the first half of the reporting year were positive as demand for sterling credit continued to be underpinned by buy-and-maintain investors and a demand for yield. This healthy demand ensured supply was taken down well.

In contrast, the final six months of the year under review delivered negative total and excess returns (versus government equivalents). Performance was weak as credit spreads widened significantly over March, as a result of the global spread of COVID-19, subsequent lockdowns across countries and fear of the impact of these factors on the global economy. Sentiment was also adversely impacted by oil price volatility, with global benchmark Brent Crude seeing sharp moves lower. In response to COVID-19, global policy makers announced significant fiscal and monetary stimulus packages, which helped credit spreads to retrace some of these moves wider as investors paid less attention to the weak fundamental picture. In the UK, in particular, the Chancellor of the Exchequer, Rishi Sunak, announced significant fiscal policy to stimulate a recovery and absorb the shock. The Bank of England cut interest rates to 0.1% (from 0.75% at start of year) and announced a new wave of quantitative easing, buying gilts and eligible sterling non-financial corporate bonds. Although these actions helped to calm markets, credit spreads closed the financial year at wider levels than that of 30 June 2019.

The majority of sectors in which the fund was invested delivered positive credit returns, with security selection in the industrial goods and services sector, and new overweight positions in the oil and gas and technology sectors adding the most to performance. Positioning in the financial services sector (an overweight holding in General Electric Capital) was the main detractor from performance. At a security level, performance benefited from new positions added in Equinor, BAT International Finance, Experian Finance and Anglo American Capital through attractively priced new deals. Not having any exposure to Intu Properties, which lost its investment-grade rating and collapsed into administration in June, also benefited the fund. Among the biggest detractors to performance were holdings in Next, Manchester Airport Funding, Fiat Chrysler Automobiles and Vivion Investments, a commercial and hotel property owner.

The fund was active in the primary market over the year, participating in attractively priced new issues from issuers we favoured such as Wells Fargo and Thames Water Utilities Finance.

We became more positive on sterling investment grade during June as a result of the tailwind provided by global policy makers through their aggressive fiscal and monetary policies.

Market dynamics remained supportive as flows into sterling investment grade continued to be positive, and supply continued to be well absorbed. From a valuation perspective, we became marginally less constructive given the further tightening in credit spreads in June. However, we remain positive on valuations overall as spreads have been wider than three and five-year average levels and specific pockets of value can still be found.

Recent economic data has been more mixed and, in some cases, shown encouraging signs, but overall fundamentals at this point are still subject to significant uncertainty. Other potential risks to stability exist, including tensions in the eurozone, the UK and between the US and China. In the near term, we believe the presence of central bank liquidity will help to drive sterling investment-grade bonds to deliver positive credit returns.

Comparative tables for the year ended 30 June 2020

	Class A accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	164.72	156.09	155.53
Return before operating charges*	12.32	10.05	1.99
Operating charges	(1.55)	(1.42)	(1.43)
Return after operating charges*	10.77	8.63	0.56
Distributions on accumulation shares	(2.97)	(3.51)	(3.75)
Retained distributions on accumulation shares	2.97	3.51	3.75
Closing net asset value per share	175.49	164.72	156.09
* after direct transaction costs of:	-	-	-

Performance

Return after charges	6.54%	5.53%	0.36%
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Other information

Closing net asset value (£000s)	1,569	2,055	2,158
Closing number of shares	894,043	1,247,546	1,382,628
Operating charges	0.91%	0.90%	0.91%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	176.70	165.60	159.60
Lowest share price (pence)	156.30	154.30	154.60

	Class A income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	135.22	131.00	133.69
Return before operating charges*	10.06	8.33	1.72
Operating charges	(1.27)	(1.19)	(1.22)
Return after operating charges*	8.79	7.14	0.50
Distributions on income shares	(2.42)	(2.92)	(3.19)
Closing net asset value per share	141.59	135.22	131.00
* after direct transaction costs of:	-	-	-

Performance

Return after charges	6.50%	5.45%	0.37%
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Other information

Closing net asset value (£000s)	1,809	2,742	2,846
Closing number of shares	1,277,948	2,027,679	2,172,612
Operating charges	0.91%	0.90%	0.91%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	143.70	136.60	137.20
Lowest share price (pence)	127.10	128.70	131.30

Comparative tables (continued)

Class E accumulation 08/07/19 - 30/06/20 (pence per share)

Change in net assets per share

Opening net asset value per share	167.31 ¹
Return before operating charges*	9.72
Operating charges	(1.11)
Return after operating charges*	8.61
Distributions on accumulation shares	(3.39)
Retained distributions on accumulation shares	3.39
Closing net asset value per share	175.92
* after direct transaction costs of:	-

Performance

Return after charges	5.15% ²
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Other information

Closing net asset value (£000s)	388
Closing number of shares	220,292
Operating charges	0.66%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	177.10
Lowest share price (pence)	156.60

¹ Class E accumulation launched on 8 July 2019 and this is the first published price.

² Return after charges relates to the period 08/07/19 to 30/06/20 post conversion from the A accumulation share class. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

Comparative tables (continued)

Class E income 08/07/19 - 30/06/20 (pence per share)

Change in net assets per share

Opening net asset value per share	137.34 ³
Return before operating charges*	7.87
Operating charges	(0.90)
Return after operating charges*	6.97
Distributions on income shares	(2.76)
Closing net asset value per share	141.55
* after direct transaction costs of:	-

Performance

Return after charges	5.08% ⁴
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Other information

Closing net asset value (£000s)	886
Closing number of shares	625,547
Operating charges	0.66%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	143.80
Lowest share price (pence)	127.20

³ Class E income launched on 8 July 2019 and this is the first published price.

⁴ Return after charges relates to the period 08/07/19 to 30/06/20 post conversion from the A income share class. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

	Class I accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	272.07	256.86	255.01
Return before operating charges*	20.39	16.59	3.24
Operating charges	(1.52)	(1.38)	(1.39)
Return after operating charges*	18.87	15.21	1.85
Distributions on accumulation shares	(5.95)	(6.75)	(7.11)
Retained distributions on accumulation shares	5.95	6.75	7.11
Closing net asset value per share	290.94	272.07	256.86
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	6.94%	5.92%	0.73%
Other information			
Closing net asset value (£000s)	198,458	452,047	435,345
Closing number of shares	68,213,376	166,152,762	169,487,530
Operating charges	0.54%	0.53%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	292.90	273.50	262.00
Lowest share price (pence)	258.90	254.30	254.00

Comparative tables (continued)

	Class I income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	136.98	132.26	134.98
Return before operating charges*	10.16	8.47	1.73
Operating charges	(0.76)	(0.70)	(0.73)
Return after operating charges*	9.40	7.77	1.00
Distributions on income shares	(2.98)	(3.05)	(3.72)
Closing net asset value per share	143.40	136.98	132.26
* after direct transaction costs of:	-	-	-

Performance

Return after charges	6.86%	5.87%	0.74%
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Other information

Closing net asset value (£000s)	34,252	13,999	179,376
Closing number of shares	23,886,599	10,219,411	135,628,630
Operating charges	0.54%	0.53%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	145.70	138.50	138.60
Lowest share price (pence)	128.90	130.00	132.60

	Class Z accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	253.03	237.68	234.80
Return before operating charges*	18.79	15.42	2.98
Operating charges	(0.10)	(0.07)	(0.10)
Return after operating charges*	18.69	15.35	2.88
Distributions on accumulation shares	(6.87)	(7.49)	(7.75)
Retained distributions on accumulation shares	6.87	7.49	7.75
Closing net asset value per share	271.72	253.03	237.68
* after direct transaction costs of:	-	-	-

Performance

Return after charges	7.39%	6.46%	1.23%
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Other information

Closing net asset value (£000s)	76,286	476,462	524,790
Closing number of shares	28,075,162	188,301,944	220,797,397
Operating charges	0.04%	0.03%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	273.50	254.30	241.90
Lowest share price (pence)	241.50	235.80	234.60

Comparative tables (continued)

	Class A income gross 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	134.07
Return before operating charges*	1.07
Operating charges	(0.31)
Return after operating charges*	0.76
Distributions on income shares	(0.83)
Final cancellation	(134.00) ⁵
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	0.57%
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.91%
Direct transaction costs	0.00%
Prices	
Highest share price (pence)	137.60 ⁶
Lowest share price (pence)	134.00 ⁶

⁵ Class A income gross closed on 2 October 2017.

⁶ to 2 October 2017.

Comparative tables (continued)

	Class I accumulation gross 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	285.43
Return before operating charges*	2.27
Operating charges	(0.40)
Return after operating charges*	1.87
Distributions on accumulation shares	(2.03)
Retained distributions on accumulation shares	2.03
Final cancellation	(287.30) ⁷
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	0.66%
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.54%
Direct transaction costs	0.00%
Prices	
Highest share price (pence)	293.10 ⁸
Lowest share price (pence)	285.20 ⁸

⁷ Class I accumulation gross closed on 2 October 2017.

⁸ to 2 October 2017.

Comparative tables (continued)

	Class I income gross 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	136.35
Return before operating charges*	1.11
Operating charges	(0.19)
Return after operating charges*	0.92
Distributions on income shares	(0.97)
Final cancellation	(136.30) ⁹
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	0.67%
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.54%
Direct transaction costs	0.00%
Prices	
Highest share price (pence)	140.00 ¹⁰
Lowest share price (pence)	136.30 ¹⁰

⁹ Class I income gross closed on 2 October 2017.

¹⁰ to 2 October 2017.

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

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

Operating charges

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

Share class launches and closures

The following share classes launched in the year:

Share class	Launch date
Class E accumulation	8 July 2019
Class E income	8 July 2019

There were no share classes closed in the year.

Share class conversion

	Conversion date
Class A accumulation to Class E accumulation	8 July 2019
Class A income to Class E income	8 July 2019

The conversion of A share classes to the E share classes was performed to benefit investors who do not use a financial adviser as a lower management fee is charged because there are no commission payments bundled within it. The E share classes are available for direct investment.

Ongoing charge figure

The annualised 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.

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class A	0.91 ²	0.90	0.93
Class E³	0.66 ²	n/a	0.68
Class I	0.54 ⁴	0.53	0.54
Class Z	0.04	0.03	0.04

The OCF is calculated in accordance with guidelines issued by the ESMA.

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 30 June 2020.

² The GAC on Class A and Class E increased from 0.14% to 0.17% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

³ Class E accumulation and Class E income launched on 8 July 2019 so there are no prior year comparatives.

⁴ The GAC on Class I increased from 0.023% to 0.03% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

Risk and reward profile

The fund currently has 7 types of share class in issue; A accumulation, A income, E accumulation, E income, I accumulation, I income and Z accumulation.

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



The share classes appear at 3 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class E accumulation and Class E income launched on 8 July 2019. As these share classes do not have a 5 year history, a synthetic history has been created using the A accumulation and A income share classes.

Portfolio statement as at 30 June 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 97.77% (2019: 97.58%)		
	Australia 0.00% (2019: 0.43%)		
	Fixed Rate Bond 0.00% (2019: 0.28%)		
	Variable Rate Bond 0.00% (2019: 0.15%)		
	Belgium 0.17% (2019: 0.85%)		
	Zero / Discount Rate Bond 0.17% (2019: 0.85%)		
GBP 510,000	Anheuser-Busch InBev 2.85% 25/05/2037	541	0.17
	Canada 0.00% (2019: 0.27%)		
	Fixed Rate Bond 0.00% (2019: 0.27%)		
	Czech Republic 0.51% (2019: 0.40%)		
	Fixed Rate Bond 0.51% (2019: 0.40%)		
GBP 953,000	CPI Property 2.75% 22/01/2028	894	0.28
EUR 801,000	CPI Property 4.375% Perpetual	708	0.23
		1,602	0.51
	Denmark 1.16% (2019: 0.51%)		
	Fixed Rate Bond 1.16% (2019: 0.51%)		
GBP 745,000	Danske Bank 2.25% 14/01/2028	749	0.24
GBP 778,000	Orsted 2.125% 17/05/2027	829	0.26
GBP 1,839,000	Orsted 2.50% 16/05/2033	2,074	0.66
		3,652	1.16
	France 6.74% (2019: 7.83%)		
	Fixed Rate Bond 5.81% (2019: 6.31%)		
GBP 1,400,000	Banque Fédérative du Crédit Mutuel 1.25% 05/12/2025	1,416	0.45
GBP 400,000	BNP Paribas 1.875% 14/12/2027	402	0.13
GBP 1,300,000	Crédit Agricole 1.25% 02/10/2024	1,323	0.42
GBP 2,200,000	Dexia Credit Local 1.125% 15/06/2022	2,233	0.72
GBP 400,000	Électricité de France 5.125% 22/09/2050	597	0.19
GBP 600,000	Électricité de France 5.50% 17/10/2041	880	0.28
GBP 600,000	Électricité de France 6.00% 23/01/2114	1,006	0.32
GBP 1,300,000	Électricité de France 6.125% 02/06/2034	1,895	0.60
GBP 1,100,000	LVMH 1.125% 11/02/2027	1,103	0.35
GBP 1,400,000	Orange 3.25% 15/01/2032	1,631	0.52
GBP 1,800,000	Société Générale 1.875% 03/10/2024	1,819	0.58
GBP 1,100,000	Total Capital International 1.66% 22/07/2026	1,151	0.37
GBP 1,919,000	Total Capital International 1.75% 07/07/2025	2,014	0.64
GBP 700,000	Vinci 2.25% 15/03/2027	738	0.24
		18,208	5.81
	Variable Rate Bond 0.93% (2019: 1.52%)		
GBP 321,000	AXA 5.625% 16/01/2054	392	0.12
GBP 1,000,000	Électricité de France 6.00% Perpetual	1,052	0.33
GBP 684,000	Orange 5.75% Perpetual	740	0.24
GBP 708,000	Orange 5.875% Perpetual	747	0.24
		2,931	0.93

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Germany 7.07% (2019: 8.03%)			
Fixed Rate Bond 7.07% (2019: 7.75%)			
GBP 1,300,000	Aroundtown 3.25% 18/07/2027	1,351	0.43
GBP 800,000	Aroundtown 3.625% 10/04/2031	830	0.26
GBP 1,100,000	Aroundtown 4.75% Perpetual	1,091	0.35
GBP 1,919,000	Deutsche Bahn Finance 1.875% 13/02/2026	2,036	0.64
GBP 1,274,000	Deutsche Telekom International Finance 6.50% 08/04/2022	1,401	0.45
GBP 2,700,000	FMS Wertmanagement 0.875% 14/02/2022	2,729	0.86
GBP 600,000	Henkel 1.00% 30/09/2022	604	0.19
GBP 1,200,000	innogy Finance 5.50% 06/07/2022	1,309	0.42
GBP 850,000	innogy Finance 6.125% 06/07/2039	1,384	0.44
GBP 1,178,000	innogy Finance 6.25% 03/06/2030	1,665	0.53
GBP 450,000	KFW 5.00% 09/06/2036	739	0.24
GBP 943,000	KFW 5.75% 07/06/2032	1,492	0.48
GBP 1,700,000	Siemens Financieringsmaatschappij 0.875% 05/06/2023	1,713	0.55
GBP 1,200,000	Siemens Financieringsmaatschappij 1.00% 20/02/2025	1,221	0.39
GBP 1,400,000	Volkswagen Financial Services 1.875% 07/09/2021	1,403	0.45
GBP 300,000	Volkswagen Financial Services 1.625% 09/06/2022	300	0.10
GBP 900,000	Volkswagen Financial Services 1.625% 10/02/2024	894	0.29
		<u>22,162</u>	<u>7.07</u>
Variable Rate Bond 0.00% (2019: 0.28%)			
Hong Kong 0.45% (2019: 0.00%)			
Fixed Rate Bond 0.45% (2019: 0.00%)			
GBP 1,400,000	CK Hutchison 2.00% 17/10/2027	<u>1,405</u>	<u>0.45</u>
Italy 0.88% (2019: 0.96%)			
Fixed Rate Bond 0.60% (2019: 0.36%)			
GBP 723,000	Enel Finance International 5.75% 14/09/2040	1,115	0.37
GBP 425,000	Enel 5.75% 22/06/2037	634	0.20
GBP 100,000	Intesa Sanpaolo 5.148% 10/06/2030	104	0.03
		<u>1,853</u>	<u>0.60</u>
Variable Rate Bond 0.28% (2019: 0.60%)			
GBP 886,000	Enel 7.75% 10/09/2075	<u>893</u>	<u>0.28</u>
Japan 0.33% (2019: 0.56%)			
Fixed Rate Bond 0.33% (2019: 0.56%)			
EUR 1,150,000	Takeda Pharmaceutical 1.375% 09/07/2032	<u>1,047</u>	<u>0.33</u>
Luxembourg 0.98% (2019: 0.74%)			
Fixed Rate Bond 0.98% (2019: 0.74%)			
EUR 797,000	Logicor Financing 1.625% 15/07/2027	728	0.23
EUR 1,690,000	SES 2.00% 02/07/2028	1,528	0.49
EUR 1,000,000	Vivion Investments 3.00% 08/08/2024	826	0.26
		<u>3,082</u>	<u>0.98</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Netherlands 1.42% (2019: 1.41%)		
	Fixed Rate Bond 1.42% (2019: 1.41%)		
GBP 2,300,000	ABN AMRO Bank 1.375% 16/01/2025	2,321	0.74
GBP 1,169,000	Cooperatieve Rabobank 4.625% 23/05/2029	1,380	0.44
GBP 700,000	ING 3.00% 18/02/2026	756	0.24
		<u>4,457</u>	<u>1.42</u>
	Norway 0.53% (2019: 0.18%)		
	Fixed Rate Bond 0.53% (2019: 0.18%)		
GBP 1,617,000	DNB Bank 1.375% 12/06/2023	<u>1,649</u>	<u>0.53</u>
	Romania 0.00% (2019: 0.14%)		
	Fixed Rate Bond 0.00% (2019: 0.14%)		
	Spain 0.88% (2019: 0.76%)		
	Fixed Rate Bond 0.88% (2019: 0.76%)		
GBP 1,500,000	Abertis Infraestructuras 3.375% 27/11/2026	1,551	0.49
GBP 1,000,000	Iberdrola Finanzas 7.375% 29/01/2024	<u>1,223</u>	<u>0.39</u>
		<u>2,774</u>	<u>0.88</u>
	Supranational 1.91% (2019: 3.17%)		
	Fixed Rate Bond 1.91% (2019: 3.17%)		
GBP 1,721,000	European Investment Bank 3.875% 08/06/2037	2,545	0.82
GBP 1,167,000	European Investment Bank 4.50% 07/03/2044	2,049	0.65
GBP 878,000	International Bank for Reconstruction & Development 5.75% 07/06/2032	<u>1,391</u>	<u>0.44</u>
		<u>5,985</u>	<u>1.91</u>
	Sweden 0.28% (2019: 0.13%)		
	Fixed Rate Bond 0.28% (2019: 0.13%)		
EUR 960,000	Scania 2.25% 03/06/2025	<u>893</u>	<u>0.28</u>
	Switzerland 1.94% (2019: 1.36%)		
	Fixed Rate Bond 1.45% (2019: 0.91%)		
GBP 1,400,000	Credit Suisse 2.25% 09/06/2028	1,406	0.44
EUR 750,000	Firmanich International 1.75% 30/04/2030	709	0.23
EUR 940,000	Firmanich Productions 1.375% 30/10/2026	877	0.27
EUR 580,000	Lonza Finance International 1.625% 21/04/2027	557	0.18
USD 660,000	Syngenta Finance 4.892% 24/04/2025	562	0.18
USD 535,000	Syngenta Finance 5.182% 24/04/2028	<u>462</u>	<u>0.15</u>
		<u>4,573</u>	<u>1.45</u>
	Variable Rate Bond 0.49% (2019: 0.45%)		
GBP 1,415,000	Zurich Finance UK 6.625% Perpetual	<u>1,525</u>	<u>0.49</u>
	United Kingdom 58.73% (2019: 53.83%)		
	Asset Backed 1.61% (2019: 2.77%)		
GBP 1,203,475	Connect Plus M25 Issuer 2.607% 31/03/2039	1,344	0.43
GBP 891,155	TC Dudgeon OFTO 3.158% 12/11/2038	1,035	0.33
GBP 772,951	Tesco Property Finance 5.744% 13/04/2040	1,034	0.33
GBP 1,216,722	Tesco Property Finance 6.0517% 13/10/2039	<u>1,632</u>	<u>0.52</u>
		<u>5,045</u>	<u>1.61</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Fixed Rate Bond 55.42% (2019: 47.80%)		
GBP 708,000	Accent Capital 2.625% 18/07/2049	843	0.27
GBP 1,047,000	Affordable Housing Finance 2.893% 11/08/2043	1,374	0.44
GBP 543,000	Anglian Water Services Financing 2.75% 26/10/2029	603	0.19
USD 981,000	Anglo American Capital 5.375% 01/04/2025	897	0.29
GBP 1,792,000	Annington Funding 2.646% 12/07/2025	1,900	0.61
GBP 485,000	Annington Funding 3.685% 12/07/2034	554	0.18
GBP 300,000	Aviva 4.00% 03/06/2055	302	0.10
GBP 1,032,000	A2Dominion Housing 3.50% 15/11/2028	1,138	0.36
GBP 1,357,000	Barclays 3.00% 08/05/2026	1,416	0.45
GBP 472,000	Barclays 3.25% 17/01/2033	497	0.16
GBP 1,680,000	BAT International Finance 2.25% 26/06/2028	1,668	0.53
GBP 1,200,000	BAT International Finance 4.00% 04/09/2026	1,340	0.43
EUR 750,000	BAT Netherlands Finance 2.375% 07/10/2024	720	0.23
GBP 1,622,000	Bazalgette Finance 2.375% 29/11/2027	1,736	0.55
GBP 1,226,000	Blend Funding 3.459% 21/09/2047	1,565	0.50
GBP 1,727,000	BNP Paribas 3.375% 23/01/2026	1,883	0.60
EUR 1,270,000	BP Capital Markets 3.25% Perpetual	1,159	0.37
GBP 1,540,000	BP Capital Markets 4.25% Perpetual	1,552	0.49
GBP 1,296,000	British Telecommunications 3.125% 21/11/2031	1,428	0.46
GBP 1,040,000	Broadgate Financing 4.821% 05/07/2033	1,408	0.45
GBP 1,279,000	Bunzl Finance 2.25% 11/06/2025	1,311	0.42
GBP 1,198,000	BUPA Finance 5.00% 25/04/2023	1,268	0.40
GBP 2,702,000	Cadent Finance 2.125% 22/09/2028	2,856	0.90
GBP 1,266,000	Cadent Finance 2.625% 22/09/2038	1,407	0.45
GBP 660,000	Centrica 4.375% 13/03/2029	774	0.25
GBP 613,000	Centrica 7.00% 19/09/2033	918	0.29
GBP 1,825,000	Co-operative 5.125% 17/05/2024	1,928	0.61
GBP 1,627,000	Coventry Building Society 1.50% 23/01/2023	1,650	0.53
GBP 1,849,000	Coventry Building Society 5.875% 28/09/2022	2,056	0.66
GBP 1,472,980	Delamare Finance 5.5457% 19/02/2029	1,689	0.54
GBP 700,000	Diageo Finance 1.75% 12/10/2026	732	0.23
GBP 530,000	Diageo Finance 2.875% 27/03/2029	598	0.19
GBP 1,500,000	Direct Line Insurance 4.00% 05/06/2032	1,541	0.49
GBP 2,240,000	Dwr Cymru Financing 1.375% 31/03/2033	2,242	0.71
GBP 2,110,000	Dwr Cymru Financing 1.625% 31/03/2026	2,118	0.68
GBP 1,201,000	Dwr Cymru Financing 6.015% 31/03/2028	1,626	0.52
GBP 477,000	Eastern Power Networks 2.125% 25/11/2033	512	0.16
GBP 2,069,000	Eastern Power Networks 4.75% 30/09/2021	2,169	0.69
GBP 1,170,000	Eversholt Funding 2.742% 30/06/2040	1,185	0.38
GBP 1,602,000	Experian Finance 2.125% 27/09/2024	1,674	0.53
GBP 1,110,000	Experian Finance 3.25% 07/04/2032	1,284	0.41
GBP 1,225,000	Experian Finance 3.50% 15/10/2021	1,257	0.40
GBP 2,100,000	GlaxoSmithKline Capital 1.25% 12/10/2028	2,118	0.68
GBP 1,080,000	GlaxoSmithKline Capital 1.625% 12/05/2035	1,102	0.35
GBP 865,000	GlaxoSmithKline Capital 4.25% 18/12/2045	1,321	0.42
GBP 470,000	GlaxoSmithKline Capital 5.25% 10/04/2042	775	0.25
GBP 910,000	Grainger 3.00% 03/07/2030	913	0.29
GBP 470,000	Guinness Partnership 2.00% 22/04/2055	498	0.16
GBP 985,000	Heathrow Funding 2.75% Perpetual	990	0.32
GBP 300,000	Heathrow Funding 4.625% 31/10/2046	399	0.13

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 2,122,000	Heathrow Funding 6.75% 03/12/2026	2,642	0.83
GBP 1,648,000	HSBC 3.00% 29/05/2030	1,743	0.56
GBP 472,000	HSBC 4.75% 24/03/2046	558	0.18
GBP 856,000	Imperial Brands Finance 5.50% 28/09/2026	1,024	0.33
GBP 901,000	Imperial Brands Finance 9.00% 17/02/2022	1,014	0.32
GBP 370,000	Karbon Homes 3.375% 15/11/2047	497	0.16
GBP 1,120,000	Land Securities Capital Markets 2.75% 22/09/2057	1,301	0.41
GBP 960,000	Legal & General 4.50% 01/11/2050	987	0.31
GBP 970,000	Lloyds Bank Corporate Markets 1.50% 23/06/2023	975	0.31
GBP 1,106,000	Lloyds Bank 5.125% 07/03/2025	1,330	0.42
GBP 1,697,000	Lloyds Bank 6.00% 08/02/2029	2,405	0.77
GBP 461,000	Lloyds Bank 6.50% 17/09/2040	793	0.25
GBP 1,300,000	Lloyds Bank 7.5% 15/04/2024	1,601	0.51
GBP 3,394,000	Logicor Financing 1.875% 17/11/2026	3,388	1.07
GBP 543,000	London Power Networks 2.625% 01/03/2029	594	0.19
GBP 202,000	Manchester Airport Funding 2.875% 30/09/2044	196	0.06
GBP 684,000	M&G 3.875% 20/07/2049	682	0.22
GBP 1,226,000	M&G 5.56% 20/07/2055	1,264	0.40
GBP 1,351,000	Motability Operations 2.375% 03/07/2039	1,513	0.48
GBP 385,000	Motability Operations 3.625% 10/03/2036	496	0.16
GBP 200,000	National Grid Electricity Transmission 2.00% 16/09/2038	211	0.07
GBP 1,080,000	National Westminster Bank 6.50% 07/09/2021	1,132	0.36
GBP 1,914,000	Nationwide Building Society 1.00% 24/01/2023	1,920	0.61
GBP 1,983,000	Network Rail Infrastructure Finance 3.00% 07/09/2023	2,155	0.69
GBP 1,480,000	Next 3.00% 26/08/2025	1,477	0.47
GBP 1,338,000	NIE Finance 2.50% 27/10/2025	1,426	0.45
GBP 514,000	Northern Electric Finance 2.75% 24/05/2049	627	0.20
GBP 200,000	Northern Powergrid (Yorkshire) 2.25% 09/10/2059	222	0.07
GBP 400,000	Northern Powergrid (Yorkshire) 5.125% 04/05/2035	575	0.18
GBP 1,226,000	Notting Hill Genesis 2.875% 31/01/2029	1,330	0.42
GBP 920,000	Optivo Finance 2.857% 07/10/2035	1,058	0.34
GBP 541,000	Optivo Finance 3.283% 22/03/2048	670	0.21
GBP 602,000	Orbit Capital 3.50% 24/03/2045	746	0.24
GBP 300,000	Pearson Funding 3.75% 04/06/2030	317	0.10
GBP 440,000	Pension Insurance 4.625% 07/05/2031	457	0.15
GBP 1,589,000	Places for People Treasury 2.875% 17/08/2026	1,679	0.54
GBP 1,732,000	PRS Finance 1.50% 24/08/2034	1,799	0.57
GBP 361,000	Prudential 6.125% 19/12/2031	464	0.15
GBP 487,000	RAC Bond 4.565% 06/05/2023	496	0.16
GBP 356,000	RAC Bond 4.87% 06/05/2026	353	0.11
GBP 1,377,000	RL Finance Bonds No.4 4.875% 07/10/2049	1,368	0.44
GBP 3,200,000	Royal Bank of Scotland 2.875% 19/09/2026	3,321	1.05
GBP 1,424,000	RSA Insurance 1.625% 28/08/2024	1,436	0.46
GBP 700,000	Sanctuary Capital 2.375% 14/04/2050	801	0.26
GBP 2,122,000	Santander UK 2.92% 08/05/2026	2,208	0.70
GBP 1,509,000	Santander UK 5.75% 02/03/2026	1,932	0.62
GBP 953,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	1,024	0.33
GBP 1,998,000	Scottish Widows 5.50% 16/06/2023	2,164	0.69
GBP 500,000	SEGRO 2.375% 11/10/2029	528	0.17
GBP 896,000	Severn Trent Utilities Finance 3.625% 16/01/2026	1,018	0.32

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 620,000	Severn Trent Water 2.00% 02/06/2040	644	0.21
GBP 802,000	South Eastern Power Networks 5.625% 30/09/2030	1,109	0.35
GBP 283,000	Southern Electric Power 5.5% 07/06/2032	403	0.13
GBP 1,278,000	Sovereign Housing Capital 2.375% 04/11/2048	1,459	0.47
GBP 566,000	SP Manweb 4.875% 20/09/2027	701	0.22
GBP 957,000	SP Transmission 2.00% 13/11/2031	1,004	0.32
GBP 1,020,000	SSE 3.74% Perpetual	1,021	0.33
EUR 1,040,000	Standard Chartered Bank 2.50% 09/09/2030	960	0.31
GBP 150,000	Tesco Treasury Services 2.75% 27/04/2030	159	0.05
GBP 519,000	Tesco 2.50% 02/05/2025	548	0.17
USD 660,000	Tesco 6.15% 15/11/2037	674	0.21
GBP 1,180,000	Thames Water Utilities Finance 2.375% 22/04/2040	1,209	0.39
GBP 1,281,000	Thames Water Utilities Finance 2.625% 24/01/2032	1,379	0.44
GBP 400,000	Thames Water Utilities Finance 3.50% 25/02/2028	452	0.14
GBP 1,415,000	Thames Water Utilities Finance 4.00% 19/06/2025	1,590	0.51
GBP 700,000	Thames Water Utilities Finance 4.375% 03/07/2034	899	0.29
GBP 213,000	Thames Water Utilities Finance 4.625% 04/06/2046	311	0.10
GBP 1,104,000	THFC Funding No.3 5.20% 11/10/2043	1,765	0.56
GBP 1,117,000	Transport for London 3.875% 23/07/2042	1,590	0.51
GBP 1,792,000	Tritax Big Box REIT 2.625% 14/12/2026	1,886	0.60
GBP 3,390,341	UK Treasury 1.50% 22/07/2047	4,119	1.30
GBP 954,805	UK Treasury 1.75% 07/09/2022	993	0.32
GBP 1,885,000	UK Treasury 1.75% 07/09/2037	2,261	0.72
GBP 160,000	UK Treasury 1.75% 22/07/2057	223	0.07
GBP 650,000	UK Treasury 3.25% 22/01/2044	1,021	0.33
GBP 700,000	UK Treasury 3.50% 22/01/2045	1,155	0.37
GBP 873,312	UK Treasury 4.25% 07/12/2040	1,489	0.47
GBP 155,000	UK Treasury 4.25% 07/12/2049	306	0.10
GBP 390,000	UK Treasury 4.50% 07/12/2042	708	0.23
GBP 312,000	UK Treasury 4.75% 07/12/2038	543	0.17
GBP 840,000	UK Treasury 5.00% 07/03/2025	1,039	0.33
GBP 720,000	Unilever 1.50% 22/07/2026	760	0.24
GBP 869,000	Unite USAF 3.374% 30/06/2023	898	0.29
GBP 2,070,000	United Utilities Water Finance 1.875% 03/06/2042	2,126	0.68
GBP 519,000	Virgin Money 4.00% 25/09/2026	527	0.17
GBP 1,313,000	Vodafone 3.00% 12/08/2056	1,428	0.46
GBP 1,292,000	Vodafone 4.875% 03/10/2078	1,342	0.43
GBP 1,415,000	Western Power Distribution East Midlands 5.25% 17/01/2023	1,564	0.50
GBP 550,000	Western Power Distribution South West 5.75% 23/03/2040	895	0.29
GBP 1,151,000	Westfield Stratford City Finance 1.642% 04/08/2026	1,157	0.37
GBP 700,000	WM Morrison Supermarkets 3.50% 27/07/2026	784	0.25
GBP 500,000	WM Morrison Supermarkets 4.75% 04/07/2029	617	0.20
GBP 600,000	WPP Finance 2010 3.75% 19/05/2032	624	0.20
GBP 816,000	Wrekin Housing 2.50% 22/10/2048	951	0.30
GBP 1,697,000	Yorkshire Water Finance 1.75% 26/11/2026	1,715	0.55
		<u>173,819</u>	<u>55.42</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Variable Rate Bond 1.70% (2019: 3.26%)			
GBP 312,000	Aviva 5.9021% 27/07/2020	312	0.10
GBP 1,400,000	Aviva 6.125% Perpetual	1,491	0.48
GBP 2,145,000	HSBC 5.844% Perpetual	2,849	0.90
GBP 297,000	NGG Finance 5.625% 18/06/2073	333	0.11
GBP 342,000	SSE 3.875% Perpetual	342	0.11
		<u>5,327</u>	<u>1.70</u>
United States 13.79% (2019: 16.02%)			
Asset Backed 0.00% (2019: 0.00%)			
GBP 333,355	Lehman Brothers 7.875% 08/05/2018 ¹	<u>5</u>	<u>-</u>
Fixed Rate Bond 13.79% (2019: 16.02%)			
GBP 1,155,000	Apple 3.60% 31/07/2042	1,664	0.53
GBP 1,350,000	AT&T 4.875% 01/06/2044	1,806	0.58
GBP 700,000	AT&T 7.00% 30/04/2040	1,137	0.36
GBP 2,074,000	Bank of America 2.30% 25/07/2025	2,183	0.70
GBP 1,650,000	Bank of America 6.125% 15/09/2021	1,753	0.56
GBP 1,015,000	Berkshire Hathaway Finance 2.375% 19/06/2039	1,154	0.37
GBP 119,000	Berkshire Hathaway Finance 2.625% 19/06/2059	148	0.05
GBP 3,064,000	Citigroup 1.75% 23/10/2026	3,111	0.99
GBP 1,556,000	Citigroup 2.75% 24/01/2024	1,635	0.52
GBP 600,000	Comcast 1.50% 20/02/2029	614	0.20
GBP 1,270,000	Comcast 1.875% 20/02/2036	1,313	0.42
GBP 896,000	Digital Stout 4.75% 13/10/2023	991	0.32
GBP 802,000	Fidelity National Information Services 3.36% 21/05/2031	925	0.29
GBP 730,000	GE Capital UK Funding 5.875% 18/01/2033	881	0.28
GBP 812,000	General Electric Capital 5.25% 07/12/2028	929	0.30
GBP 481,000	General Electric Capital 5.375% 18/12/2040	563	0.18
GBP 400,000	Goldman Sachs 3.125% 25/07/2029	441	0.14
USD 660,000	Mars 3.60% 01/04/2034	635	0.20
USD 1,043,000	Mars 3.95% 01/04/2049	1,052	0.34
GBP 1,522,000	New York Life Global Funding 1.75% 15/12/2022	1,554	0.50
GBP 771,000	Time Warner Cable 5.75% 02/06/2031	965	0.31
EUR 2,140,000	Upjohn Finance 1.362% 23/06/2027	1,960	0.62
GBP 755,000	Verizon Communications 3.125% 02/11/2035	892	0.28
GBP 1,956,000	Verizon Communications 3.375% 27/10/2036	2,378	0.76
GBP 1,947,000	Walmart 5.625% 27/03/2034	3,033	0.97
GBP 1,179,000	Walmart 5.75% 19/12/2030	1,741	0.56
GBP 700,000	Wells Fargo 2.125% 22/04/2022	712	0.23
GBP 900,000	Wells Fargo 2.125% 24/09/2031	924	0.29
GBP 2,500,000	Wells Fargo 2.50% 02/05/2029	2,643	0.84
GBP 3,150,000	Wells Fargo 5.25% 01/08/2023	3,495	1.10
		<u>43,232</u>	<u>13.79</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Derivatives (0.06%) (2019: (0.04%))		
	Futures (0.01%) (2019: (0.04%))		
(7)	CBT US Ultra Bond September 2020	12	-
(5)	CBT US 10 year Note September 2020	(1)	-
(6)	CBT US 10 year Ultra September 2020	(20)	(0.01)
(61)	EUX Euro Bobl September 2020	(28)	(0.01)
(25)	EUX Euro Bund September 2020	(14)	-
23	ICE Long Gilt September 2020	29	0.01
		<u>(22)</u>	<u>(0.01)</u>
	Swaps 0.00% (2019: (0.02%))²		
	Credit Default Swaps 0.00% (2019: (0.02%))²		
	Forward Foreign Exchange Contracts (0.05%) (2019: 0.02%)²		
	Buy EUR 1,265,979 : Sell GBP 1,144,843 July 2020	6	-
	Buy EUR 728,737 : Sell GBP 659,863 July 2020	3	-
	Buy GBP 1,149,438 : Sell EUR 1,270,000 July 2020	(6)	-
	Buy GBP 1,301,839 : Sell EUR 1,440,000 July 2020	(8)	-
	Buy GBP 1,519,803 : Sell EUR 1,680,621 July 2020	(9)	-
	Buy GBP 35,823 : Sell EUR 39,900 July 2020 ³	-	-
	Buy GBP 36,020 : Sell USD 44,200 July 2020 ³	-	-
	Buy GBP 4,155,596 : Sell USD 5,198,607 July 2020	(50)	(0.02)
	Buy GBP 61,841 : Sell EUR 68,300 July 2020 ³	-	-
	Buy GBP 638,564 : Sell EUR 705,551 July 2020	(3)	-
	Buy GBP 8,755,415 : Sell EUR 9,737,358 July 2020	(99)	(0.03)
	Buy USD 42,800 : Sell GBP 34,461 July 2020 ³	-	-
		<u>(166)</u>	<u>(0.05)</u>
	Investment assets including investment liabilities	306,472	97.71
	Other net assets	7,176	2.29
	Total net assets	313,648	100.00

¹ Defaulted

² Unquoted securities

³ Due to rounding to nearest £1,000

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

Statement of total return for the year ended 30 June 2020

		2020		2019	
	Note	£000	£000	£000	£000
Income					
Net capital gains	2		36,257		25,870
Revenue	3	16,418		31,738	
Expenses	4	(1,656)		(2,944)	
Interest payable and similar charges	5	(1)		(1)	
Net revenue before taxation		14,761		28,793	
Taxation	6	-		-	
Net revenue after taxation			14,761		28,793
Total return before distributions			51,018		54,663
Distributions	7		(14,761)		(28,793)
Change in net assets attributable to shareholders from investment activities			36,257		25,870

Statement of change in net assets attributable to shareholders for the year ended 30 June 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		947,305		1,144,515
Amounts receivable on issue of shares	19,171		69,579	
Amounts payable on inspecie transfer	(339,127)		(160,216)	
Amounts payable on cancellation of shares	(362,307)		(158,645)	
		(682,263)		(249,282)
Dilution adjustment		1,033		390
Change in net assets attributable to shareholders from investment activities		36,257		25,870
Retained distributions on accumulation shares		11,316		25,812
Closing net assets attributable to shareholders		313,648		947,305

Balance sheet as at 30 June 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		306,710	924,617
Current assets:			
Debtors	8	5,237	20,412
Cash and bank balances	9	9,658	25,263
Total assets		321,605	970,292
Liabilities:			
Investment liabilities		238	586
Creditors:			
Amounts held at derivative clearing houses and brokers		41	-
Bank overdrafts		-	8,586
Distributions payable		176	96
Other creditors	10	7,502	13,719
Total liabilities		7,957	22,987
Net assets attributable to shareholders		313,648	947,305

Notes to the financial statements for the year ended 30 June 2020

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2020 £000	2019 £000
Derivative securities	(600)	(1,421)
Forward currency contracts	759	(457)
Non-derivative securities	36,196	27,859
Other currency losses	(86)	(101)
Transaction costs	(12)	(10)
Net capital gains	36,257	25,870

3 Revenue

	2020 £000	2019 £000
Bank interest	73	159
Derivative revenue	(65)	(207)
Interest on debt securities	16,360	31,670
Interest on margin	-	2
Stock lending revenue	50	114
Total revenue	16,418	31,738

4 Expenses

	2020 £000	2019 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	1,440	2,602
GAC*	146	238
	1,586	2,840
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	43	63
Safe custody fees	27	41
	70	104
Total expenses	1,656	2,944

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £10,316 (2019: £10,316).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	1	1
Total interest payable and similar charges	1	1

6 Taxation

a) Analysis of charge in the year

There is no tax charge for the current year (2019: nil).

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	14,761	28,793
Corporation tax at 20% (2019: 20%)	2,952	5,759
Effects of:		
Revenue being paid as interest distributions	(2,952)	(5,759)
Tax charge for the year (note 6a)	-	-

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2019: nil).

d) Factors that may affect future tax charges

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

7 Distributions

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

	2020 £000	2019 £000
Interim income	471	1,429
Interim accumulation	9,894	19,797
Final income	176	96
Final accumulation	1,422	6,015
	11,963	27,337
Amounts deducted on cancellation of shares	2,866	1,674
Amounts received on issue of shares	(68)	(218)
Total distributions	14,761	28,793

Details of the distribution per share are set out in the Distribution tables on pages 85 to 88.

Notes to the financial statements (continued)

8 Debtors

	2020 £000	2019 £000
Accrued revenue	3,690	12,631
Amounts receivable for issue of shares	19	56
Currency transactions awaiting settlement	1,528	2,807
Sales awaiting settlement	-	4,918
Total debtors	5,237	20,412

9 Cash and bank balances

	2020 £000	2019 £000
Amounts held at derivative clearing houses and brokers	456	770
Cash and bank balances	9,202	24,303
Cash pledged as collateral	-	190
Total cash and bank balances	9,658	25,263

10 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	98	195
Accrued Depositary's fee	3	10
Accrued other expenses	12	28
Amounts payable for cancellation of shares	7	47
Derivative revenue payable	-	1
Currency transactions awaiting settlement	1,519	2,816
Purchases awaiting settlement	5,863	10,622
Total other creditors	7,502	13,719

11 Contingent liabilities and commitments

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

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 72 and 73 and notes 4, 7, 8 and 10 on pages 74 to 76 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

There were no material shareholders at the year end (2019: nil).

Notes to the financial statements (continued)

13 Shareholders' funds

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

	2020	2019
	%	%
Class A	0.75	0.75
Class E ¹	0.50	n/a
Class I	0.50	0.50
Class Z ²	0.00	0.00

¹ Class E accumulation and Class E income launched on 8 July 2019.

² Charges for managing Z class shares are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 55 to 61. The distribution per share class is given in the Distribution tables on pages 85 to 88. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2020

	Class A accumulation	Class A income	Class E accumulation	Class E income
Opening number of shares	1,247,546	2,027,679	-	-
Issues during the year	77,927	71,853	6,152	24,109
Cancellations during the year	(152,630)	(141,899)	(64,659)	(33,813)
Shares converted during the year	(278,800)	(679,685)	278,799	635,251
Closing shares in issue	894,043	1,277,948	220,292	625,547

	Class I accumulation	Class I income	Class Z accumulation
Opening number of shares	166,152,762	10,219,411	188,301,944
Issues during the year	1,954,610	264,499	4,934,719
Cancellations during the year	(92,209,998)	(1,998,242)	(165,161,501)
Shares converted during the year	(7,683,998)	15,400,931	-
Closing shares in issue	68,213,376	23,886,599	28,075,162

14 Financial derivatives

The fund may use financial derivatives for efficient portfolio management and for meeting the investment objectives including risk reduction and implementation of investment policies.

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

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

At 30 June 2020 there was no cash collateral pledged in respect of derivatives (2019: £190,000) and there was no collateral held in respect of derivatives (2019: nil).

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2020

At 30 June 2020 the underlying exposure for each category of derivatives was as follows:

Counterparty	Futures £000	Forward foreign exchange contracts £000	Total by counterparty £000
BNP Paribas	-	9	9
UBS	41	-	41
	41	9	50

2019

At 30 June 2019 the underlying exposure for the derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Total by counterparty £000
BNP Paribas	231	231
	231	231

15 Stock lending

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

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

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

2020 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Barclays	1,242	1,356	Government Bond
BNP Paribas	1,172	1,246	Corporate Bond
BNP Paribas	71	76	Government Bond
	1,243	1,322	
JP Morgan	5,025	5,363	Government Bond
	7,510	8,041	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	59	9	50

Notes to the financial statements (continued)

15 Stock lending (continued)

2019 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Barclays	22,578	23,728	Government Bond
BNP Paribas	979	1,031	Corporate Bond
BNP Paribas	1,020	1,075	Government Bond
	<u>1,999</u>	<u>2,106</u>	
Credit Suisse	642	682	Corporate Bond
Goldman Sachs	173	216	Government Bond
JP Morgan	7,759	8,415	Corporate Bond
JP Morgan	33,550	35,944	Government Bond
	<u>41,309</u>	<u>44,359</u>	
NatWest	229	242	Government Bond
	<u>66,930</u>	<u>71,333</u>	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	134	20	114

16 Risk

Currency risk

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

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2020				
Euro	195	12,673	1,606	14,474
UK sterling	19,996	279,029	3,633	302,658
US dollar	143	4,281	49	4,473
Total	20,334	295,983	5,288	321,605
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2019				
Euro	2,693	21,478	3,062	27,233
UK sterling	93,283	813,391	17,428	924,102
US dollar	375	18,429	153	18,957
Total	96,351	853,298	20,643	970,292
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2020				
Euro	-	-	2,628	2,628
UK sterling	29	-	5,267	5,296
US dollar	12	-	21	33
Total	41	-	7,916	7,957
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2019				
Euro	-	204	2,891	3,095
UK sterling	8,586	-	11,064	19,650
US dollar	-	-	242	242
Total	8,586	204	14,197	22,987

Notes to the financial statements (continued)

16 Risk (continued)

Credit Ratings

	Market value £000	Percentage of total net assets %
2020		
Investments		
Investment grade (AAA - BBB)	284,456	90.69
Below investment grade (BB and below)	5,963	1.90
Unrated	16,241	5.18
Total debt securities	306,660	97.77
Derivatives	(188)	(0.06)
Investment assets including investment liabilities	306,472	97.71
Other net assets	7,176	2.29
Total net assets	313,648	100.00
	Market value £000	Percentage of total net assets %
2019		
Investments		
Investment grade (AAA - BBB)	860,841	90.87
Below investment grade (BB and below)	40,661	4.29
Unrated	22,884	2.42
Total debt securities	924,386	97.58
Derivatives	(355)	(0.04)
Investment assets including investment liabilities	924,031	97.54
Other net assets	23,274	2.46
Total net assets	947,305	100.00

Sensitivity analysis

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

VaR Results	Global Exposure Calculation Basis	Actual VaR in year			VaR limit	Utilisation of VaR limit		
		Minimum	Maximum	Average		Minimum	Maximum	Average
		%	%	%	%	%	%	%
2020	Relative VaR*	95.98	109.16	101.32	200	47.99	54.58	50.66
2019	Relative VaR*	97.09	109.92	102.49	200	48.55	54.96	51.24

* Reference portfolio: iBoxx GBP Non-Gilts All Maturities TR Index

Leverage

	Minimum	Maximum	Average
	%	%	%
2020	5.94	31.17	15.78
2019	4.93	30.42	13.80

Notes to the financial statements (continued)

16 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Amounts held at derivatives clearing houses and brokers	41	-	-	-
Derivative financial liabilities	-	238	-	-
Distribution payable	-	176	-	-
Other creditors	-	7,502	-	-
Total	41	7,916	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2019				
Bank overdrafts	8,586	-	-	-
Derivative financial liabilities	-	382	204	-
Distribution payable	-	96	-	-
Other creditors	-	13,719	-	-
Total	8,586	14,197	204	-

17 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	19,884*	63	49,208*	320
Level 2	286,826	175	875,409	266
Level 3	-	-	-	-
	306,710	238	924,617	586

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £19,843,448 as at 30 June 2020 (2019: £49,207,504).

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trades in the year				
Debt securities	406,587	484,545	730,940	521,448
Trades in the year before transaction costs	406,587	484,545	730,940	521,448
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	406,587	484,545	730,940	521,448

	Purchases		Sales	
	2020	2019	2020	2019
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Equities	-	-	-	-
Taxes				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Equities	-	-	-	-
Other expenses				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Equities	-	-	-	-

	2020	2019
	%	%
Total transaction costs expressed as a percentage of net asset value		
Commissions	-	-
Taxes	-	-
Other expenses	-	-
Total costs	-	-

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

There were in specie transfers during the year of £320,223,813 (2019: £151,158,119). There were corporate actions during the year of £6,800,941 (2019: £23,756,033).

There were direct transaction costs associated with derivatives in the year of £2,960 (2019: £4,846) which is 0.00% of the average net asset value of the fund (2019: 0.00%).

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

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

The portfolio dealing spread as at 30 June 2020 was 0.79% (2019: 0.58%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 15 October 2020, the Net Asset Value of the fund had increased.

Distribution tables for the year ended 30 June 2020 (in pence per share)

Interim interest distribution (accounting date 30 September 2019, paid on 29 November 2019)

Group 1: shares purchased prior to 1 July 2019

Group 2: shares purchased on or after 1 July 2019

	Distribution per share	Equalisation	Total distribution per share 29/11/19	Total distribution per share 30/11/18
Class A accumulation				
Group 1	0.8523	-	0.8523	0.9184
Group 2	0.3244	0.5279	0.8523	0.9184
Class A income				
Group 1	0.6999	-	0.6999	0.7703
Group 2	0.3190	0.3809	0.6999	0.7703
Class E accumulation¹				
Group 1	0.9499	-	0.9499	n/a
Group 2	0.5070	0.4429	0.9499	n/a
Class E income¹				
Group 1	0.7798	-	0.7798	n/a
Group 2	0.0394	0.7404	0.7798	n/a
Class I accumulation				
Group 1	1.6616	-	1.6616	1.7508
Group 2	0.8088	0.8528	1.6616	1.7508
Class I income				
Group 1	0.8389	-	0.8389	0.9015
Group 2	0.3465	0.4924	0.8389	0.9015
Class Z accumulation				
Group 1	1.8774	-	1.8774	1.9185
Group 2	0.9323	0.9451	1.8774	1.9185

¹ Class E accumulation and Class E income launched on 8 July 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2019, paid on 28 February 2020)

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased on or after 1 October 2019

	Distribution per share	Equalisation	Total distribution per share 28/02/20	Total distribution per share 28/02/19
Class A accumulation				
Group 1	0.7724	-	0.7724	0.8983
Group 2	0.2664	0.5060	0.7724	0.8983
Class A income				
Group 1	0.6310	-	0.6310	0.7493
Group 2	0.2251	0.4059	0.6310	0.7493
Class E accumulation¹				
Group 1	0.8800	-	0.8800	n/a
Group 2	0.4456	0.4344	0.8800	n/a
Class E income¹				
Group 1	0.7183	-	0.7183	n/a
Group 2	0.2261	0.4922	0.7183	n/a
Class I accumulation				
Group 1	1.5361	-	1.5361	1.7205
Group 2	1.3740	0.1621	1.5361	1.7205
Class I income				
Group 1	0.7704	-	0.7704	0.4837
Group 2	0.2882	0.4822	0.7704	0.4837
Class Z accumulation				
Group 1	1.7603	-	1.7603	1.9164
Group 2	1.1352	0.6251	1.7603	1.9164

¹ Class E accumulation and Class E income launched on 8 July 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 March 2020, paid on 29 May 2020)

Group 1: shares purchased prior to 1 January 2020

Group 2: shares purchased on or after 1 January 2020

	Distribution per share	Equalisation	Total distribution per share 29/05/20	Total distribution per share 31/05/19
Class A accumulation				
Group 1	0.6630	-	0.6630	0.8840
Group 2	0.3488	0.3142	0.6630	0.8840
Class A income				
Group 1	0.5394	-	0.5394	0.7336
Group 2	0.1014	0.4380	0.5394	0.7336
Class E accumulation¹				
Group 1	0.7706	-	0.7706	n/a
Group 2	0.3619	0.4087	0.7706	n/a
Class E income¹				
Group 1	0.6263	-	0.6263	n/a
Group 2	0.2130	0.4133	0.6263	n/a
Class I accumulation				
Group 1	1.3573	-	1.3573	1.6947
Group 2	0.6371	0.7202	1.3573	1.6947
Class I income				
Group 1	0.6755	-	0.6755	0.8639
Group 2	0.0084	0.6671	0.6755	0.8639
Class Z accumulation				
Group 1	1.5923	-	1.5923	1.8718
Group 2	1.0875	0.5048	1.5923	1.8718

¹ Class E accumulation and Class E income launched on 8 July 2019.

Distribution tables (continued)

Final interest distribution (accounting date 30 June 2020, paid on 28 August 2020)

Group 1: shares purchased prior to 1 April 2020

Group 2: shares purchased on or after 1 April 2020

	Distribution per share	Equalisation	Total distribution per share 28/08/20	Total distribution per share 30/08/19
Class A accumulation				
Group 1	0.6811	-	0.6811	0.8136
Group 2	0.2812	0.3999	0.6811	0.8136
Class A income				
Group 1	0.5517	-	0.5517	0.6711
Group 2	0.2624	0.2893	0.5517	0.6711
Class E accumulation¹				
Group 1	0.7898	-	0.7898	n/a
Group 2	0.2903	0.4995	0.7898	n/a
Class E income¹				
Group 1	0.6383	-	0.6383	n/a
Group 2	0.3829	0.2554	0.6383	n/a
Class I accumulation				
Group 1	1.3992	-	1.3992	1.5887
Group 2	0.6037	0.7955	1.3992	1.5887
Class I income				
Group 1	0.6930	-	0.6930	0.8041
Group 2	0.2889	0.4041	0.6930	0.8041
Class Z accumulation				
Group 1	1.6369	-	1.6369	1.7871
Group 2	0.5210	1.1159	1.6369	1.7871

¹ Class E accumulation and Class E income launched on 8 July 2019.

Janus Henderson European Smaller Companies Fund

Authorised Corporate Director's report

Investment Fund Managers

Ollie Beckett and Rory Stokes

Investment objective and policy

The fund aims to provide capital growth over the long term (5 years or more).

The fund invests at least 80% of its assets in shares (also known as equities) of smaller companies, in any industry, in Europe (excluding UK). Companies will be incorporated, headquartered, listed on an exchange in, or deriving significant revenue from, this region.

The fund is actively managed with reference to the EMIX Smaller European Companies ex UK Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the fund's performance. The investment manager has discretion to choose investments for the fund with weightings different to the index or not in the index, but at times the fund may hold investments similar to the index.

Performance summary

	30 Jun 19 - 30 Jun 20 %	30 Jun 18 - 30 Jun 19 %	30 Jun 17 - 30 Jun 18 %	30 Jun 16 - 30 Jun 17 %	30 Jun 15 - 30 Jun 16 %
Class I accumulation (Net)	2.6	2.1	8.7	51.4	10.3
EMIX Smaller European Companies ex UK Index	0.3	0.6	6.9	35.8	14.2
IA European Smaller Companies Sector	(0.5)	(3.3)	9.9	32.6	8.3

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Benchmark values are at close of business.

Class I accumulation is disclosed as it is the representative share class.

Benchmark Usage

Index: EMIX Smaller European Companies ex UK Index

Index usage: Comparator

Index description: The EMIX Smaller European Companies ex UK Index is a measure of the combined performance of over one thousand small and medium sized companies from developed European stock markets. It provides a useful comparison against which the fund's performance can be assessed over time.

Peer group: IA European Smaller Companies Sector

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

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.

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 30 June 2020

Largest purchases	£000	Largest sales	£000
Arnoldo Mondadori Editore	3,452	MIPS	4,432
Stillfront	3,431	Data Respons	3,967
IPSOS	3,311	Barco	3,591
Befesa	2,819	Agfa Gevaert	3,543
Tarkett	2,716	Zur Rose	3,078
Aixtron	2,551	SoftwareONE	2,906
XVIVO Perfusion	2,411	Interroll	2,781
Elmos Semiconductor	2,333	JM	2,658
SoftwareONE	2,303	Siegfried	2,453
Piaggio	2,205	Swissquote	2,426
Total purchases	105,915	Total sales	123,872

Investment review

The fund returned 2.6% based on Class I accumulation (Net) over the year under review, compared with a return of 0.3% in the EMIX Smaller European Companies ex UK Index and a fall of 0.5% in the IA European Smaller Companies Sector peer group benchmark.

There were two very distinct periods for markets over the reporting year. The second half of 2019 saw markets rally as trade discussions moved in the right direction, the UK general election result was perceived as market friendly and further economic lead indicators suggested a steadily improving economy. In contrast, the first quarter of 2020 will go down as one of the worst for global equities in recorded history. It hardly needs saying that the overwhelming factor for all of us came in form of the global pandemic known as COVID-19. The MSCI Europe Small Cap Index sold off by 30% to begin March and extreme volatility was aggravated by forced liquidation of excess leverage. Leveraged corporates and leveraged funds, whether managed by computer or by human, found themselves in the crosshairs. Equities have staged a quite remarkable recovery from the March COVID-19 peak and market trough.

The fund retained a good balance between lowly valued and high-growth stocks, with mainly the latter adding to returns over the reporting year. From our value holdings, we had good contributions from Trigano, a manufacturer of recreational vehicles. It will be interesting to see if demand for recreational vehicles increases as holidaymakers seek to avoid air travel. We also received good contributions from Anima, an Italian asset manager, which has historically benefited from rising equity markets as its fee income increases.

Our growth stocks that continued to add to returns were Stillfront, a gaming consolidator that has acquired a long-lasting and diverse portfolio of games, and Zur Rose, an online pharmacy which saw volumes grow as customers moved their prescriptions to delivery rather than collection during the pandemic. It is our sense that these stocks are increasingly in the crosshairs of large-cap fund managers that are willing to move down the market capitalisation spectrum to increase the levels of growth in their portfolio. We also had good returns from FinecoBank, a leading online bank and brokerage in Italy. Its customer base increased as it was one of the few brokerages to offer a near uninterrupted service during lockdown. This is an area where client churn is low once new customers have been acquired, especially when client satisfaction levels are high, and we added to our holding during the market sell-off in March. Detractors predominantly included oil-related companies such as Odfjell Drilling, Flex and Gaztransport et Technigaz, which suffered due to weak spot oil prices. We exited casino software company Aspire Global following weak results.

In terms of activity, we participated in the initial public offering of GVS, which makes air filters. We also bought a small position in Kahoot!, which is very early in its development but drew some large user numbers in the area of online quiz games, most notably in classrooms. We took the view that the key to its success would be its ability to monetise its user base. We also bought Deutz, which makes off-highway engines (agricultural and industrial generators). The shares had sold off due to macroeconomic concerns but with a bearish scenario factored into the valuation, a good position in electric vehicles and a potentially interesting joint venture in China, the risk/reward profile seemed to be in our favour. We also bought Aixtron. Order and revenue trends in the first half of this year were lacklustre. However, it was our view that a number of high-growth compound semiconductor applications, most of which are at the point of moving into early commercial revenue, would drive Aixtron's long-term growth. These include 3D sensing, silicon carbide-based power semiconductors and microLED televisions.

We sold Johnson Matthey and Forbo, which seemed fully valued. We also sold Fugro, a leveraged oil services company. We exited Wallenius Wilhelmsen, which has seen its business of shipping cars significantly disrupted. While we do not shy away from owning businesses with cyclical exposure, we rarely like to combine it with a weak balance sheet. Wallenius Wilhelmsen was an outlier to this theme.

Despite COVID-19 infection rates moving higher in the US, we are encouraged by lower mortality rates and the fact that, thus far, there has been no demonstrable second wave in Europe, where lockdowns have been lifted. Should this remain the case, we believe the economy will continue to improve and that market leadership will broaden to include value and cyclically exposed stocks. We continue to maintain a balanced portfolio.

Comparative tables for the year ended 30 June 2020

	Class A accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	2,349.07	2,318.97	2,147.73
Return before operating charges*	77.69	67.80	210.64
Operating charges	(38.50)	(37.70)	(39.40)
Return after operating charges*	39.19	30.10	171.24
Distributions on accumulation shares	-	(10.58)	-
Retained distributions on accumulation shares	-	10.58	-
Closing net asset value per share	2,388.26	2,349.07	2,318.97
* after direct transaction costs of:	-	0.55	2.29
Performance			
Return after charges	1.67%	1.30%	7.97%
Other information			
Closing net asset value (£000s)	33,486	59,310	66,677
Closing number of shares	1,402,115	2,524,819	2,875,294
Operating charges	1.71%	1.70%	1.71%
Direct transaction costs	0.00%	0.02%	0.10%
Prices			
Highest share price (pence)	2,457.00	2,428.00	2,426.00
Lowest share price (pence)	1,623.00	1,960.00	2,140.00

Class E accumulation 08/07/19 - 30/06/20 (pence per share)

Change in net assets per share	
Opening net asset value per share	2,392.63 ¹
Return before operating charges*	34.14
Operating charges	(26.50)
Return after operating charges*	7.64
Distributions on accumulation shares	(7.64)
Retained distributions on accumulation shares	7.64
Closing net asset value per share	2,400.27
* after direct transaction costs of:	-
Performance	
Return after charges	0.32% ²
Other information	
Closing net asset value (£000s)	17,886
Closing number of shares	745,186
Operating charges	1.21%
Direct transaction costs	0.00%
Prices	
Highest share price (pence)	2,464.00
Lowest share price (pence)	1,629.00

¹ Class E accumulation launched on 8 July 2019 and this is the first published price.

² Return after charges relates to the period 08/07/19 to 30/06/20 post conversion from the A accumulation share class. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

Comparative tables (continued)

	Class I accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	2,658.85	2,602.41	2,389.36
Return before operating charges*	89.37	77.45	235.25
Operating charges	(21.73)	(21.01)	(22.20)
Return after operating charges*	67.64	56.44	213.05
Distributions on accumulation shares	(17.90)	(34.58)	(19.97)
Retained distributions on accumulation shares	17.90	34.58	19.97
Closing net asset value per share	2,726.49	2,658.85	2,602.41
* after direct transaction costs of:	-	0.62	2.57

Performance

Return after charges	2.54%	2.17%	8.92%
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Other information

Closing net asset value (£000s)	131,813	149,038	183,994
Closing number of shares	4,834,527	5,606,367	7,070,143
Operating charges	0.85%	0.84%	0.86%
Direct transaction costs	0.00%	0.02%	0.10%

Prices

Highest share price (pence)	2,794.00	2,727.00	2,713.00
Lowest share price (pence)	1,849.00	2,209.00	2,381.00

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, which will differ from those in the Performance summary.

Operating charges

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

Share class launches and closures

The following share class launched in the year:

Share class	Launch date
Class E accumulation	8 July 2019

There were no share classes closed in the year.

Share class conversion	Conversion date
Class A accumulation to Class E accumulation	8 July 2019

The conversion of A share classes to the E share classes was performed to benefit investors who do not use a financial adviser as a lower management fee is charged because there are no commission payments bundled within it. The E share classes are available for direct investment.

Ongoing charge figure

The annualised 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.

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class A	1.71 ²	1.70	1.74
Class E³	1.21 ²	n/a	1.24
Class I	0.85 ⁴	0.84	0.86

The OCF is calculated in accordance with guidelines issued by the ESMA.

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 30 June 2020.

² The GAC on Class A and Class E increased from 0.18% to 0.22% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

³ Class E accumulation launched on 8 July 2019 so there are no prior year comparatives.

⁴ The GAC on Class I increased from 0.075% to 0.09% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

Risk and reward profile

The fund currently has 3 types of share class in issue; A accumulation, E accumulation and I accumulation.

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



The share classes appear at 5 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class E accumulation launched on 8 July 2019 and as it does not have a 5 year history, a synthetic history has been created using the A accumulation share class.

Portfolio statement as at 30 June 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 97.38% (2019: 97.72%)		
	Austria 0.00% (2019: 0.77%)		
	Basic Materials 0.00% (2019: 0.77%)		
	Belgium 4.65% (2019: 6.17%)		
	Basic Materials 1.69% (2019: 1.16%)		
431,769	Recticel	3,100	1.69
	Financials 0.58% (2019: 0.18%)		
19,962	Immobel	1,056	0.58
	Health Care 1.54% (2019: 0.37%)		
87,702	Fagron	1,490	0.82
80,342	Mithra Pharmaceuticals	1,328	0.72
		2,818	1.54
	Industrials 0.84% (2019: 4.46%)		
6,639	Barco	948	0.52
10,801	CFE	592	0.32
		1,540	0.84
	Cyprus 0.64% (2019: 0.54%)		
	Industrials 0.64% (2019: 0.54%)		
314,062	Flex	1,168	0.64
	Denmark 0.80% (2019: 3.11%)		
	Consumer Goods 0.00% (2019: 0.89%)		
	Industrials 0.00% (2019: 0.94%)		
	Technology 0.80% (2019: 1.28%)		
136,081	Better Collective	1,460	0.80
	Finland 4.66% (2019: 4.65%)		
	Consumer Goods 0.84% (2019: 1.59%)		
212,688	Altia	1,535	0.84
	Consumer Services 0.68% (2019: 0.00%)		
200,429	Alma Media	1,243	0.68
	Health Care 0.00% (2019: 0.70%)		
	Industrials 3.14% (2019: 2.36%)		
715,144	Metso Outotec	3,192	1.74
121,932	Valmet	2,564	1.40
		5,756	3.14

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	France 16.72% (2019: 13.53%)		
	Consumer Goods 3.20% (2019: 2.47%)		
109,329	Kaufman & Broad	3,036	1.65
33,400	Trigano	2,831	1.55
		<u>5,867</u>	<u>3.20</u>
	Consumer Services 3.12% (2019: 1.60%)		
128,585	IPSOS	2,601	1.42
645,106	Karnov	3,110	1.70
		<u>5,711</u>	<u>3.12</u>
	Health Care 1.56% (2019: 1.86%)		
52,954	Vétoquinol	<u>2,859</u>	<u>1.56</u>
	Industrials 3.44% (2019: 1.68%)		
42,564	Assystem	857	0.47
60,401	LISI	1,010	0.55
133,719	Mersen	2,577	1.41
196,714	Tarkett	1,853	1.01
		<u>6,297</u>	<u>3.44</u>
	Oil & Gas 1.25% (2019: 1.96%)		
37,212	Gaztransport et Technigaz	<u>2,297</u>	<u>1.25</u>
	Technology 4.15% (2019: 3.96%)		
232,628	Criteo ADS	2,139	1.17
20,971	Devoteam	1,380	0.75
45,521	Soitec	4,100	2.23
		<u>7,619</u>	<u>4.15</u>
	Germany 16.70% (2019: 12.99%)		
	Basic Materials 0.84% (2019: 0.60%)		
77,189	Nabaltec	<u>1,530</u>	<u>0.84</u>
	Consumer Goods 4.56% (2019: 4.56%)		
34,945	Einhell Germany Preference Shares	2,198	1.20
55,432	Helma Eigenheimbau	1,829	1.00
81,942	Norma	1,762	0.96
19,401	Zooplus	2,583	1.40
		<u>8,372</u>	<u>4.56</u>
	Consumer Services 2.13% (2019: 1.64%)		
31,346	CEWE Stiftung	2,787	1.53
31,562	Medios	1,107	0.60
		<u>3,894</u>	<u>2.13</u>
	Financials 1.28% (2019: 0.78%)		
147,891	Aareal Bank	<u>2,336</u>	<u>1.28</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Health Care 2.14% (2019: 1.71%)		
66,960	Dermapharm	2,691	1.46
43,126	PharmaSGP	1,237	0.68
		<u>3,928</u>	<u>2.14</u>
	Industrials 1.59% (2019: 1.27%)		
347,576	Deutz	1,326	0.72
121,670	SUESS MicroTec	1,586	0.87
		<u>2,912</u>	<u>1.59</u>
	Technology 4.16% (2019: 2.43%)		
131,625	Aixtron	1,286	0.70
73,658	AlzChem	1,336	0.73
48,760	Mensch und Maschine Software	2,083	1.14
162,920	USU Software	2,924	1.59
		<u>7,629</u>	<u>4.16</u>
	Ireland 1.09% (2019: 1.11%)		
	Consumer Goods 0.77% (2019: 0.71%)		
601,432	Origin Enterprises	1,422	0.77
	Consumer Services 0.32% (2019: 0.40%)		
223,663	Dalata Hotel	578	0.32
	Italy 13.80% (2019: 7.91%)		
	Basic Materials 0.92% (2019: 0.00%)		
178,875	GVS	1,683	0.92
	Consumer Goods 1.22% (2019: 0.00%)		
1,152,095	Piaggio	2,243	1.22
	Consumer Services 0.94% (2019: 0.00%)		
1,963,060	Arnoldo Mondadori Editore	1,713	0.94
	Financials 9.18% (2019: 6.59%)		
763,085	Anima	2,654	1.45
755,668	Banca Farmafactoring	3,469	1.89
237,276	doValue	1,732	0.95
504,476	FinecoBank	5,508	3.00
202,654	Gruppo MutuiOnline	3,467	1.89
		<u>16,830</u>	<u>9.18</u>
	Industrials 1.54% (2019: 1.32%)		
196,684	Carel Industries	2,828	1.54
	Luxembourg 0.00% (2019: 1.74%)		
	Consumer Services 0.00% (2019: 1.74%)		
	Malta 1.62% (2019: 1.28%)		
	Consumer Services 1.62% (2019: 1.28%)		
612,842	Kindred	2,968	1.62

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Netherlands 4.40% (2019: 7.64%)		
	Financials 2.78% (2019: 3.20%)		
215,584	Intertrust	2,958	1.62
180,828	Van Lanschot Kempen	2,124	1.16
		<u>5,082</u>	<u>2.78</u>
	Industrials 0.71% (2019: 1.78%)		
123,086	Kendrion	<u>1,298</u>	<u>0.71</u>
	Oil & Gas 0.00% (2019: 0.49%)		
	Technology 0.91% (2019: 2.17%)		
46,355	BE Semiconductor Industries	<u>1,671</u>	<u>0.91</u>
	Norway 5.60% (2019: 5.04%)		
	Consumer Goods 0.71% (2019: 0.00%)		
133,939	Aker BioMarine	<u>1,302</u>	<u>0.71</u>
	Consumer Services 1.61% (2019: 1.05%)		
418,290	BHG	<u>2,969</u>	<u>1.61</u>
	Financials 1.60% (2019: 0.99%)		
275,664	Sbanken	1,445	0.79
201,356	Sparebank 1	<u>1,480</u>	<u>0.81</u>
		<u>2,925</u>	<u>1.60</u>
	Industrials 0.00% (2019: 0.42%)		
	Oil & Gas 0.81% (2019: 1.24%)		
1,645,527	Odfjell Drilling	<u>1,477</u>	<u>0.81</u>
	Technology 0.87% (2019: 1.34%)		
251,284	Kahoot!	675	0.37
129,895	Pexip	<u>912</u>	<u>0.50</u>
		<u>1,587</u>	<u>0.87</u>
	Portugal 0.74% (2019: 1.21%)		
	Basic Materials 0.00% (2019: 1.21%)		
	Consumer Services 0.74% (2019: 0.00%)		
382,612	NOS	<u>1,347</u>	<u>0.74</u>
	Spain 4.62% (2019: 5.28%)		
	Consumer Services 0.35% (2019: 0.61%)		
1,390,197	Promotora de Informaciones	<u>634</u>	<u>0.35</u>
	Financials 0.71% (2019: 0.76%)		
89,648	AEDAS Homes	<u>1,304</u>	<u>0.71</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Health Care 1.47% (2019: 1.90%)		
117,152	Laboratorios Farmaceuticos Rovi	2,694	1.47
	Industrials 2.09% (2019: 2.01%)		
134,809	Applus Services	836	0.46
95,625	Befesa	2,991	1.63
		3,827	2.09
	Sweden 10.86% (2019: 12.36%)		
	Basic Materials 2.82% (2019: 2.66%)		
319,576	Ahlstrom-Munksjö	3,840	2.10
104,055	Troax	1,320	0.72
		5,160	2.82
	Consumer Goods 4.38% (2019: 1.31%)		
460,939	Nobia	1,766	0.96
86,789	Stillfront	6,242	3.42
		8,008	4.38
	Consumer Services 1.91% (2019: 4.69%)		
598,487	AcadeMedia	3,281	1.79
50,786	Dustin	223	0.12
		3,504	1.91
	Financials 0.00% (2019: 1.12%)		
	Health Care 0.00% (2019: 1.15%)		
	Industrials 1.75% (2019: 1.43%)		
384,335	Balco	3,052	1.66
14,455	Concentric	163	0.09
		3,215	1.75
	Switzerland 9.82% (2019: 11.81%)		
	Consumer Goods 0.00% (2019: 1.80%)		
	Consumer Services 2.51% (2019: 1.73%)		
20,845	Zur Rose	4,602	2.51
	Financials 1.63% (2019: 0.86%)		
43,121	Swissquote	2,980	1.63
	Health Care 1.07% (2019: 3.15%)		
870,759	Handicare	1,967	1.07

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials 4.61% (2019: 4.27%)		
14,878	Comet	1,723	0.94
1,508	Interroll	2,459	1.35
69,276	Klingelnberg	799	0.44
281,705	OC Oerlikon	1,858	1.01
35,700	Vetropack	1,598	0.87
		<u>8,437</u>	<u>4.61</u>
	United Kingdom 0.66% (2019: 0.58%)¹		
	Industrials 0.66% (2019: 0.58%)		
182,601	Grafton	<u>1,205</u>	<u>0.66</u>
	Derivatives 0.00% (2019: 0.00%)		
	Forward Foreign Exchange Contracts 0.00% (2019: 0.00%)²		
	Buy GBP 104,384 : Sell EUR 115,124 July 2020 ³	-	-
	Buy GBP 15,763 : Sell EUR 17,210 July 2020 ³	-	-
	Buy GBP 75,062 : Sell EUR 82,285 July 2020 ³	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
	Investment assets	178,387	97.38
	Other net assets	<u>4,798</u>	<u>2.62</u>
	Total net assets	183,185	100.00

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

² Unquoted securities

³ Due to rounding to nearest £1,000

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

Statement of total return for the year ended 30 June 2020

		2020		2019	
	Note	£000	£000	£000	£000
Income					
Net capital losses	2		(5,227)		(1,050)
Revenue	3	2,994		4,904	
Expenses	4	(2,017)		(2,348)	
Interest payable and similar charges	5	(21)		(17)	
Net revenue before taxation		956		2,539	
Taxation	6	(110)		(334)	
Net revenue after taxation			846		2,205
Total return before distributions			(4,381)		1,155
Distributions	7		(922)		(2,205)
Change in net assets attributable to shareholders from investment activities			(5,303)		(1,050)

Statement of change in net assets attributable to shareholders for the year ended 30 June 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		208,348		250,671
Amounts receivable on issue of shares	47,277		15,629	
Amounts payable on cancellation of shares	(68,287)		(59,148)	
		(21,010)		(43,519)
Dilution adjustment		228		41
Change in net assets attributable to shareholders from investment activities		(5,303)		(1,050)
Retained distributions on accumulation shares		922		2,205
Closing net assets attributable to shareholders		183,185		208,348

Balance sheet as at 30 June 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		178,387	203,592
Current assets:			
Debtors	8	3,968	1,048
Cash and bank balances	9	6,431	6,649
Total assets		188,786	211,289
Liabilities:			
Creditors:			
Bank overdrafts		458	1,875
Other creditors	10	5,143	1,066
Total liabilities		5,601	2,941
Net assets attributable to shareholders		183,185	208,348

Notes to the financial statements for the year ended 30 June 2020

1 Accounting policies

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

2 Net capital losses

Net capital losses on investments during the year comprise:

	2020 £000	2019 £000
Forward currency contracts	(56)	107
Non-derivative securities	(5,509)	(1,221)
Other currency gains	351	74
Transaction costs	(13)	(10)
Net capital losses	(5,227)	(1,050)

3 Revenue

	2020 £000	2019 £000
Overseas dividends	2,953	4,904
UK dividends	41	-
Total revenue	2,994	4,904

4 Expenses

	2020 £000	2019 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	1,781	2,094
GAC*	208	227
	<u>1,989</u>	<u>2,321</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	18	20
Safe custody fees	10	7
	<u>28</u>	<u>27</u>
Total expenses	2,017	2,348

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £7,912 (2019: £7,912).

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	21	17
Total interest payable and similar charges	21	17

Notes to the financial statements (continued)

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2020 £000	2019 £000
Current tax		
Overseas withholding tax	110	334
Total tax (note 6b)	110	334

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	956	2,539
Corporation tax at 20% (2019: 20%)	191	508
Effects of:		
Irrecoverable overseas tax	110	334
Overseas dividends	(568)	(943)
Tax effect of expensed double taxation relief	(3)	(6)
UK dividends*	(8)	-
Unused management expenses	388	441
Tax charge for the year (note 6a)	110	334

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

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2019: nil).

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £2,959,761 (2019: £2,571,530) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

	2020 £000	2019 £000
Final accumulation	922	2,205
Total distributions	922	2,205
Net revenue after taxation	846	2,205
Revenue shortfall	76	-
Total distributions	922	2,205

Details of the distribution per share are set out in the Distribution table on page 112.

8 Debtors

	2020 £000	2019 £000
Accrued revenue	124	39
Amounts receivable for issue of shares	288	74
Currency transactions awaiting settlement	2,412	141
Overseas withholding tax reclaimable	436	337
Sales awaiting settlement	708	457
Total debtors	3,968	1,048

9 Cash and bank balances

	2020 £000	2019 £000
Cash and bank balances	6,431	6,649
Total cash and bank balances	6,431	6,649

10 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	134	162
Accrued Depositary's fee	1	3
Accrued other expenses	22	22
Amounts payable for cancellation of shares	198	210
Currency transactions awaiting settlement	2,405	141
Purchases awaiting settlement	2,383	528
Total other creditors	5,143	1,066

11 Contingent liabilities and commitments

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

Notes to the financial statements (continued)

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 102 and 103 and notes 4, 8, and 10 on pages 104 to 106 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

There were no material shareholders at the year end (2019: nil).

13 Shareholders' funds

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

	2020 %	2019 %
Class A	1.50	1.50
Class E ¹	1.00	n/a
Class I	0.75	0.75

¹ Class E accumulation launched on 8 July 2019.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 92 to 93. The distribution per share class is given in the Distribution table on page 112. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2020

	Class A accumulation	Class E accumulation	Class I accumulation
Opening number of shares	2,524,819	-	5,605,367
Issues during the year	70,088	6,020	1,713,012
Cancellations during the year	(381,022)	(59,585)	(2,495,244)
Shares converted during the year	(811,770)	798,751	11,392
Closing shares in issue	1,402,115	745,186	4,834,527

14 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 30 June 2020 (2019: nil).

2020

The fund had no exposure to derivatives as at 30 June 2020 with a positive market value.

2019

The fund had no exposure to derivatives as at 30 June 2019 with a positive market value.

Notes to the financial statements (continued)

15 Risk

Currency risk

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

	Investment assets	Other net	Total net assets
	£000	assets/(liabilities) £000	£000
2020			
Currency			
Danish krone	-	29	29
Euro	121,850	4,712	126,562
Norwegian krone	8,459	109	8,568
Polish zloty	-	4	4
Swedish krona	28,520	10	28,530
Swiss franc	16,019	-	16,019
UK sterling	1,400	(66)	1,334
US dollar	2,139	-	2,139
Total	178,387	4,798	183,185

	Investment assets	Other net	Total net assets
	£000	assets/(liabilities) £000	£000
2019			
Currency			
Danish krone	3,816	28	3,844
Euro	133,642	4,954	138,596
Norwegian krone	11,628	93	11,721
Polish zloty	-	4	4
Swedish krona	31,322	-	31,322
Swiss franc	20,618	-	20,618
UK sterling	1,202	(323)	879
US dollar	1,364	-	1,364
Total	203,592	4,756	208,348

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £181,850,706 (2019: £207,469,039). A 10% increase/(decrease) in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing/(decreasing) the return for the year ended 30 June 2020 and the net assets as at 30 June 2020 by £18,185,071 (2019: £20,746,904).

Interest rate risk

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

Other market price risk

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

Leverage

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

Notes to the financial statements (continued)

15 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Bank overdrafts	458	-	-	-
Other creditors	-	5,143	-	-
Total	458	5,143	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2019				
Bank overdrafts	1,875	-	-	-
Other creditors	-	1,066	-	-
Total	1,875	1,066	-	-

16 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	178,387	-	200,939	-
Level 2	-	-	2,653	-
Level 3	-	-	-	-
	178,387	-	203,592	-

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trades in the year				
Equities	105,810	80,043	123,922	118,129
Trades in the year before transaction costs	105,810	80,043	123,922	118,129
Transaction costs				
Commissions				
Equities	42	22	50	40
Total commissions	42	22	50	40
Taxes				
Equities	43	-	-	-
Total taxes	43	-	-	-
Other expenses				
Equities	20	25	-	8
Total other expenses	20	25	-	8
Total transaction costs	105	47	50	48
Total net trades in the year after transaction costs	105,915	80,090	123,872	118,081

	Purchases		Sales	
	2020	2019	2020	2019
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.03	0.04	0.03
Taxes				
Equities	0.04	-	-	-
Other expenses				
Equities	0.02	0.03	-	0.01
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.05	0.03		
Taxes	0.02	-		
Other expenses	0.01	0.02		
Total costs	0.08	0.05		

There were no in specie transfers during the year (2019: nil). There were corporate actions during the year of £1,743,406 (2019: £389,974).

There were no direct transaction costs associated with derivatives in the year (2019:nil).

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

The portfolio dealing spread as at 30 June 2020 was 0.43% (2019: 0.49%). The portfolio dealing spread is calculated at a 12 noon valuation point.

Notes to the financial statements (continued)

18 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 15 October 2020, the Net Asset Value of the fund had increased.

Distribution table for the year ended 30 June 2020 (in pence per share)

Final dividend distribution (accounting date 30 June 2020, paid on 28 August 2020)

Group 1: shares purchased prior to 1 July 2019

Group 2: shares purchased on or after 1 July 2019

	Distribution per share	Total distribution per share 28/08/20	Total distribution per share 30/08/19
Class A accumulation			.
Group 1	-	-	10.5765
Group 2	-	-	10.5765
Class E accumulation¹			
Group 1	7.6400	7.6400	n/a
Group 2	7.6400	7.6400	n/a
Class I accumulation			
Group 1	17.9029	17.9029	34.5794
Group 2	17.9029	17.9029	34.5794

¹ Class E accumulation launched on 8 July 2019.

Janus Henderson Index Linked Bond Fund

Authorised Corporate Director's report

Investment Fund Managers

Andrew Mulliner and Bethany Payne

Investment objective and policy

The fund aims to provide an income with the potential for capital growth over the long term.

Performance target: To outperform the FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index by 0.75% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in UK index-linked government bonds (also known as index-linked gilts) of any maturity. (Index-linked bonds pay interest which increases in line with inflation, while their capital values are not directly related to inflation and may fall in value.)

The investment manager may use derivatives (complex financial instruments) with the aim of making investment gains in line with the fund's objective, to reduce risk or to manage the fund more efficiently.

The fund is actively managed with reference to the FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index, which is broadly representative of the bonds in which it may invest, as this forms the basis of the fund's performance target. The investment manager has discretion to choose investments for the fund with weightings different to the index or not in the index, but at times the fund may hold investments similar to the index.

Performance summary

	30 Jun 19 - 30 Jun 20 %	30 Jun 18 - 30 Jun 19 %	30 Jun 17 - 30 Jun 18 %	30 Jun 16 - 30 Jun 17 %	30 Jun 15 - 30 Jun 16 %
Class I accumulation (Net)	12.6	8.9	1.2	8.0	15.1
FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index	11.9	9.1	2.0	7.1	17.0
IA UK Index-Linked Gilts Sector	11.2	9.0	1.9	6.7	15.2
Class I accumulation (Gross)	13.2	9.5	1.8	8.6	15.7
FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index + 0.75%	12.8	9.9	2.8	7.9	17.9

Please note that the performance target is to be achieved over a specific annualised time period. Refer to the performance target section above within the investment objective.

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 12 noon valuation point.

Benchmark values are at close of business.

Class I accumulation is disclosed as it is the representative share class.

Benchmark Usage

Index: FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index

Index usage: Target

Index description: The FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index is a measure of the combined performance of index-linked bonds issued by the British government with greater than 5 years to maturity. It is the basis for the fund's performance target.

Peer group: IA UK Index-Linked Gilts Sector

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

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.

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 30 June 2020

Largest purchases	£000	Largest sales	£000
Janus Henderson Institutional Long Dated Credit Fund Z Accumulation ¹	5,145	UK Treasury 4.125% Index-Linked 22/07/2030	5,120
UK Treasury 0.125% Index-Linked 10/08/2041	3,992	UK Treasury 0.125% Index-Linked 10/08/2028	4,820
UK Treasury 0.125% Index-Linked 22/03/2029	3,609	UK Treasury 1.25% Index-Linked 22/11/2027	4,798
UK Treasury 0.125% Index-Linked 22/03/2044	3,382	UK Treasury 0.125% Index-Linked 22/03/2026	4,110
UK Treasury 1.25% Index-Linked 22/11/2032	3,323	UK Treasury 0.625% Index-Linked 22/11/2042	3,286
UK Treasury 0.125% Index-Linked 10/08/2048	3,306	Japan (Government of) 0.80% 20/03/2058	2,869
UK Treasury 0.125% Index-Linked 22/11/2036	3,272	UK Treasury 0.125% Index-Linked 22/11/2036	2,593
UK Treasury 0.625% Index-Linked 22/11/2042	2,657	UK Treasury 0.75% Index-Linked 22/11/2047	2,024
UK Treasury 0.125% Index-Linked 22/03/2068	2,450	UK Treasury 1.25% Index-Linked 22/11/2055	1,516
Spain (Kingdom of) 0.50% 30/04/2030	2,327	Spain (Kingdom of) 0.50% 30/04/2030	1,345
Total purchases	57,980	Total sales	41,151

¹ Related party to the fund

Investment review

The fund returned 13.2% based on Class I accumulation (Gross) over the year under review, compared with a return of 12.8% in the FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index + 0.75%.

The year was dominated by the impact of the spread of COVID-19, which prompted governments to impose varying degrees of shutdown. The shutdowns caused a rapid decline in economic activity and significant uncertainty in financial markets. This was followed by a swift policy response as central banks cut interest rates to near zero, expanded quantitative easing asset purchases and governments announced huge fiscal spending programmes (akin to those seen in wartime). Many of these are sizeable at about 10% of GDP, in an attempt to cushion the impact of the global recession. The Bank of England cut rates to 0.1% (from 0.75% at the start of the year) and announced £200bn of asset purchases (quantitative easing), which was subsequently increased by a further £100bn in June.

Government bond yields fell sharply (prices rose, reflecting their inverse relationship). The review of the retail price index (RPI), which could be replaced with a (lower) alternative for the calculation of inflation on index-linked gilts, was a headwind for performance. However, this did not seem to deter demand, as the real yield on long-dated index-linked gilts reached new lows by June.

The fund started the second half of 2019 with interest rate duration (sensitivity to interest rates) at the upper end of the range, through positions in the US, Canada, Sweden, Australia and New Zealand. The sharp fall in government bond yields in July and August, particularly in core markets, allowed these positions to perform well. We subsequently reduced this duration position to lock in some of the gains and also took profits on our holdings as we expected a flatter euro yield curve.

Inflation strategies were beneficial in 2019. In the UK, we were positioned, through a position in inflation swaps, for breakeven inflation expectations to fall. This benefited from the rise in sterling, which dampened inflation expectations, and the RPI review.

Emerging market positioning in Mexico continued to perform well as the country's central bank cut rates.

Entering 2020, we rotated our active allocations more towards emerging markets (Mexico/Indonesia) and retained exposure to 'safe haven' government bond markets in smaller size. In March, emerging market bonds and currencies suffered in the 'risk-off' environment, during which there were sharp falls in risk markets. In addition, we held a position for Italian government bonds to outperform on a relative basis, which detracted. These subsequently recovered as the European Union recovery fund proposal gained further traction in the final quarter of the reporting year. In addition, the European Central Bank expanded its emergency bond-buying programme to €1.35trn and extended the length of the scheme to June 2021. These were a positive tailwind for Italian sovereign debt. We also added a position in 10-year Spanish government debt alongside this.

Currency positions detracted from performance where the fund was positioned for the appreciation of growth currencies such as the Norwegian krone and emerging market currencies (Mexico/Indonesia) versus the US dollar at the start of 2020. We maintained our positioning in Indonesia, given high real yields and attractive relative valuation, which was rewarded in the final quarter of the reporting year.

The fund utilises derivatives. During the year, derivative positions included the use of government bond futures and interest rate/inflation swaps to implement active positions and manage overall interest rate exposure. Forward foreign exchange contracts were used to implement currency positions.

This could turn out to be the shortest and sharpest recession on record. However, the economic damage or 'scarring' that policy makers have feared cannot be underestimated and could lead to a more prolonged downturn. What we are more confident on is that the COVID-19 tragedy has been the catalyst for greater use of fiscal spending/deficits by governments to stimulate the economy. This will require central banks to continue to run very loose monetary policy and quantitative easing asset purchases. While there are positive signs in terms of a rebound in economic data and in halting the spread of COVID-19, we feel that the measures in place so far have provided liquidity to financial markets and bridged the income gap (wage subsidisation). However, there is uncertainty as to how long this will last and the impact on employment. Markets have priced in a more positive scenario, in our view, as full economy shutdowns that we saw in the second quarter of 2020 are unlikely to be repeated.

Government bonds in core markets offer limited scope for further capital appreciation unless more central banks move to negative rates. As a result, we look more for carry trades and yield curve positions to extract value. We continue to view peripheral government debt (for example, Italy) as attractive relative to core markets, on the assumption that the political backdrop is stable. In addition, we have been tilting more of our risk budget towards emerging markets.

Comparative tables for the year ended 30 June 2020

	Class A income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	491.50	454.05	450.27
Return before operating charges*	63.12	41.66	7.89
Operating charges	(4.71)	(4.21)	(4.11)
Return after operating charges*	58.41	37.45	3.78
Distributions on income shares	-	-	-
Closing net asset value per share	549.91	491.50	454.05
* after direct transaction costs of:	-	-	-

Performance

Return after charges	11.88%	8.25%	0.84%
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Other information

Closing net asset value (£000s)	11,742	11,723	13,050
Closing number of shares	2,135,271	2,385,140	2,874,205
Operating charges	0.92%	0.91%	0.91%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	556.70	505.20	475.30
Lowest share price (pence)	430.30	438.40	434.30

	Class D accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	377.94	347.01	342.02
Return before operating charges*	48.72	31.96	5.99
Operating charges	(1.18)	(1.03)	(1.00)
Return after operating charges*	47.54	30.93	4.99
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	425.48	377.94	347.01
* after direct transaction costs of:	-	-	-

Performance

Return after charges	12.58%	8.91%	1.46%
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Other information

Closing net asset value (£000s)	34	31	29
Closing number of shares	7,959	8,097	8,250
Operating charges	0.30%	0.29%	0.29%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	430.60	388.30	361.50
Lowest share price (pence)	332.40	335.50	330.20

Comparative tables (continued)

Class E income 08/07/19 - 30/06/20 (pence per share)

Change in net assets per share

Opening net asset value per share	504.33 ¹
Return before operating charges*	50.32
Operating charges	(3.38)
Return after operating charges*	46.94
Distributions on income shares	-
Closing net asset value per share	551.27
* after direct transaction costs of:	-

Performance

Return after charges	9.31% ²
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Other information

Closing net asset value (£000s)	576
Closing number of shares	104,425
Operating charges	0.67%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	558.00
Lowest share price (pence)	431.10

¹ Class E income launched on 8 July 2019 and this is the first published price.

² Return after charges relates to the period 08/07/19 to 30/06/20 post conversion from the A income share class. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

Class I accumulation

	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	589.53	542.61	536.15
Return before operating charges*	75.91	49.91	9.37
Operating charges	(3.39)	(2.99)	(2.91)
Return after operating charges*	72.52	46.92	6.46
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	662.05	589.53	542.61
* after direct transaction costs of:	-	-	-

Performance

Return after charges	12.30%	8.65%	1.20%
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Other information

Closing net asset value (£000s)	143,874	105,691	108,056
Closing number of shares	21,731,646	17,927,981	19,914,073
Operating charges	0.55%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	670.10	605.80	566.30
Lowest share price (pence)	517.60	524.30	517.50

Comparative tables (continued)

	Class I income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	511.49	470.78	465.17
Return before operating charges*	65.84	43.31	8.13
Operating charges	(2.93)	(2.60)	(2.52)
Return after operating charges*	62.91	40.71	5.61
Distributions on income shares	-	-	-
Closing net asset value per share	574.40	511.49	470.78
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	12.30%	8.65%	1.21%
Other information			
Closing net asset value (£000s)	38,848	39,217	43,329
Closing number of shares	6,763,173	7,667,298	9,203,548
Operating charges	0.55%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	581.40	525.60	491.40
Lowest share price (pence)	449.00	454.90	449.00

	Class Z accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	347.50	318.26	312.90
Return before operating charges*	44.88	29.37	5.49
Operating charges	(0.18)	(0.13)	(0.13)
Return after operating charges*	44.70	29.24	5.36
Distributions on accumulation shares	-	-	(0.09)
Retained distributions on accumulation shares	-	-	0.09
Closing net asset value per share	392.20	347.50	318.26
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	12.86%	9.19%	1.71%
Other information			
Closing net asset value (£000s)	16,653	16,317	14,005
Closing number of shares	4,245,964	4,695,514	4,400,659
Operating charges	0.05%	0.04%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	396.90	357.00	330.80
Lowest share price (pence)	306.20	307.90	302.10

Comparative tables (continued)

	Class A income gross 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	456.10
Return before operating charges*	(2.08)
Operating charges	(1.32)
Return after operating charges*	(3.40)
Distributions on income shares	-
Final cancellation	(452.70) ³
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	(0.75%)
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.81%
Direct transaction costs	0.00%
Prices	
Highest share price (pence)	481.50 ⁴
Lowest share price (pence)	440.20 ⁴

³ Class A income gross closed on 2 October 2017.

⁴ to 2 October 2017.

Comparative tables (continued)

	Class I accumulation gross 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	548.07
Return before operating charges*	(2.63)
Operating charges	(1.04)
Return after operating charges*	(3.67)
Distributions on accumulation shares	-
Retained distributions on accumulation shares	-
Final cancellation	(544.40) ⁵
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	(0.67%)
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.54%
Direct transaction costs	0.00%
Prices	
Highest share price (pence)	578.90 ⁶
Lowest share price (pence)	529.00 ⁶

⁵ Class I accumulation gross closed on 2 October 2017.

⁶ to 2 October 2017.

Comparative tables (continued)

	Class I income gross 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	466.97
Return before operating charges*	(2.28)
Operating charges	(0.89)
Return after operating charges*	(3.17)
Distributions on income shares	-
Final cancellation	(463.80) ⁷
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	(0.68%)
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.54%
Direct transaction costs	0.00%
Prices	
Highest share price (pence)	493.30 ⁸
Lowest share price (pence)	450.70 ⁸

⁷ Class I income gross closed on 2 October 2017.

⁸ to 2 October 2017.

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

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

Operating charges

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

Share class launches and closures

The following share class launched in the year:

Share class	Launch date
Class E income	8 July 2019

There were no share classes closed in the year.

Share class conversion	Conversion date
Class A income to Class E income	8 July 2019

The conversion of A share classes to the E share classes was performed to benefit investors who do not use a financial adviser as a lower management fee is charged because there are no commission payments bundled within it. The E share classes are available for direct investment.

Ongoing charge figure

The annualised 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.

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class A	0.92 ²	0.91	0.94
Class D	0.30 ³	0.29	0.30
Class E⁴	0.67 ²	n/a	0.69
Class I	0.55 ³	0.54	0.55
Class Z	0.05 ³	0.04	0.05

The OCF is calculated in accordance with guidelines issued by the ESMA.

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 30 June 2020.

² The GAC on Class A and Class E increased from 0.14% to 0.17% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

³ The GAC on Class D, Class I and Class Z increased from 0.023% to 0.03% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

⁴ Class E income launched on 8 July 2019 so there are no prior year comparatives.

Risk and reward profile

The fund currently has 6 types of share class in issue; A income, D accumulation, E income, I accumulation, I income and Z accumulation.

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



The share classes appear at 5 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class E income launched on 8 July 2019 and as it does not have a 5 year history, a synthetic history has been created using the A income share class.

Portfolio statement as at 30 June 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 96.24% (2019: 98.25%)		
	Australia 1.04% (2019: 0.00%)		
	Fixed Rate Bond 1.04% (2019: 0.00%)		
AUD 3,116,000	Australia (Commonwealth of) 3.00% 21/03/2047	2,210	1.04
	Indonesia 1.31% (2019: 0.00%)		
	Fixed Rate Bond 1.31% (2019: 0.00%)		
IDR 11,517,000,000	Indonesia (Republic of) 7.00% 15/09/2030	642	0.30
IDR 36,000,000,000	Indonesia (Republic of) 8.375% 15/03/2034	2,142	1.01
		2,784	1.31
	Japan 0.00% (2019: 0.83%)		
	Fixed Rate Bond 0.00% (2019: 0.83%)		
	Spain 1.16% (2019: 0.00%)		
	Fixed Rate Bond 1.16% (2019: 0.00%)		
EUR 1,058,000	Spain (Kingdom of) 0.50% 30/04/2030	971	0.46
EUR 1,515,000	Spain (Kingdom of) 1.25% 31/10/2030	1,486	0.70
		2,457	1.16
	United Kingdom 92.73% (2019: 97.42%)		
	Index Linked Bond 92.73% (2019: 97.42%)		
GBP 1,839,930	UK Treasury 0.125% Index-Linked 10/08/2028	2,457	1.16
GBP 2,844,516	UK Treasury 0.125% Index-Linked 10/08/2041	5,145	2.43
GBP 3,794,405	UK Treasury 0.125% Index-Linked 10/08/2048	8,010	3.78
GBP 6,108,599	UK Treasury 0.125% Index-Linked 22/03/2029	9,754	4.61
GBP 4,953,106	UK Treasury 0.125% Index-Linked 22/03/2044	10,854	5.13
GBP 4,203,721	UK Treasury 0.125% Index-Linked 22/03/2046	9,002	4.25
GBP 3,169,511	UK Treasury 0.125% Index-Linked 22/03/2058	8,753	4.13
GBP 3,736,127	UK Treasury 0.125% Index-Linked 22/03/2068	13,266	6.26
GBP 3,217,116	UK Treasury 0.125% Index-Linked 22/11/2036	5,697	2.69
GBP 1,793,430	UK Treasury 0.125% Index-Linked 22/11/2056	4,675	2.21
GBP 2,143,269	UK Treasury 0.125% Index-Linked 22/11/2065	6,849	3.23
GBP 3,655,156	UK Treasury 0.25% Index-Linked 22/03/2052	9,676	4.57
GBP 3,559,303	UK Treasury 0.375% Index-Linked 22/03/2062	12,272	5.80
GBP 3,435,851	UK Treasury 0.50% Index-Linked 22/03/2050	10,398	4.91
GBP 4,131,007	UK Treasury 0.625% Index-Linked 22/03/2040	10,110	4.78
GBP 3,568,645	UK Treasury 0.625% Index-Linked 22/11/2042	9,497	4.49
GBP 5,085,212	UK Treasury 0.75% Index-Linked 22/03/2034	10,167	4.80
GBP 2,987,145	UK Treasury 0.75% Index-Linked 22/11/2047	9,278	4.38
GBP 3,884,394	UK Treasury 1.125% Index-Linked 22/11/2037	10,365	4.90
GBP 4,529,619	UK Treasury 1.25% Index-Linked 22/11/2032	9,849	4.65
GBP 2,738,274	UK Treasury 1.25% Index-Linked 22/11/2055	12,211	5.77
GBP 2,627,352	UK Treasury 2.00% Index-Linked 26/01/2035	8,049	3.80
		196,334	92.73
	Collective Investment Schemes 2.62% (2019: 0.76%)		
368,566	Deutsche Global Liquidity Managed Platinum Sterling Fund	369	0.17
1,746,436	Janus Henderson Institutional Long Dated Credit Fund Z Accumulation ¹	5,174	2.45
		5,543	2.62

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Derivatives 0.59% (2019: 0.50%)		
	Futures 0.05% (2019: 0.07%)		
42	EUX Euro-BTP September 2020	160	0.08
(29)	EUX Euro-Bund September 2020	(58)	(0.03)
		<u>102</u>	<u>0.05</u>
	Options 0.00% (2019: 0.00%)		
3,700,000	USD/MXN Put 19.3 July 2020 ²	-	-
3,700,000	USD/MXN Put 19.4 July 2020 ²	-	-
		<u>-</u>	<u>-</u>
	Swaps 0.59% (2019: 0.43%)³		
	Inflation Index Swaps 0.01% (2019: (0.19%))³		
1,440,000	IIS 3.28% May 2035 - Receive Inflation - GBP	3	-
750,000	IIS 2.95% May 2050 - Receive Inflation - GBP	25	0.01
		<u>28</u>	<u>0.01</u>
	Interest Rate Swaps 0.58% (2019: 0.62%)³		
23,000,000	IRS -0.094% EURIBOR 6 month - Receive Fixed - EUR	157	0.07
3,900,000	IRS 0.095% EURIBOR 6 month - Receive Floating - EUR	(62)	(0.03)
23,100,000	IRS -0.27% EURIBOR 6 month - Receive Floating - EUR	(72)	(0.03)
119,400,000	IRS 0.2825% LIBOR 3 month - Receive Fixed - USD	115	0.05
76,400,000	IRS 0.70% BBR 6 month - Receive Fixed - AUD	59	0.03
22,100,000	IRS 0.8975% LIBOR 3 month - Receive Floating - USD	(463)	(0.22)
143,900,000	IRS 5.59% TIIE 28 day - Receive Fixed - MXN	169	0.08
82,700,000	IRS 6.71% TIIE 28 day - Receive Fixed - MXN	224	0.11
57,880,212	IRS 7.871% TIIE 3 Month - Receive Fixed - MXN	233	0.11
198,400,000	IRS 8.2225% TIIE 28 Day - Receive Fixed - MXN	851	0.41
		<u>1,211</u>	<u>0.58</u>
	Forward Foreign Exchange Contracts (0.05%) (2019: 0.00%)³		
	Buy AUD 11,058 : Sell GBP 6,114 July 2020 ²	-	-
	Buy AUD 13,315 : Sell GBP 7,420 July 2020 ²	-	-
	Buy AUD 15,139 : Sell GBP 8,243 July 2020 ²	-	-
	Buy AUD 2,090 : Sell GBP 1,158 July 2020 ²	-	-
	Buy AUD 45,094 : Sell GBP 25,059 July 2020 ²	-	-
	Buy AUD 53,950 : Sell GBP 29,817 July 2020 ²	-	-
	Buy AUD 5,854 : Sell GBP 3,270 July 2020 ²	-	-
	Buy AUD 65,343 : Sell GBP 36,257 July 2020 ²	-	-
	Buy EUR 114,230 : Sell GBP 102,301 July 2020	2	-
	Buy EUR 32,272 : Sell GBP 28,878 July 2020 ²	-	-
	Buy EUR 89,940 : Sell GBP 81,508 July 2020 ²	-	-
	Buy GBP 10,847 : Sell AUD 19,675 July 2020 ²	-	-
	Buy GBP 1,154 : Sell AUD 2,076 July 2020 ²	-	-
	Buy GBP 1,670 : Sell MXN 47,058 July 2020 ²	-	-
	Buy GBP 17,142 : Sell MXN 487,983 July 2020 ²	-	-
	Buy GBP 1,910,964 : Sell AUD 3,513,783 July 2020	(48)	(0.01)
	Buy GBP 224,330 : Sell USD 281,384 July 2020	(3)	-
	Buy GBP 25,332 : Sell EUR 28,014 July 2020 ²	-	-
	Buy GBP 2,594,234 : Sell USD 3,245,360 July 2020	(32)	(0.02)
	Buy GBP 2,811,193 : Sell EUR 3,126,476 July 2020	(32)	(0.02)

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts <small>(continued)</small>			
	Buy GBP 32,891 : Sell AUD 59,372 July 2020 ²	-	-
	Buy GBP 33,053 : Sell EUR 36,518 July 2020 ²	-	-
	Buy GBP 38,660 : Sell USD 48,017 July 2020 ²	-	-
	Buy GBP 39,591 : Sell EUR 43,511 July 2020 ²	-	-
	Buy GBP 41,827 : Sell USD 51,899 July 2020 ²	-	-
	Buy GBP 50,255 : Sell USD 61,667 July 2020 ²	-	-
	Buy GBP 55,421 : Sell USD 68,538 July 2020 ²	-	-
	Buy GBP 623,163 : Sell MXN 17,719,428 July 2020	5	-
	Buy GBP 8,532 : Sell AUD 15,641 July 2020 ²	-	-
	Buy MXN 105,204 : Sell GBP 3,735 July 2020 ²	-	-
	Buy MXN 1,128,797 : Sell GBP 39,699 July 2020 ²	-	-
	Buy MXN 158,479 : Sell GBP 5,623 July 2020 ²	-	-
	Buy MXN 198,383 : Sell GBP 6,958 July 2020 ²	-	-
	Buy MXN 314,155 : Sell GBP 10,959 July 2020 ²	-	-
	Buy MXN 331,183 : Sell GBP 11,583 July 2020 ²	-	-
	Buy MXN 36,572 : Sell GBP 1,302 July 2020 ²	-	-
	Buy MXN 428,567 : Sell GBP 15,174 July 2020 ²	-	-
	Buy MXN 46,002 : Sell GBP 1,636 July 2020 ²	-	-
	Buy MXN 468,186 : Sell GBP 16,673 July 2020 ²	-	-
	Buy USD 29,670 : Sell GBP 23,830 July 2020 ²	-	-
	Buy USD 37,610 : Sell GBP 30,026 July 2020 ²	-	-
	Buy USD 67,625 : Sell GBP 53,798 July 2020	1	-
	Buy USD 715,152 : Sell GBP 575,170 July 2020	4	-
	Buy USD 91,718 : Sell GBP 73,123 July 2020	1	-
		<u>(102)</u>	<u>(0.05)</u>
	Investment assets including investment liabilities	210,567	99.45
	Other net assets	1,160	0.55
	Total net assets	211,727	100.00

¹ Related party to the fund

² Due to rounding to nearest £1,000

³ Unquoted securities

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

Statement of total return for the year ended 30 June 2020

		2020		2019	
	Note	£000	£000	£000	£000
Income					
Net capital gains	2		22,240		10,193
Revenue	3	1,293		4,718	
Expenses	4	(1,014)		(884)	
Interest payable and similar charges	5	(15)		-	
Net revenue before taxation		264		3,834	
Taxation	6	(11)		-	
Net revenue after taxation			253		3,834
Total return before distributions			22,493		14,027
Distributions	7		-		-
Change in net assets attributable to shareholders from investment activities			22,493		14,027

Statement of change in net assets attributable to shareholders for the year ended 30 June 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		172,979		178,469
Amounts receivable on issue of shares	38,570		9,256	
Amounts payable on cancellation of shares	(22,337)		(28,779)	
		16,233		(19,523)
Dilution adjustment		22		6
Change in net assets attributable to shareholders from investment activities		22,493		14,027
Closing net assets attributable to shareholders		211,727		172,979

Balance sheet as at 30 June 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		211,337	173,022
Current assets:			
Debtors	8	239	1,007
Cash and bank balances	9	2,094	1,368
Total assets		213,670	175,397
Liabilities:			
Investment liabilities		770	893
Creditors:			
Amounts held at derivative clearing houses and brokers		890	998
Bank overdrafts		28	197
Other creditors	10	255	330
Total liabilities		1,943	2,418
Net assets attributable to shareholders		211,727	172,979

Notes to the financial statements for the year ended 30 June 2020

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2020 £000	2019 £000
Capital management fee rebates	1	-
Derivative securities	1,419	255
Forward currency contracts	(866)	(832)
Non-derivative securities	21,919	10,783
Other currency losses	(218)	(3)
Transaction costs	(15)	(10)
Net capital gains	22,240	10,193

3 Revenue

	2020 £000	2019 £000
Bank interest	-	7
Derivative revenue	270	427
Interest on debt securities	1,022	4,279
Interest on margin	1	2
Stock lending revenue	-	3
Total revenue	1,293	4,718

4 Expenses

	2020 £000	2019 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	927	811
GAC*	62	53
	<u>989</u>	<u>864</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	18	15
Safe custody fees	7	4
	<u>25</u>	<u>19</u>
Other expenses:		
Professional fees	-	1
	<u>-</u>	<u>1</u>
Total expenses	1,014	884

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £10,316 (2019: £10,316).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	15	-
Total interest payable and similar charges	15	-

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2020 £000	2019 £000
Current tax		
Overseas withholding tax	11	-
Total tax (note 6b)	11	-

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	264	3,834
Corporation tax at 20% (2019: 20%)	53	767
Effects of:		
Relief for indexation movements on index-linked gilts	(378)	(931)
Overseas withholding tax	11	-
Unused management expenses	325	164
Tax charge for the year (note 6a)	11	-

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2019: nil).

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £3,002,468 (2019: £2,677,999) 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.

Notes to the financial statements (continued)

7 Distributions

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

	2020 £000	2019 £000
Amounts deducted on cancellation of shares	1	-
Amounts received on issue of shares	(1)	-
Total distributions	-	-
Net revenue after taxation	253	3,834
Adjustment for capital indexation	(1,891)	(4,651)
Revenue shortfall	1,638	817
Total distributions	-	-

Details of the distribution per share are set out in the Distribution tables on pages 140 to 143.

8 Debtors

	2020 £000	2019 £000
Accrued revenue	213	577
Amounts receivable for issue of shares	18	388
Currency transactions awaiting settlement	8	42
Total debtors	239	1,007

9 Cash and bank balances

	2020 £000	2019 £000
Amounts held at derivative clearing houses and brokers	2,066	1,170
Cash and bank balances	28	198
Total cash and bank balances	2,094	1,368

10 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	81	68
Accrued Depositary's fee	2	2
Accrued other expenses	10	7
Amounts payable for cancellation of shares	143	187
Derivative revenue payable	11	24
Currency transactions awaiting settlement	8	42
Total other creditors	255	330

11 Contingent liabilities and commitments

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

Notes to the financial statements (continued)

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 127 and 128 and notes 4, 7, 8 and 10 on pages 129 to 131 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

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

- a) The value of purchases transactions was £5,145,000 (2019: nil), the value of sales transactions was nil (2019: nil) and the balance outstanding at the year end was nil (2019: nil).
- b) Revenue receivable for the year was nil (2019: nil) and the balance outstanding at the year end was nil (2019: nil).
- c) The aggregate value of investments held at the year end was £5,174,425 (2019: nil).

HSBC Global Custody Nominee (UK) Limited, as a material shareholder, is a related party holding shares comprising 61.98% of the total net assets of the fund as at the year end (2019: 54.54%).

13 Shareholders' funds

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

	2020 %	2019 %
Class A	0.75	0.75
Class D	0.25	0.25
Class E ¹	0.50	n/a
Class I	0.50	0.50
Class Z ²	0.00	0.00

¹ Class E income launched on 8 July 2019.

² Charges for managing Z class shares are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 116 to 121. The distribution per share class is given in the Distribution tables on pages 140 to 143. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2020

	Class A accumulation	Class D accumulation	Class E accumulation
Opening number of shares	2,385,140	8,097	-
Issues during the year	354,407	-	22,599
Cancellations during the year	(495,132)	(138)	(22,961)
Shares converted during the year	(109,144)	-	104,787
Closing shares in issue	2,135,271	7,959	104,425

	Class I accumulation	Class I income	Class Z accumulation
Opening number of shares	17,927,981	7,667,298	4,695,514
Issues during the year	5,642,209	318,141	72,053
Cancellations during the year	(1,760,157)	(1,316,788)	(521,603)
Shares converted during the year	(78,387)	94,522	-
Closing shares in issue	21,731,646	6,763,173	4,245,964

Notes to the financial statements (continued)

14 Financial derivatives

The fund may use financial derivatives for efficient portfolio management and for meeting the investment objectives including risk reduction and implementation of investment policies.

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

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

There was no cash collateral pledged or collateral held in respect of derivatives as at 30 June 2020 (2019: nil). There was £610,493 of bonds held as collateral in respect of derivatives as at 30 June 2020 (2019: £273,568).

2020

At 30 June 2020 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Futures £000	Forward foreign exchange contracts £000	Interest rate swaps £000	Inflation index swaps £000
BNP Paribas	-	13	-	-
Citigroup	-	-	957	28
Morgan Stanley	-	-	851	-
UBS	160	-	-	-
	160	13	1,808	28

Counterparty	Total by counterparty £000
BNP Paribas	13
Citigroup	985
Morgan Stanley	851
UBS	160
	2,009

2019

At 30 June 2019 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Futures	Forward foreign exchange contracts £000	Interest rate swaps £000	Total by counterparty £000
BNP Paribas	-	21	-	21
Barclays	-	-	417	417
Citigroup	-	-	145	145
Goldman Sachs	-	-	101	101
JP Morgan	-	24	547	571
Morgan Stanley	-	-	315	315
UBS	190	-	-	190
	190	45	1,525	1,760

Notes to the financial statements (continued)

15 Stock lending

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

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

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

2020

The fund had no stock on loan as at 30 June 2020 and no stock lending revenue received in the year to 30 June 2020.

2019

The fund had no stock on loan as at 30 June 2019.

Recipient	Relationship	Total gross amount of stock lending revenue	Direct and indirect costs and fees	Net stock lending revenue retained by the fund
			deducted by securities lending agent £000	
BNP Paribas	Stock lending agent	4	1	3

16 Risk

Currency risk

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

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk

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

	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing assets	Total
2020	£000	£000	£000	£000
Australian dollar	66	2,210	15	2,291
Euro	574	2,457	168	3,199
Indonesian rupiah	-	2,784	63	2,847
Mexican peso	1,478	-	13	1,491
UK sterling	197,616	-	5,690	203,306
US dollar	530	-	6	536
Total	200,264	7,451	5,955	213,670
	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing assets	Total
2019	£000	£000	£000	£000
Australian dollar	237	-	56	293
Canadian dollar	103	-	52	155
Euro	626	-	6	632
Indonesian rupiah	-	-	23	23
Japanese yen	40	1,430	3	1,473
Mexican peso	431	-	-	431
New Zealand dollar	403	-	37	440
Swedish krona	145	-	23	168
UK Sterling	169,155	-	2,278	171,433
US dollar	263	-	86	349
Total	171,403	1,430	2,564	175,397
	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing liabilities	Total
2020	£000	£000	£000	£000
Australian dollar	80	-	7	87
Euro	365	-	3	368
Mexican peso	620	-	-	620
UK sterling	46	-	350	396
US dollar	463	-	9	472
Total	1,574	-	369	1,943

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk (continued)

2019	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
Australian dollar	55	-	-	55
Canadian dollar	48	-	-	48
Euro	423	-	80	503
Japanese yen	-	-	22	22
Mexican peso	102	-	4	106
New Zealand dollar	413	-	-	413
Swedish krona	162	-	-	162
UK sterling	516	-	308	824
US dollar	253	-	32	285
Total	1,972	-	446	2,418

Credit Ratings

2020

Investments

Investment grade (AAA - BBB)

Total debt securities

Collective investment schemes

Derivatives

Investment assets including investment liabilities

Other net assets

Total net assets

Market value £000	Percentage of total net assets %
203,785	96.24
203,785	96.24
5,543	2.62
1,239	0.59
210,567	99.45
1,160	0.55
211,727	100.00

2019

Investments

Investment grade (AAA - BBB)

Total debt securities

Collective investment schemes

Derivatives

Investment assets including investment liabilities

Other net assets

Total net assets

Market value £000	Percentage of total net assets %
169,941	98.25
169,941	98.25
1,321	0.76
867	0.50
172,129	99.51
850	0.49
172,979	100.00

Notes to the financial statements (continued)

16 Risk (continued)

Sensitivity analysis

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

VaR Results	Global Exposure Calculation Basis	Actual VaR in year			VaR limit	Utilisation of VaR limit		
		Minimum	Maximum	Average		Minimum	Maximum	Average
		%	%	%	%	%	%	%
2020	Relative VaR*	58.19	104.38	86.76	200	29.09	52.19	43.38
2019	Relative VaR*	96.64	104.57	100.09	200	48.32	52.29	50.04

* Reference portfolio: FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index

Leverage

	Minimum	Maximum	Average
	%	%	%
2020	91.82	145.26	114.60
2019	113.29	241.99	178.67

Liquidity risk

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

	On demand	Within one year	Over one year but not more than five years	Over five years
	£000	£000	£000	£000
2020				
Amounts held at derivatives clearing houses and brokers	890	-	-	-
Bank overdrafts	28	-	-	-
Derivative financial liabilities	-	173	72	525
Other creditors	-	255	-	-
Total	918	428	72	525
2019				
Amounts held at derivatives clearing houses and brokers	998	-	-	-
Bank overdrafts	197	-	-	-
Derivative financial liabilities	-	114	520	259
Other creditors	-	330	-	-
Total	1,195	444	520	259

Notes to the financial statements (continued)

17 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	196,494*	58	170,131*	74
Level 2	14,843	712	2,891	819
Level 3	-	-	-	-
	211,337	770	173,022	893

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £196,334,148 as at 30 June 2020 (2019: £169,941,220).

18 Direct transaction costs

	Purchases		Sales	
	2020 £000	2019 £000	2020 £000	2019 £000
Trades in the year				
Collective investment schemes	5,145	-	-	-
Debt securities	52,835	34,409	41,151	56,197
Trades in the year before transaction costs	57,980	34,409	41,151	56,197
Transaction costs				
Commissions				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	57,980	34,409	41,151	56,197

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

	Purchases		Sales	
	2020	2019	2020	2019
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Taxes				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Other expenses				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
	2020	2019		
	%	%		
Total transaction costs expressed as a percentage of net asset value				
Commissions	-	-		
Taxes	-	-		
Other expenses	-	-		
Total costs	-	-		

There were no in specie transfers during the year (2019: nil). There were no corporate actions during the year (2019: nil).

There were direct transaction costs associated with derivatives in the year of £2,904 (2019: £7,421) which is 0.00% of the average net asset value of the fund (2019: 0.00%).

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

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.

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

The portfolio dealing spread as at 30 June 2020 was 0.01% (2019: 0.00%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 15 October 2020, the Net Asset Value is £204,746,617 which is a drop of 3.3% from the balance sheet date. The fall in NAV is due to the fall in value of the underlying investments and net outflows from the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

Distribution tables for the year ended 30 June 2020 (in pence per share)

Interim interest distribution (accounting date 30 September 2019, paid on 29 November 2019)

Group 1: shares purchased prior to 1 July 2019

Group 2: shares purchased on or after 1 July 2019

	Distribution per share	Equalisation	Total distribution per share 29/11/19	Total distribution per share 30/11/18
Class A income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class D accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class E income¹				
Group 1	-	-	-	n/a
Group 2	-	-	-	n/a
Class I accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class Z accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2019, paid on 28 February 2020)

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased on or after 1 October 2019

	Distribution per share	Equalisation	Total distribution per share 28/02/20	Total distribution per share 28/02/19
Class A income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class D accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class E income¹				
Group 1	-	-	-	n/a
Group 2	-	-	-	n/a
Class I accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class Z accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 March 2020, paid on 29 May 2020)

Group 1: shares purchased prior to 1 January 2020

Group 2: shares purchased on or after 1 January 2020

	Distribution per share	Equalisation	Total distribution per share 29/05/20	Total distribution per share 31/05/19
Class A income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class D accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class E income¹				
Group 1	-	-	-	n/a
Group 2	-	-	-	n/a
Class I accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class Z accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Final interest distribution (accounting date 30 June 2020, paid on 28 August 2020)

Group 1: shares purchased prior to 1 April 2020

Group 2: shares purchased on or after 1 April 2020

	Distribution per share	Equalisation	Total distribution per share 28/08/20	Total distribution per share 30/08/19
Class A income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class D accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class E income¹				
Group 1	-	-	-	n/a
Group 2	-	-	-	n/a
Class I accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class I income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Class Z accumulation				
Group 1	-	-	-	0.0011
Group 2	-	-	-	0.0011

¹ Class E income launched on 8 July 2019.

Janus Henderson Institutional Long Dated Credit Fund

Authorised Corporate Director's report

Investment Fund Managers

Philip Payne and James Briggs

Investment objective and policy

The fund aims to provide an income with the potential for capital growth over the long term.

Performance target: To outperform the Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index by 1% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in sterling-denominated investment grade (equivalent to BBB rated or higher) corporate bonds, typically with maturities of 15 years or more. (Longer dated bonds are generally more sensitive to changes in interest rates and may at times exhibit significant volatility.)

The fund is actively managed with reference to the Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index, which is broadly representative of the bonds in which it may invest, as this forms the basis of the fund's performance target. The investment manager has discretion to choose investments for the fund with weightings different to the index or not in the index, but at times the fund may hold investments similar to the index.

Performance summary

	30 Jun 19 - 30 Jun 20 %	30 Jun 18 - 30 Jun 19 %	30 Jun 17 - 30 Jun 18 %	30 Jun 16 - 30 Jun 17 %	30 Jun 15 - 30 Jun 16 %
Class I accumulation (Net)	14.5	9.4	0.5	8.1	12.9
Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index	13.8	9.6	0.1	7.3	15.4
IA Sterling Corporate Bond Sector	5.7	5.6	0.7	6.3	6.0
Class I accumulation (Gross)	15.2	10.0	1.0	8.7	13.5
Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index + 1%	15.0	10.7	1.1	8.3	16.6

Please note that the performance target is to be achieved over a specific annualised time period. Refer to the performance target section above within the investment objective.

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 12 noon valuation point.

Benchmark values are at close of business.

Class I accumulation is disclosed as it is the representative share class.

Benchmark Usage

Index: Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index

Index usage: Target

Index description: The Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index is a measure of the combined performance of investment grade corporate bonds issued in pounds sterling with greater than 15 years to maturity. It is the basis for the fund's performance target.

Peer group: IA Sterling Corporate Bond Sector

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

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.

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 30 June 2020

Largest purchases	£000	Largest sales	£000
UK Treasury 1.75% 07/09/2037	11,870	UK Treasury 1.75% 07/09/2037	11,355
UK Treasury 4.25% 07/12/2040	9,095	UK Treasury 1.50% 22/07/2047	9,214
UK Treasury 1.50% 22/07/2047	7,634	UK Treasury 4.25% 07/12/2040	8,309
UK Treasury 4.50% 07/12/2042	4,190	UK Treasury 4.50% 07/12/2042	4,243
UK Treasury 4.25% 07/12/2049	3,782	UK Treasury 4.25% 07/12/2049	3,875
UK Treasury 3.50% 22/01/2045	2,607	Veolia Environnement 6.125% 29/10/2037	2,911
Comcast 1.875% 20/02/2036	2,326	UK Treasury 1.625% 22/10/2071	2,668
UK Treasury 3.25% 22/01/2044	2,266	UK Treasury 3.50% 22/01/2045	2,615
Wells Fargo 4.875% 29/11/2035	2,101	UK Treasury 3.25% 22/01/2044	2,241
Thames Water Utilities Finance 2.375% 22/04/2040	2,096	Anheuser-Busch InBev 2.85% 25/05/2037	2,208
Total purchases	111,646	Total sales	160,679

Investment review

The fund returned 15.2% based on Class I accumulation (Gross) over the year under review, compared with a return of 15.0% in the Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index + 1%.

Sterling investment-grade bonds delivered strong total returns over the year under review. Performance was driven by movements in UK government bond markets as yields declined significantly across the curve. Excess returns (versus government equivalents), however, marginally detracted from performance as credit spreads (the extra yield demanded over an equivalent government bond) widened over the year.

The first half of the reporting year delivered positive total and excess returns (versus governments), largely driven by credit spreads tightening in the final three months of 2019. These moves in credit spreads were driven by improvements in global economic data, continued global monetary support and a US/China 'phase one' trade agreement in December. Brexit negotiations and the political deadlock in the UK rattled the sterling credit market over the fourth quarter of 2019. However, by the end of 2019, the avoidance of a 'no deal' Brexit and the removal of election uncertainties – because of a decisive result – boosted sentiment.

Market dynamics over the first half of the reporting year were positive as demand for sterling credit continued to be underpinned by buy-and-maintain investors and a demand for yield. This healthy demand ensured supply was taken down well.

In contrast, the final six months of the year under review delivered negative total and excess returns (versus government equivalents). Performance was weak as credit spreads widened significantly over March, as a result of the global spread of COVID-19, subsequent lockdowns across countries and fear of the impact of these factors on the global economy. Sentiment was also adversely impacted by oil price volatility, with global benchmark Brent Crude seeing sharp moves lower. In response to COVID-19, policy makers around the world announced significant fiscal and monetary stimulus packages, which helped credit spreads to retrace some of these moves wider as investors paid less attention to the weak fundamental picture. In the UK, in particular, the Chancellor of the Exchequer, Rishi Sunak, announced significant fiscal policy to stimulate a recovery and absorb the shock. The Bank of England cut interest rates to 0.1% (from 0.75% at start of the year) and announced a new wave of quantitative easing, buying gilts and eligible sterling non-financial corporate bonds. Although these actions helped to calm markets, credit spreads closed the financial year at wider levels than that of 30 June 2019.

The strongest sector returns came through the fund's overweight holding in utilities, while positioning in the industrial goods and services and insurance sectors also added to performance. The biggest detractors came through exposure to food and beverages, financial services and real estate. Security selection was a key contributor to performance, with positions in Cadent Finance, the University of Cambridge, Sanctuary Capital and Experian Finance doing well. The fund also benefited from having an underweight position in UK airports, particularly Gatwick Funding. The largest single-name detractors were Aroundtown, General Electric Capital, Fiat Chrysler Automobiles and Mars.

The fund was active in the primary market over the year, participating in attractively priced new issues from Accent Capital, Experian Finance, Northern Powergrid, Direct Line Insurance and Aviva. While in the secondary market, the fund purchased bonds in Tesco Property Finance, Apple and Thames Water Utilities Finance.

We became more positive on sterling investment grade during June as a result of the tailwind provided by global policy makers through their aggressive fiscal and monetary policies.

Market dynamics remained supportive as flows into sterling investment grade continued to be positive, and supply continued to be well absorbed. From a valuation perspective, we became marginally less constructive given the further tightening in credit spreads in June. However, we remain positive on valuations overall as spreads have been wider than three and five-year average levels and specific pockets of value can still be found.

Recent economic data has been more mixed and, in some cases, shown encouraging signs, but overall fundamentals at this point are still subject to significant uncertainty. Other potential risks to stability exist, including tensions in the eurozone, the UK and between the US and China. In the near term, we believe the presence of central bank liquidity will help to drive sterling investment-grade bonds to deliver positive credit returns.

Comparative tables for the year ended 30 June 2020

	2020 (pence per share)	Class A income 2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	204.05	191.72	196.93
Return before operating charges*	29.84	18.72	1.86
Operating charges	(1.98)	(1.74)	(1.80)
Return after operating charges*	27.86	16.98	0.06
Distributions on income shares	(4.39)	(4.85)	(5.07)
Closing net asset value per share	227.52	204.05	191.92
* after direct transaction costs of:	-	-	-

Performance

Return after charges	13.65%	8.85%	0.03%
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Other information

Closing net asset value (£000s)	3,492	3,536	3,962
Closing number of shares	1,534,952	1,732,941	2,064,220
Operating charges	0.91%	0.90%	0.91%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	235.20	207.80	205.60
Lowest share price (pence)	181.10	182.40	191.10

Class E income 08/07/19 - 30/06/20 (pence per share)

Change in net assets per share	
Opening net asset value per share	210.57 ¹
Return before operating charges*	23.29
Operating charges	(1.42)
Return after operating charges*	21.87
Distributions on income shares	(4.93)
Closing net asset value per share	227.51
* after direct transaction costs of:	-

Performance

Return after charges	10.39% ²
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Other information

Closing net asset value (£000s)	362
Closing number of shares	159,039
Operating charges	0.66%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	235.30
Lowest share price (pence)	181.20

¹ Class E income launched on 8 July 2019 and this is the first published price.

² Return after charges relates to the period 08/07/19 to 30/06/20 post conversion from the A income share class. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

Comparative tables (continued)

	Class I accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	408.99	373.88	372.45
Return before operating charges*	60.46	37.17	3.47
Operating charges	(2.37)	(2.06)	(2.04)
Return after operating charges*	58.09	35.11	1.43
Distributions on accumulation shares	(10.51)	(10.97)	(11.10)
Retained distributions on accumulation shares	10.51	10.97	11.10
Closing net asset value per share	467.08	408.99	373.88
* after direct transaction costs of:	-	-	-

Performance

Return after charges	14.20%	9.39%	0.38%
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Other information

Closing net asset value (£000s)	88,943	215,493	224,582
Closing number of shares	19,042,280	52,689,673	60,037,768
Operating charges	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	477.50	414.20	389.20
Lowest share price (pence)	367.80	358.20	367.20

	Class I income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	209.40	196.84	201.94
Return before operating charges*	30.60	19.21	1.94
Operating charges	(1.22)	(1.06)	(1.09)
Return after operating charges*	29.38	18.15	0.85
Distributions on income shares	(5.34)	(5.59)	(5.95)
Closing net asset value per share	233.44	209.40	196.84
* after direct transaction costs of:	-	-	-

Performance

Return after charges	14.03%	9.22%	0.42%
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Other information

Closing net asset value (£000s)	111,232	17,456	181,546
Closing number of shares	47,649,222	8,336,220	92,228,126
Operating charges	0.54%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	241.40	213.40	211.00
Lowest share price (pence)	185.90	187.20	196.10

Comparative tables (continued)

	Class Z accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	258.01	234.49	232.55
Return before operating charges*	38.39	23.62	2.01
Operating charges	(0.12)	(0.10)	(0.07)
Return after operating charges*	38.27	23.52	1.94
Distributions on accumulation shares	(8.11)	(8.28)	(8.11)
Retained distributions on accumulation shares	8.11	8.28	8.11
Closing net asset value per share	296.28	258.01	234.49
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	14.83%	10.03%	0.83%
Other information			
Closing net asset value (£000s)	6,855	1	-
Closing number of shares	2,313,852	206	206
Operating charges	0.04%	0.04%	0.03%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	302.50	261.30	243.30
Lowest share price (pence)	232.90	225.20	230.00
		Class A income gross	
		2018	
		(pence	
		per share)	
Change in net assets per share			
Opening net asset value per share			198.62
Return before operating charges*			1.55
Operating charges			(0.46)
Return after operating charges*			1.09
Distributions on income shares			(1.31)
Final cancellation			(198.40) ³
Closing net asset value per share			-
* after direct transaction costs of:			-
Performance			
Return after charges			0.55%
Other information			
Closing net asset value (£000s)			-
Closing number of shares			-
Operating charges			0.91%
Direct transaction costs			0.00%
Prices			
Highest share price (pence)			207.40 ⁴
Lowest share price (pence)			197.80 ⁴

³ Class A income gross closed on 2 October 2017.

⁴ to 2 October 2017.

Comparative tables (continued)

	Class I accumulation gross 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	414.11
Return before operating charges*	3.28
Operating charges	(0.59)
Return after operating charges*	2.69
Distributions on accumulation shares	(3.11)
Retained distributions on accumulation shares	3.11
Final cancellation	(416.80) ⁵
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	0.65%
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.54%
Direct transaction costs	0.00%
Prices	
Highest share price (pence)	432.80 ⁶
Lowest share price (pence)	412.40 ⁶

⁵ Class I accumulation gross closed on 2 October 2017.

⁶ to 2 October 2017.

Comparative tables (continued)

	Class I income gross 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	197.57
Return before operating charges*	1.60
Operating charges	(0.28)
Return after operating charges*	1.32
Distributions on income shares	(1.49)
Final cancellation	(197.40) ⁷
Closing net asset value per share	-
* after direct transaction costs of:	-

Performance

Return after charges	0.67%
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Other information

Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.54%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	206.50 ⁸
Lowest share price (pence)	196.70 ⁸

⁷ Class I income gross closed on 2 October 2017.

⁸ to 2 October 2017.

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

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

Operating charges

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

Share class launches and closures

The following share class launched in the year:

Share class	Launch date
Class E income	8 July 2019

There were no share classes closed in the year.

Share class conversion	Conversion date
Class A income to Class E income	8 July 2019

The conversion of A share classes to the E share classes was performed to benefit investors who do not use a financial adviser as a lower management fee is charged because there are no commission payments bundled within it. The E share classes are available for direct investment.

Ongoing charge figure

The annualised 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.

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class A	0.91 ²	0.90	0.94
Class E³	0.66 ²	n/a	0.69
Class I	0.54 ⁴	0.54	0.55
Class Z	0.04 ⁴	0.04	0.04

The OCF is calculated in accordance with guidelines issued by the ESMA.

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 30 June 2020.

² The GAC on Class A and Class E increased from 0.14% to 0.17% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

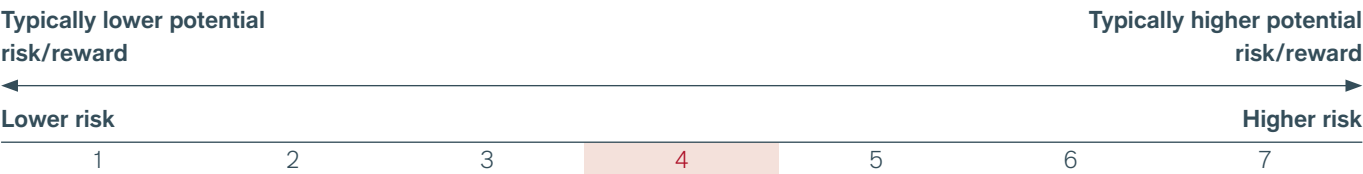
³ Class E income launched on 8 July 2019 so there are no prior year comparatives.

⁴ The GAC on Class I and Class Z increased from 0.023% to 0.03% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

Risk and reward profile

The fund currently has 5 types of share class in issue; A income, E income, I accumulation, I income and Z accumulation.

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



The share classes appear at 4 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class E income launched on 8 July 2019 and as it does not have a 5 year history, a synthetic history has been created using the A income share class.

Portfolio statement as at 30 June 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 98.82% (2019: 98.60%)		
	Australia 1.23% (2019: 1.29%)		
	Fixed Rate Bond 1.23% (2019: 1.29%)		
GBP 1,777,000	BHP Billiton Finance 4.30% 25/09/2042	2,603	1.23
	Belgium 0.38% (2019: 0.90%)		
	Zero / Discount Rate Bond 0.38% (2019: 0.90%)		
GBP 755,000	Anheuser-Busch InBev 2.85% 25/05/2037	801	0.38
	Denmark 0.91% (2019: 0.50%)		
	Fixed Rate Bond 0.91% (2019: 0.50%)		
GBP 450,000	Orsted 2.50% 16/05/2033	508	0.24
GBP 844,000	Orsted 5.75% 09/04/2040	1,414	0.67
		1,922	0.91
	France 7.02% (2019: 10.88%)		
	Fixed Rate Bond 7.02% (2019: 10.88%)		
GBP 1,700,000	Électricité de France 5.125% 22/09/2050	2,538	1.20
GBP 800,000	Électricité de France 5.50% 17/10/2041	1,174	0.56
GBP 1,200,000	Électricité de France 5.50% 27/03/2037	1,709	0.81
GBP 1,700,000	Électricité de France 6.00% 23/01/2114	2,851	1.35
GBP 1,600,000	Engie 5.00% 5.00% 01/10/2060	3,047	1.45
GBP 550,000	Orange 5.375% 22/11/2050	950	0.45
GBP 574,000	Reseau Ferre de France 4.83% 25/03/2060	1,144	0.54
GBP 740,000	Reseau Ferre de France 5.00% 11/03/2052	1,400	0.66
		14,813	7.02
	Germany 3.75% (2019: 4.22%)		
	Fixed Rate Bond 3.75% (2019: 4.22%)		
GBP 500,000	Allianz Finance 4.50% 13/03/2043	805	0.38
GBP 1,300,000	Aroundtown 3.625% 10/04/2031	1,350	0.64
GBP 1,250,000	E.ON International Finance 5.875% 30/10/2037	1,940	0.92
GBP 1,800,000	innogy Finance 6.125% 06/07/2039	2,930	1.39
GBP 600,000	Siemens Financieringsmaatschappij 3.75% 10/09/2042	883	0.42
		7,908	3.75
	Italy 1.93% (2019: 1.54%)		
	Fixed Rate Bond 1.93% (2019: 1.54%)		
GBP 1,744,000	Enel Finance International 5.75% 14/09/2040	2,690	1.28
GBP 920,000	Enel 5.75% 22/06/2037	1,372	0.65
		4,062	1.93
	Mexico 0.33% (2019: 0.35%)		
	Fixed Rate Bond 0.33% (2019: 0.35%)		
GBP 695,000	United Mexican States 5.625% 19/03/2114	700	0.33
	Netherlands 0.46% (2019: 0.38%)		
	Fixed Rate Bond 0.46% (2019: 0.38%)		
GBP 450,000	Rabobank Nederland 5.375% 03/08/2060	974	0.46

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Norway 0.35% (2019: 0.35%)		
	Fixed Rate Bond 0.35% (2019: 0.35%)		
GBP 517,000	Equinor 4.25% 10/04/2041	743	0.35
	Supranational 3.69% (2019: 4.20%)		
	Fixed Rate Bond 3.69% (2019: 4.20%)		
GBP 1,138,000	European Investment Bank 3.875% 08/06/2037	1,683	0.80
GBP 1,230,000	European Investment Bank 4.50% 07/03/2044	2,160	1.02
GBP 1,130,000	European Investment Bank 4.625% 12/10/2054	2,352	1.12
GBP 921,000	European Investment Bank 5.00% 15/04/2039	1,585	0.75
		<u>7,780</u>	<u>3.69</u>
	Sweden 0.71% (2019: 0.59%)		
	Fixed Rate Bond 0.71% (2019: 0.59%)		
GBP 829,000	Vattenfall 6.875% 15/04/2039	1,504	0.71
	United Kingdom 61.76% (2019: 56.85%)		
	Asset Backed 1.30% (2019: 2.09%)		
GBP 517,000	Housing & Care 21 3.288% 08/11/2049	633	0.30
GBP 995,559	Tesco Property Finance 5.4111% 13/07/2044	1,308	0.62
GBP 327,685	Tesco Property Finance 5.744% 13/04/2040	438	0.21
GBP 265,226	Tesco Property Finance 6.0517% 13/10/2039	356	0.17
		<u>2,735</u>	<u>1.30</u>
	Fixed Rate Bond 57.93% (2019: 51.53%)		
GBP 1,100,000	Accent Capital 2.625% 18/07/2049	1,309	0.62
GBP 635,000	Affinity Sutton Capital Markets 5.981% 17/09/2038	1,035	0.49
GBP 2,627,000	Affordable Housing Finance 2.893% 11/08/2043	3,448	1.62
GBP 1,204,000	Affordable Housing Finance 3.80% 20/05/2042	1,768	0.84
GBP 1,395,000	Annington Funding 3.935% 12/07/2047	1,687	0.80
GBP 948,000	BAT International Finance 2.25% 09/09/2052	774	0.37
GBP 700,000	BAT International Finance 6.00% 24/11/2034	940	0.45
GBP 1,244,000	BG Energy Capital 5.00% 04/11/2036	1,831	0.87
GBP 1,450,000	Blend Funding 3.459% 21/09/2047	1,851	0.88
GBP 450,000	BP Capital Markets 4.25% Perpetual	453	0.21
GBP 1,266,000	British Telecommunications 3.625% 21/11/2047	1,488	0.71
GBP 2,107,000	Cadent Finance 2.625% 22/09/2038	2,342	1.11
GBP 1,900,000	Cadent Finance 2.75% 22/09/2046	2,183	1.04
GBP 800,000	Centrica 4.25% 12/09/2044	986	0.47
GBP 600,000	Direct Line Insurance 4.00% 05/06/2032	616	0.29
GBP 733,000	Dwr Cymru Financing 2.50% 31/03/2036	833	0.40
GBP 450,000	Dwr Cymru Financing 4.473% 31/03/2057	792	0.38
GBP 1,066,000	Eastern Power Networks 6.25% 12/11/2036	1,753	0.83
GBP 700,000	EMH Treasury 4.5% 29/01/2044	1,031	0.49
GBP 630,000	Experian Finance 3.25% 07/04/2032	729	0.35
GBP 1,500,000	Futures Treasury 3.375% 08/02/2044	1,981	0.94
GBP 898,000	Gatwick Funding 3.125% 28/09/2039	879	0.42
GBP 302,000	Gatwick Funding 5.75% 23/01/2037	391	0.19
GBP 1,711,000	GlaxoSmithKline Capital 4.25% 18/12/2045	2,612	1.24
GBP 1,300,000	GlaxoSmithKline Capital 5.25% 10/04/2042	2,145	1.02
GBP 1,016,000	GlaxoSmithKline Capital 6.375% 09/03/2039	1,791	0.85

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 720,000	Guinness Partnership 2.00% 22/04/2055	763	0.36
GBP 466,117	Harbour Funding 5.28% 31/03/2044	655	0.31
GBP 1,421,000	Heathrow Funding 2.75% Perpetual	1,429	0.68
GBP 1,200,000	Heathrow Funding 4.625% 31/10/2046	1,595	0.76
GBP 822,000	Heathrow Funding 5.875% 13/05/2041	1,215	0.58
GBP 1,332,000	HSBC 4.75% 24/03/2046	1,574	0.75
GBP 1,078,000	HSBC 6.00% 29/03/2040	1,375	0.65
GBP 500,000	HSBC 7.00% 07/04/2038	698	0.33
GBP 1,000,000	Incommunities Treasury 3.25% 21/03/2049	1,327	0.63
GBP 852,000	Karbon Homes 3.375% 15/11/2047	1,146	0.54
GBP 1,144,000	Land Securities Capital Markets 2.75% 22/09/2057	1,329	0.63
GBP 562,000	LCR Finance 4.50% 07/12/2038	907	0.43
GBP 767,000	LCR Finance 5.10% 07/03/2051	1,603	0.76
GBP 120,000	Legal & General 5.50% 27/06/2064	136	0.06
GBP 1,550,000	Lloyds Bank 6.50% 17/09/2040	2,666	1.26
GBP 913,000	London & Quadrant Housing 3.75% Perpetual	1,206	0.57
GBP 620,000	Manchester Airport Funding 2.875% 30/09/2044	602	0.29
GBP 977,000	M&G 5.56% 20/07/2055	1,007	0.48
GBP 1,610,000	Motability Operations 2.375% 03/07/2039	1,803	0.86
GBP 1,155,000	Motability Operations 3.625% 10/03/2036	1,487	0.71
GBP 970,000	National Grid Electricity Transmission 2.00% 16/09/2038	1,025	0.49
GBP 457,000	National Grid Electricity Transmission 2.75% 06/02/2035	530	0.25
GBP 400,000	Northern Electric Finance 2.75% 24/05/2049	488	0.23
GBP 677,000	Northern Gas Networks Finance 4.875% 15/11/2035 'B'	958	0.45
GBP 336,000	Northern Gas Networks Finance 5.625% 23/03/2040	535	0.25
GBP 600,000	Northern Powergrid (Northeast) 1.875% 16/06/2062	612	0.29
GBP 1,000,000	Northern Powergrid (Yorkshire) 2.25% 09/10/2059	1,110	0.53
GBP 986,000	Optivo Finance 2.857% 07/10/2035	1,134	0.54
GBP 1,063,000	Optivo Finance 3.283% 22/03/2048	1,316	0.62
GBP 1,155,000	Orbit Capital 3.50% 24/03/2045	1,431	0.68
GBP 652,000	Peabody Capital No.2 3.25% 14/09/2048	818	0.39
GBP 438,000	Peabody Capital No.2 4.625% 12/12/2053	712	0.34
GBP 1,240,000	RL Finance Bonds No.4 4.875% 07/10/2049	1,232	0.58
GBP 720,000	Sanctuary Capital 2.375% 14/04/2050	824	0.39
GBP 1,637,000	Sanctuary Capital 5.00% 26/04/2047	2,780	1.31
GBP 660,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	709	0.34
GBP 1,000,000	Scottish Widows 7.00% 16/06/2043	1,394	0.66
GBP 1,000,000	SEGRO 2.875% 11/10/2037	1,105	0.52
GBP 680,000	Severn Trent Water 2.00% 02/06/2040	707	0.34
GBP 845,000	Southern Electric Power 4.625% 20/02/2037	1,182	0.56
GBP 1,095,000	Southern Gas Network 3.10% 15/09/2036	1,312	0.62
GBP 1,200,000	Sovereign Housing Capital 2.375% 04/11/2048	1,370	0.65
GBP 658,000	Sovereign Housing Capital 4.768% 01/06/2043	1,037	0.49
USD 500,000	Tesco 6.15% 15/11/2037	511	0.24
GBP 1,900,000	Thames Water Utilities Finance 2.375% 22/04/2040	1,947	0.92
GBP 876,000	Thames Water Utilities Finance 4.625% 04/06/2046	1,277	0.61
GBP 490,000	Thames Water Utilities Finance 5.125% 28/09/2037	697	0.33
GBP 1,490,000	Thames Water Utilities Finance 5.50% 11/02/2041	2,289	1.09
GBP 1,320,000	THFC Funding No.2 6.35% 08/07/2039	2,247	1.07
GBP 2,080,000	THFC Funding No.3 5.20% 11/10/2043	3,325	1.57

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 493,000	Transport for London 3.625% 15/05/2045	693	0.33
GBP 1,066,000	Transport for London 3.875% 23/07/2042	1,517	0.72
GBP 200,000	Transport for London 4.00% 07/04/2064	350	0.17
GBP 178,192	UK Treasury 1.625% 22/10/2071	270	0.13
GBP 1,308,000	UK Treasury 1.75% 07/09/2037	1,569	0.74
GBP 260,000	UK Treasury 1.75% 22/07/2057	362	0.17
GBP 350,000	UK Treasury 3.75% 22/07/2052	670	0.32
GBP 570,000	UK Treasury 4.25% 07/12/2040	972	0.46
GBP 1,200,000	United Utilities Water Finance 1.75% 10/02/2038	1,220	0.58
GBP 1,440,000	United Utilities Water Finance 1.875% 03/06/2042	1,479	0.70
GBP 900,000	University of Cambridge 2.35% 27/06/2078	1,448	0.69
GBP 393,000	University of Cambridge 3.75% 17/10/2052	684	0.32
GBP 293,000	University of Liverpool 3.375% 25/06/2055	470	0.22
GBP 193,000	University of Manchester 4.25% 04/07/2053	348	0.16
GBP 977,000	University of Oxford 2.544% 08/12/2017	1,463	0.69
GBP 302,000	University of Southampton 2.25% 11/04/2057	370	0.18
GBP 1,696,000	Vodafone 3.00% 12/08/2056	1,844	0.87
GBP 1,500,000	Vodafone 3.375% Perpetual	1,732	0.82
GBP 1,040,000	Wellcome Trust Finance 4.00% 09/05/2059	2,011	0.95
GBP 600,000	Western Power Distribution South West 5.75% 23/03/2040	976	0.46
GBP 500,000	WPP Finance 2010 3.75% 19/05/2032	520	0.25
GBP 800,000	Wrekin Housing 2.50% 22/10/2048	932	0.44
GBP 500,000	Yorkshire Water Finance 2.75% 18/04/2041	576	0.27
GBP 550,000	Yorkshire Water Finance 5.50% 28/05/2037	880	0.42
		<hr/> 122,141	<hr/> 57.93
Stepped Rate Bond 0.00% (2019: 0.24%)			
Variable Rate Bond 2.53% (2019: 2.99%)			
GBP 1,129,000	Aviva 6.875% 20/05/2058	1,603	0.76
GBP 609,000	HBOS Sterling Finance 7.881% Perpetual	926	0.44
GBP 1,110,000	HSBC 5.844% Perpetual	1,474	0.70
GBP 1,198,000	M&G 6.34% 19/12/2063	1,332	0.63
		<hr/> 5,335	<hr/> 2.53
United States 16.30% (2019: 16.55%)			
Fixed Rate Bond 16.30% (2019: 16.55%)			
GBP 1,150,000	Apple 3.60% 31/07/2042	1,656	0.79
GBP 500,000	AT&T 4.25% 01/06/2043	614	0.29
GBP 2,312,000	AT&T 4.875% 01/06/2044	3,093	1.47
GBP 1,750,000	AT&T 7.00% 30/04/2040	2,843	1.35
GBP 1,621,000	Berkshire Hathaway Finance 2.375% 19/06/2039	1,844	0.87
GBP 1,244,000	Berkshire Hathaway Finance 2.625% 19/06/2059	1,545	0.73
GBP 1,180,000	Citigroup 6.80% 25/06/2038	1,988	0.94
GBP 600,000	Citigroup 7.375% 01/09/2039	1,087	0.52
GBP 1,470,000	Comcast 1.875% 20/02/2036	1,520	0.72
GBP 200,000	GE Capital UK Funding 6.25% 05/05/2038	257	0.12
GBP 772,000	GE Capital UK Funding 8.00% 14/01/2039	1,128	0.54
GBP 284,000	General Electric Capital 4.875% 18/09/2037	286	0.14
GBP 1,240,000	General Electric Capital 5.375% 18/12/2040	1,452	0.69

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 467,000	Goldman Sachs 6.875% 18/01/2038	694	0.33
USD 572,000	Mars 3.95% 01/04/2049	577	0.27
GBP 2,635,000	Pfizer 2.735% 15/06/2043	3,193	1.50
GBP 888,000	Time Warner Cable 5.25% 15/07/2042	1,113	0.53
GBP 600,000	Verizon Communications 3.125% 02/11/2035	709	0.34
GBP 2,278,000	Verizon Communications 3.375% 27/10/2036	2,770	1.31
GBP 648,000	Walmart 4.875% 19/01/2039	1,027	0.49
GBP 1,036,000	Walmart 5.25% 28/09/2035	1,623	0.77
GBP 900,000	Walmart 5.625% 27/03/2034	1,402	0.66
GBP 1,550,000	Wells Fargo 4.875% 29/11/2035	1,952	0.93
		<u>34,373</u>	<u>16.30</u>
Derivatives 0.00% (2019: (0.04%))			
Futures 0.00% (2019: (0.01%))			
(5)	CBT US Ultra Bond September 2020	8	-
10	ICE Long Gilt September 2020	<u>1</u>	<u>-</u>
		<u>9</u>	<u>-</u>
Swaps 0.00% (2019: (0.04%))¹			
Credit Default Swaps 0.00% (2019: (0.04%))¹			
Forward Foreign Exchange Contracts 0.00% (2019: 0.01%)¹			
	Buy GBP 1,108,287 : Sell USD 1,386,456 July 2020	<u>(13)</u>	<u>-</u>
Investment assets including investment liabilities		208,390	98.82
	Other net assets	<u>2,494</u>	<u>1.18</u>
Total net assets		210,884	100.00

¹ Unquoted securities

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

Statement of total return for the year ended 30 June 2020

		2020		2019	
	Note	£000	£000	£000	£000
Income					
Net capital gains	2		24,735		19,302
Revenue	3	7,086		12,420	
Expenses	4	(1,306)		(1,948)	
Interest payable and similar charges	5	-		(1)	
Net revenue before taxation		5,780		10,471	
Taxation	6	-		-	
Net revenue after taxation			5,780		10,471
Total return before distributions			30,515		29,773
Distributions	7		(5,780)		(10,471)
Change in net assets attributable to shareholders from investment activities			24,735		19,302

Statement of change in net assets attributable to shareholders for the year ended 30 June 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		236,486		410,090
Amounts receivable on issue of shares	30,587		6,058	
Amounts payable on inspecie transfer	-		(147,340)	
Amounts payable on cancellation of shares	(85,077)		(58,113)	
		(54,490)		(199,395)
Dilution adjustment		596		228
Change in net assets attributable to shareholders from investment activities		24,735		19,302
Retained distributions on accumulation shares		3,557		6,261
Closing net assets attributable to shareholders		210,884		236,486

Balance sheet as at 30 June 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		208,403	233,200
Current assets:			
Debtors	8	3,352	6,781
Cash and bank balances	9	714	5,631
Total assets		212,469	245,612
Liabilities:			
Investment liabilities		13	111
Creditors:			
Amounts held at derivative clearing houses and brokers		9	-
Bank overdrafts		-	3,922
Distributions payable		616	126
Other creditors	10	947	4,967
Total liabilities		1,585	9,126
Net assets attributable to shareholders		210,884	236,486

Notes to the financial statements for the year ended 30 June 2020

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2020 £000	2019 £000
Derivative securities	(90)	95
Forward currency contracts	(62)	(106)
Non-derivative securities	24,907	19,347
Other currency losses	(10)	(27)
Transaction costs	(10)	(7)
Net capital gains	24,735	19,302

3 Revenue

	2020 £000	2019 £000
Bank interest	11	14
Derivative revenue	(1)	(51)
Interest on debt securities	7,045	12,386
Stock lending revenue	31	71
Total revenue	7,086	12,420

4 Expenses

	2020 £000	2019 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	1,212	1,815
GAC*	62	87
	1,274	1,902
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	22	30
Safe custody fees	10	16
	32	46
Total expenses	1,306	1,948

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £10,316 (2019: £10,316).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	-	1
Total interest payable and similar charges	-	1

6 Taxation

a) Analysis of charge in the year

There is no tax charge for the current year (2019: nil).

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	5,780	10,471
Corporation tax at 20% (2019: 20%)	1,156	2,094
Effects of:		
Revenue being paid as interest distributions	(1,156)	(2,094)
Tax charge for the year (note 6a)	-	-

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2019: nil).

d) Factors that may affect future tax charges

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

7 Distributions

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

	2020 £000	2019 £000
Interim income	1,450	3,745
Interim accumulation	3,036	4,842
Final income	616	126
Final accumulation	521	1,419
	5,623	10,132
Amounts deducted on cancellation of shares	255	365
Amounts received on issue of shares	(98)	(26)
Total distributions	5,780	10,471

Details of the distribution per share are set out in the Distribution tables on pages 172 to 175.

Notes to the financial statements (continued)

8 Debtors

	2020 £000	2019 £000
Accrued revenue	2,513	3,167
Amounts receivable for issue of shares	577	199
Sales awaiting settlement	262	3,415
Total debtors	3,352	6,781

9 Cash and bank balances

	2020 £000	2019 £000
Amounts held at derivative clearing houses and brokers	138	61
Cash and bank balances	576	5,570
Total cash and bank balances	714	5,631

10 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	84	98
Accrued Depositary's fee	2	3
Accrued other expenses	10	9
Amounts payable for cancellation of shares	-	92
Derivative revenue payable	-	1
Purchases awaiting settlement	851	4,764
Total other creditors	947	4,967

11 Contingent liabilities and commitments

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

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 159 and 160 and notes 4, 7, 8 and 10 on pages 161 to 163 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

There were no material shareholders at the year end (2019: 56.82%, HSBC Global Custody Nominee (UK) Limited).

Notes to the financial statements (continued)

13 Shareholders' funds

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

	2020	2019
	%	%
Class A	0.75	0.75
Class E ¹	0.50	n/a
Class I	0.50	0.50
Class Z ²	0.00	0.00

¹ Class E income launched on 8 July 2019.

² Charges for managing Z class shares are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 147 to 151. The distribution per share class is given in the Distribution tables on pages 172 to 175. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2020

	Class A income	Class E income	Class I accumulation
Opening number of shares	1,732,941	-	52,689,673
Issues during the year	225,043	49,043	1,883,553
Cancellations during the year	(240,081)	(72,955)	(17,262,775)
Shares converted during the year	(182,951)	182,951	(18,268,171)
Closing shares in issue	1,534,952	159,039	19,042,280

	Class I income	Class Z accumulation
Opening number of shares	8,336,220	206
Issues during the year	6,703,932	2,313,646
Cancellations during the year	(3,297,906)	-
Shares converted during the year	35,906,976	-
Closing shares in issue	47,649,222	2,313,852

14 Financial derivatives

The fund may use financial derivatives for efficient portfolio management and for meeting the investment objectives including risk reduction and implementation of investment policies.

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 30 June 2020 (2019: nil).

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2020

At 30 June 2020 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Futures £000	Total by counterparty £000
UBS	9	9
	9	9

2019

At 30 June 2019 the underlying exposure for the derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Total by counterparty £000
BNP Paribas	21	21
	21	21

15 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with BNP Paribas acting as the stock lending agent in order to generate additional revenue.

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

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

2020 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
BNP Paribas	1,389	1,476	Corporate Bond
BNP Paribas	84	89	Government Bond
	1,473	1,565	
JP Morgan	12,105	12,920	Government Bond
	13,578	14,485	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	36	5	31

Notes to the financial statements (continued)

15 Stock lending (continued)

2019 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Barclays	20,930	21,996	Government Bond
BNP Paribas	1,132	1,192	Corporate Bond
BNP Paribas	1,181	1,244	Government Bond
	<u>2,313</u>	<u>2,436</u>	
Credit Suisse	298	317	Corporate Bond
JP Morgan	4,318	4,683	Corporate Bond
JP Morgan	18,671	20,003	Government Bond
	<u>22,989</u>	<u>24,686</u>	
	<u>46,529</u>	<u>49,435</u>	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	84	13	71

16 Risk

Currency risk

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

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2020				
UK sterling	3,583	203,446	4,273	211,302
US dollar	65	1,086	16	1,167
Total	3,648	204,532	4,289	212,469
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2019				
UK sterling	12,631	224,093	6,787	243,511
US dollar	61	2,025	15	2,101
Total	12,692	226,118	6,802	245,612
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2020				
UK sterling	1	-	1,576	1,577
US dollar	8	-	-	8
Total	9	-	1,576	1,585
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2019				
Euro	-	79	1	80
UK sterling	3,922	-	5,093	9,015
US dollar	-	-	31	31
Total	3,922	79	5,125	9,126

Notes to the financial statements (continued)

16 Risk (continued)

Credit Ratings

	Market value £000	Percentage of total net assets %
2020		
Investments		
Investment grade (AAA - BBB)	194,807	92.38
Below investment grade (BB and below)	926	0.44
Unrated	12,661	6.00
Total debt securities	208,394	98.82
Derivatives	(4)	-
Investment assets including investment liabilities	208,390	98.82
Other net assets	2,494	1.18
Total net assets	210,884	100.00
	Market value £000	Percentage of total net assets %
2019		
Investments		
Investment grade (AAA - BBB)	216,290	91.46
Below investment grade (BB and below)	5,060	2.14
Unrated	11,829	5.00
Total debt securities	233,179	98.60
Derivatives	(90)	(0.04)
Investment assets including investment liabilities	233,089	98.56
Other net assets	3,397	1.44
Total net assets	236,486	100.00

Sensitivity analysis

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

VaR Results	Global Exposure Calculation Basis	Actual VaR in year			VaR limit	Utilisation of VaR limit		
		Minimum %	Maximum %	Average %		Minimum %	Maximum %	Average %
2020	Relative VaR*	94.06	102.60	99.14	200	47.03	51.30	49.57
2019	Relative VaR*	96.66	103.41	100.58	200	48.33	51.71	50.29

* Reference portfolio: Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index

Leverage

	Minimum %	Maximum %	Average %
2020	1.19	7.13	3.88
2019	1.08	7.46	3.48

Notes to the financial statements (continued)

16 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Amounts held at derivatives clearing houses and brokers	9	-	-	-
Derivative financial liabilities	-	13	-	-
Distribution payable	-	616	-	-
Other creditors	-	947	-	-
Total	9	1,576	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2019				
Bank overdrafts	3,922	-	-	-
Derivative financial liabilities	-	32	79	-
Distribution payable	-	126	-	-
Other creditors	-	4,967	-	-
Total	3,922	5,125	79	-

17 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	12,776*	-	15,955*	31
Level 2	195,627	13	217,245	80
Level 3	-	-	-	-
	208,403	13	233,200	111

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £12,766,581 as at 30 June 2020 (2019: £15,955,474).

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trades in the year				
Debt securities	111,646	115,138	160,679	155,511
Trades in the year before transaction costs	111,646	115,138	160,679	155,511
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	111,646	115,138	160,679	155,511

	Purchases		Sales	
	2020	2019	2020	2019
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Debt securities	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
	2020	2019		
	%	%		

Total transaction costs expressed as a percentage of net asset value

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

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

There were no in specie transfers during the year (2019: £144,643,879). There were no corporate actions during the year (2019: £1,588,743).

There were direct transaction costs associated with derivatives in the year of £271 (2019: £545) which is 0.00% of the average net asset value of the fund (2019: 0.00%).

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

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

The portfolio dealing spread as at 30 June 2020 was 1.57% (2019: 1.13%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 15 October 2020, the Net Asset Value of the fund had increased.

Distribution tables for the year ended 30 June 2020 (in pence per share)

Interim interest distribution (accounting date 30 September 2019, paid on 29 November 2019)

Group 1: shares purchased prior to 1 July 2019

Group 2: shares purchased on or after 1 July 2019

	Distribution per share	Equalisation	Total distribution per share 29/11/19	Total distribution per share 30/11/18
Class A income				
Group 1	1.1466	-	1.1466	1.2414
Group 2	0.6407	0.5059	1.1466	1.2414
Class E income¹				
Group 1	1.2703	-	1.2703	n/a
Group 2	0.4738	0.7965	1.2703	n/a
Class I accumulation				
Group 1	2.6973	-	2.6973	2.7676
Group 2	1.5881	1.1092	2.6973	2.7676
Class I income				
Group 1	1.3817	-	1.3817	1.4584
Group 2	0.7793	0.6024	1.3817	1.4584
Class Z accumulation				
Group 1	2.0122	-	2.0122	2.1819
Group 2	2.0122	-	2.0122	2.1819

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2019, paid on 28 February 2020)

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased on or after 1 October 2019

	Distribution per share	Equalisation	Total distribution per share 28/02/20	Total distribution per share 28/02/19
Class A income				
Group 1	1.1426	-	1.1426	1.2525
Group 2	0.6053	0.5373	1.1426	1.2525
Class E income¹				
Group 1	1.2785	-	1.2785	n/a
Group 2	0.2165	1.0620	1.2785	n/a
Class I accumulation				
Group 1	2.7020	-	2.7020	2.7944
Group 2	1.3166	1.3854	2.7020	2.7944
Class I income				
Group 1	1.3798	-	1.3798	1.4606
Group 2	0.6796	0.7002	1.3798	1.4606
Class Z accumulation				
Group 1	2.0947	-	2.0947	2.0559
Group 2	2.0947	-	2.0947	2.0559

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 March 2020, paid on 29 May 2020)

Group 1: shares purchased prior to 1 January 2020

Group 2: shares purchased on or after 1 January 2020

	Distribution per share	Equalisation	Total distribution per share 29/05/20	Total distribution per share 31/05/19
Class A income				
Group 1	1.0897	-	1.0897	1.1967
Group 2	0.3390	0.7507	1.0897	1.1967
Class E income¹				
Group 1	1.2274	-	1.2274	n/a
Group 2	0.7290	0.4984	1.2274	n/a
Class I accumulation				
Group 1	2.6181	-	2.6181	2.7129
Group 2	1.1454	1.4727	2.6181	2.7129
Class I income				
Group 1	1.3240	-	1.3240	1.4073
Group 2	0.6022	0.7218	1.3240	1.4073
Class Z accumulation				
Group 1	2.0458	-	2.0458	2.0074
Group 2	2.0458	-	2.0458	2.0074

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Final interest distribution (accounting date 30 June 2020, paid on 28 August 2020)

Group 1: shares purchased prior to 1 April 2020

Group 2: shares purchased on or after 1 April 2020

	Distribution per share	Equalisation	Total distribution per share 28/08/20	Total distribution per share 30/08/19
Class A income				
Group 1	1.0129	-	1.0129	1.1602
Group 2	0.1475	0.8654	1.0129	1.1602
Class E income¹				
Group 1	1.1490	-	1.1490	n/a
Group 2	0.2874	0.8616	1.1490	n/a
Class I accumulation				
Group 1	2.4967	-	2.4967	2.6935
Group 2	1.4061	1.0906	2.4967	2.6935
Class I income				
Group 1	1.2564	-	1.2564	1.2668
Group 2	0.5905	0.6659	1.2564	1.2668
Class Z accumulation				
Group 1	1.9546	-	1.9546	2.0361
Group 2	0.5860	1.3686	1.9546	2.0361

¹ Class E income launched on 8 July 2019.

Janus Henderson Institutional Long Dated Gilt Fund

Authorised Corporate Director's report

Investment Fund Managers

Andrew Mulliner and Bethany Payne

Investment objective and policy

The fund aims to provide an income with the potential for capital growth over the long term.

Performance target: To outperform the FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index by 0.75% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in UK government bonds (also known as gilts), typically with maturities of 15 years or more. (Longer dated bonds are generally more sensitive to changes in interest rates and may at times exhibit significant volatility.)

The fund is actively managed with reference to the FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index, which is broadly representative of the bonds in which it may invest, as this forms the basis of the fund's performance target. The investment manager has discretion to choose investments for the fund with weightings different to the index or not in the index, but at times the fund may hold investments similar to the index.

Performance summary

	30 Jun 19 - 30 Jun 20 %	30 Jun 18 - 30 Jun 19 %	30 Jun 17 - 30 Jun 18 %	30 Jun 16 - 30 Jun 17 %	30 Jun 15 - 30 Jun 16 %
Class I accumulation (Net)	19.7	6.6	3.6	(1.1)	21.1
FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index	19.8	7.2	4.2	(1.8)	24.1
IA UK Gilts Sector	12.0	5.0	2.1	(0.8)	13.6
Class I accumulation (Gross)	20.4	7.2	4.1	(0.5)	21.8
FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index + 0.75%	20.7	8.0	5.0	(1.1)	25.0

Please note that the performance target is to be achieved over a specific annualised time period. Refer to the performance target section above within the investment objective.

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 12 noon valuation point.

Benchmark values are at close of business.

Class I accumulation is disclosed as it is the representative share class.

Benchmark Usage

Index: FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index

Index usage: Target

Index description: The FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index is a measure of the combined performance of bonds issued by the British government with more than 15 years to maturity. It is the basis for the fund's performance target.

Peer group: IA UK Gilts Sector

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

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 30 June 2020

Largest purchases	£000	Largest sales	£000
UK Treasury 1.75% 07/09/2037	6,017	UK Treasury 4.25% 07/03/2036	3,241
UK Treasury 1.25% 22/10/2041	3,932	UK Treasury 1.50% 22/07/2047	2,935
UK Treasury 1.50% 22/07/2047	3,856	UK Treasury 1.75% 07/09/2037	2,573
UK Treasury 3.25% 22/01/2044	2,857	UK Treasury 1.25% 22/10/2041	2,301
UK Treasury 1.625% 22/10/2054	2,570	UK Treasury 1.625% 22/10/2054	1,615
UK Treasury 1.75% 22/07/2057	1,747	UK Treasury 3.25% 22/01/2044	1,597
UK Treasury 1.625% 22/10/2071	1,735	UK Treasury 4.75% 07/12/2038	1,304
Janus Henderson Institutional Long Dated Credit Fund Z Accumulation ¹	1,671	UK Treasury 4.25% 07/12/2046	1,284
UK Treasury 1.75% 22/01/2020	1,475	UK Treasury 4.25% 07/12/2040	1,177
UK Treasury 0.625% 22/10/2050	1,432	UK Treasury 4.25% 07/12/2055	1,039
Total purchases	40,888	Total sales	24,205

¹ Related party to the fund

Investment review

The fund returned 20.4% based on Class I accumulation (Gross) over the year under review, compared with a return of 20.7% in the FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index + 0.75%.

The year was dominated by the impact of the spread of COVID-19, which prompted governments to impose varying degrees of shutdown. The shutdowns caused a rapid decline in economic activity and significant uncertainty in financial markets. This was followed by a swift policy response, as central banks cut interest rates to near zero, expanded quantitative easing asset purchases and governments announced huge fiscal spending programmes (akin to those seen in wartime). Many of these are sizeable at about 10% of GDP, in an attempt to cushion the impact of the global recession. The Bank of England cut rates to 0.1% (from 0.75% at the start of the year) and announced £200bn of asset purchases (quantitative easing), which was subsequently increased by a further £100bn in June. Government bond yields fell sharply (prices rose, reflecting their inverse relationship), with gilt yields hitting new lows while those with longer maturities performed particularly well.

The fund started the second half of 2019 with interest rate duration (sensitivity to interest rates) at the upper end of the range, through positions in the US, Canada, Sweden, Australia and New Zealand. The sharp fall in government bond yields in July and August, particularly in core markets, allowed these positions to perform well. We subsequently reduced this duration position to lock in some of the gains and also took profits on our holdings as we expected a flatter euro yield curve.

Inflation strategies were beneficial in 2019. In the UK, we were positioned, through a position in inflation swaps, for breakeven inflation expectations to fall. This benefited from the rise in sterling, which dampened inflation expectations, and the review of the retail price inflation index – it could be replaced with a (lower) alternative.

Emerging market positioning in Mexico continued to perform well as the country's central bank cut rates.

Entering 2020, we rotated our active allocations more towards emerging markets (Mexico/Indonesia) and retained exposure to 'safe haven' government bond markets in smaller size. In March, emerging market bonds and currencies suffered in the 'risk-off' environment, during which there were sharp falls in risk markets. In addition, we held a position for Italian government bonds to outperform on a relative basis, which detracted. These subsequently recovered as the European Union recovery fund proposal gained further traction in the final quarter of the reporting year. In addition, the European Central Bank expanded its emergency bond-buying programme to €1.35trn and extended the length of the scheme to June 2021. These were a positive tailwind for Italian sovereign debt. We also added a position in 10-year Spanish government debt alongside this.

Currency positions detracted from performance where the fund was positioned for the appreciation of growth currencies such as the Norwegian krone and emerging market currencies (Mexico/Indonesia) versus the US dollar at the start of 2020. We maintained our positioning in Indonesia, given high real yields and attractive relative valuation, which was rewarded in the final quarter of the reporting year.

The fund utilises derivatives. During the year, derivative positions included the use of government bond futures and interest rate/inflation swaps to implement active positions and manage overall interest rate exposure. Forward foreign exchange contracts were used to implement currency positions.

This could turn out to be the shortest and sharpest recession on record. However, the economic damage or 'scarring' that policy makers have feared cannot be underestimated and could lead to a more prolonged downturn. What we are more confident on is that the COVID-19 tragedy has been the catalyst for greater use of fiscal spending/deficits by governments to stimulate the economy. This will require central banks to continue to run very loose monetary policy and quantitative easing asset purchases. While there are positive signs in terms of a rebound in economic data and in halting the spread of COVID-19, we feel that the measures in place so far have provided liquidity to financial markets and bridged the income gap (wage subsidisation). However, there is uncertainty as to how long this will last and the impact on employment. Markets have priced in a more positive scenario, in our view, as the full economy shutdowns that we saw in the second quarter of 2020 are unlikely to be repeated.

Government bonds in core markets offer limited scope for further capital appreciation unless more central banks move to negative rates. As a result, we are looking more for carry trades and yield curve positions to extract value. We continue to view peripheral government debt (for example, Italy) as attractive relative to core markets, on the assumption that the political backdrop is stable. In addition, we have been tilting more of our risk budget towards emerging markets.

Comparative tables for the year ended 30 June 2020

	Class A accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	234.44	220.49	214.10
Return before operating charges*	47.22	16.00	8.38
Operating charges	(2.44)	(2.05)	(1.99)
Return after operating charges*	44.78	13.95	6.39
Distributions on accumulation shares	(1.56)	(2.70)	(2.77)
Retained distributions on accumulation shares	1.56	2.70	2.77
Closing net asset value per share	279.22	234.44	220.49
* after direct transaction costs of:	-	-	-

Performance

Return after charges	19.10%	6.33%	2.98%
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Other information

Closing net asset value (£000s)	1,636	1,185	867
Closing number of shares	585,898	505,301	393,126
Operating charges	0.94%	0.93%	0.92%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	293.70	237.40	224.10
Lowest share price (pence)	235.60	205.60	206.70

	Class A income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	208.78	198.74	195.44
Return before operating charges*	41.93	14.31	7.63
Operating charges	(2.16)	(1.84)	(1.81)
Return after operating charges*	39.77	12.47	5.82
Distributions on income shares	(1.38)	(2.43)	(2.52)
Closing net asset value per share	247.17	208.78	198.74
* after direct transaction costs of:	-	-	-

Performance

Return after charges	19.05%	6.27%	2.98%
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Other information

Closing net asset value (£000s)	10,821	8,298	8,216
Closing number of shares	4,377,777	3,974,667	4,134,156
Operating charges	0.94%	0.93%	0.92%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	260.60	212.10	204.50
Lowest share price (pence)	209.80	184.70	187.50

Comparative tables (continued)

Class E accumulation 08/07/19 - 30/06/20 (pence per share)

Change in net assets per share

Opening net asset value per share	240.79 ¹
Return before operating charges*	40.92
Operating charges	(1.76)
Return after operating charges*	39.16
Distributions on accumulation shares	(2.21)
Retained distributions on accumulation shares	2.21
Closing net asset value per share	279.95
* after direct transaction costs of:	-

Performance

Return after charges	16.26% ²
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Other information

Closing net asset value (£000s)	47
Closing number of shares	16,671
Operating charges	0.69%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	294.20
Lowest share price (pence)	236.10

¹ Class E accumulation launched on 8 July 2019 and this is the first published price.

² Return after charges relates to the period 08/07/19 to 30/06/20 post conversion from the A accumulation share class. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

Comparative tables (continued)

Class E income 08/07/19 - 30/06/20 (pence per share)

Change in net assets per share

Opening net asset value per share	214.43 ³
Return before operating charges*	36.26
Operating charges	(1.54)
Return after operating charges*	34.72
Distributions on income shares	(1.95)
Closing net asset value per share	247.20
* after direct transaction costs of:	-

Performance

Return after charges	16.19% ⁴
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Other information

Closing net asset value (£000s)	110
Closing number of shares	44,638
Operating charges	0.69%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	260.70
Lowest share price (pence)	210.30

³ Class E income launched on 8 July 2019 and this is the first published price.

⁴ Return after charges relates to the period 08/07/19 to 30/06/20 post conversion from the A income share class. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

	Class I accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	348.93	326.97	316.32
Return before operating charges*	70.42	23.79	12.41
Operating charges	(2.21)	(1.83)	(1.76)
Return after operating charges*	68.21	21.96	10.65
Distributions on accumulation shares	(3.75)	(5.19)	(5.28)
Retained distributions on accumulation shares	3.75	5.19	5.28
Closing net asset value per share	417.14	348.93	326.97
* after direct transaction costs of:	-	-	0.01
Performance			
Return after charges	19.55%	6.72%	3.37%
Other information			
Closing net asset value (£000s)	26,266	13,958	19,470
Closing number of shares	6,296,724	4,000,306	5,954,904
Operating charges	0.57%	0.56%	0.55%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	438.30	353.30	331.30
Lowest share price (pence)	350.70	305.10	306.10

Comparative tables (continued)

	Class Z accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	254.75	237.52	228.64
Return before operating charges*	51.53	17.37	9.00
Operating charges	(0.20)	(0.14)	(0.12)
Return after operating charges*	51.33	17.23	8.88
Distributions on accumulation shares	(4.15)	(4.99)	(4.99)
Retained distributions on accumulation shares	4.15	4.99	4.99
Closing net asset value per share	306.08	254.75	237.52
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	20.15%	7.25%	3.88%
Other information			
Closing net asset value (£000s)	27,986	17,439	13,279
Closing number of shares	9,143,314	6,845,475	5,590,541
Operating charges	0.07%	0.06%	0.05%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	321.10	257.90	240.20
Lowest share price (pence)	256.00	222.00	221.90
		Class I accumulation gross	
		2018	
		(pence	
		per share)	
Change in net assets per share			
Opening net asset value per share			342.52
Return before operating charges*			(1.04)
Operating charges			(0.48)
Return after operating charges*			(1.52)
Distributions on accumulation shares			(1.36)
Retained distributions on accumulation shares			1.36
Final cancellation			(341.00) ⁵
Closing net asset value per share			-
* after direct transaction costs of:			0.01
Performance			
Return after charges			(0.44%)
Other information			
Closing net asset value (£000s)			-
Closing number of shares			-
Operating charges			0.55%
Direct transaction costs			0.00%
Prices			
Highest share price (pence)			358.70 ⁶
Lowest share price (pence)			336.90 ⁶

⁵ Class I accumulation gross closed on 2 October 2017.

⁶ to October 2017.

Comparative tables (continued)

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

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

Operating charges

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

Share class launches and closures

The following share classes launched in the year:

Share class	Launch date
Class E accumulation	8 July 2019
Class E income	8 July 2019

There were no share classes closed in the year.

Share class conversion	Conversion date
Class A accumulation to Class E accumulation	8 July 2019
Class A income to Class E income	8 July 2019

The conversion of A share classes to the E share classes was performed to benefit investors who do not use a financial adviser as a lower management fee is charged because there are no commission payments bundled within it. The E share classes are available for direct investment.

Ongoing charge figure

The annualised 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.

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class A	0.94 ²	0.93	0.96
Class E³	0.69 ²	n/a	0.71
Class I	0.57 ⁴	0.56	0.57
Class Z	0.07 ⁴	0.06	0.07

The OCF is calculated in accordance with guidelines issued by the ESMA.

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 30 June 2020.

² The GAC on Class A and Class E increased from 0.14% to 0.17% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

³ Class E accumulation and Class E income launched on 8 July 2019 so there are no prior year comparatives.

⁴ The GAC on Class I and Class Z increased from 0.023% to 0.03% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

Risk and reward profile

The fund currently has 6 types of share class in issue; A accumulation, A income, E accumulation, E income, I accumulation and Z accumulation.

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



The share classes appear at 5 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class E accumulation and E income launched on 8 July 2019. As these share classes do not have a 5 year history, a synthetic history has been created using the A accumulation and A income share classes.

Portfolio statement as at 30 June 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 93.61% (2019: 97.44%)		
	Australia 1.04% (2019: 0.00%)		
	Fixed Rate Bond 1.04% (2019: 0.00%)		
AUD 979,000	Australia (Commonwealth of) 3.00% 21/03/2047	694	1.04
	Indonesia 1.27% (2019: 0.00%)		
	Fixed Rate Bond 1.27% (2019: 0.00%)		
IDR 5,131,000,000	Indonesia (Republic of) 7.00% 15/09/2030	286	0.43
IDR 9,423,000,000	Indonesia (Republic of) 8.375% 15/03/2034	561	0.84
		847	1.27
	Japan 0.00% (2019: 1.50%)		
	Fixed Rate Bond 0.00% (2019: 1.50%)		
	Spain 1.06% (2019: 0.00%)		
	Fixed Rate Bond 1.06% (2019: 0.00%)		
EUR 306,000	Spain (Kingdom of) 0.50% 30/04/2030	281	0.42
EUR 436,000	Spain (Kingdom of) 1.25% 31/10/2030	427	0.64
		708	1.06
	United Kingdom 90.24% (2019: 95.94%)		
	Fixed Rate Bond 90.24% (2019: 95.94%)		
GBP 884,269	UK Treasury 0.50% 22/10/2061	869	1.30
GBP 1,449,498	UK Treasury 0.625% 22/10/2050	1,447	2.16
GBP 1,475,726	UK Treasury 1.25% 22/10/2041	1,664	2.49
GBP 2,482,228	UK Treasury 1.50% 22/07/2047	3,017	4.51
GBP 1,442,061	UK Treasury 1.625% 22/10/2054	1,896	2.84
GBP 1,287,757	UK Treasury 1.625% 22/10/2071	1,954	2.92
GBP 4,694,824	UK Treasury 1.75% 07/09/2037	5,630	8.43
GBP 1,833,336	UK Treasury 1.75% 22/01/2020	2,368	3.54
GBP 2,257,689	UK Treasury 1.75% 22/07/2057	3,140	4.70
GBP 1,696,930	UK Treasury 2.50% 22/07/2065	3,013	4.51
GBP 2,638,452	UK Treasury 3.25% 22/01/2044	4,144	6.20
GBP 1,994,897	UK Treasury 3.50% 22/01/2045	3,291	4.92
GBP 1,443,033	UK Treasury 3.50% 22/07/2068	3,248	4.86
GBP 1,821,853	UK Treasury 3.75% 22/07/2052	3,489	5.22
GBP 1,638,873	UK Treasury 4.00% 22/01/2060	3,639	5.44
GBP 1,424,432	UK Treasury 4.25% 07/09/2039	2,381	3.56
GBP 1,255,749	UK Treasury 4.25% 07/12/2040	2,142	3.20
GBP 986,661	UK Treasury 4.25% 07/12/2046	1,854	2.77
GBP 1,357,511	UK Treasury 4.25% 07/12/2049	2,676	4.00
GBP 1,438,756	UK Treasury 4.25% 07/12/2055	3,117	4.66
GBP 1,841,824	UK Treasury 4.50% 07/12/2042	3,345	5.00
GBP 1,156,740	UK Treasury 4.75% 07/12/2038	2,015	3.01
		60,339	90.24
	Collective Investment Schemes 4.68% (2019: 1.18%)		
1,450,245	Deutsche Global Liquidity Managed Platinum Sterling Fund	1,450	2.17
567,210	Janus Henderson Institutional Long Dated Credit Fund Z Acc ¹	1,681	2.51
		3,131	4.68

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Derivatives 0.52% (2019: 0.48%)			
Futures 0.06% (2019: 0.07%)			
13	EUX Euro BTP September 2020	49	0.07
(9)	EUX Euro Bund September 2020	(18)	(0.03)
42	ICE Long Gilt September 2020	12	0.02
		<u>43</u>	<u>0.06</u>
Options 0.00% (2019: 0.00%)			
950,000	USD/MXN Put 19.3 July 2020 ²	-	-
950,000	USD/MXN Put 19.4 July 2020 ²	-	-
		<u>-</u>	<u>-</u>
Swaps 0.51% (2019: 0.41%)³			
Inflation Index Swaps 0.00% (2019: (0.16%))³			
Interest Rate Swaps 0.51% (2019: 0.57%)³			
7,300,000	IRS -0.094% EURIBOR 6 month - Receive Fixed - EUR	50	0.07
1,230,000	IRS 0.095% EURIBOR 6 month - Receive Floating - EUR	(20)	(0.03)
7,350,000	IRS -0.27% EURIBOR 6 month - Receive Floating - EUR	(23)	(0.03)
37,760,000	IRS 0.2825% LIBOR 3 month - Receive Fixed - USD	36	0.05
24,300,000	IRS 0.70% BBR 6 month - Receive Fixed - AUD	19	0.03
7,000,000	IRS 0.8975% LIBOR 3 month - Receive Floating - USD	(147)	(0.22)
62,400,000	IRS 5.59% TIIE 28 day - Receive Fixed - MXN	73	0.11
30,680,000	IRS 6.71% TIIE 28 day - Receive Fixed - MXN	83	0.12
21,150,000	IRS 7.871% TIIE 3 Month - Receive Fixed - MXN	85	0.13
42,530,000	IRS 8.2225% TIIE 28 Day - Receive Fixed - MXN	183	0.28
		<u>339</u>	<u>0.51</u>
Forward Foreign Exchange Contracts (0.05%) (2019: 0.00%)³			
	Buy AUD 14,343 : Sell GBP 7,970 July 2020 ²	-	-
	Buy AUD 17,160 : Sell GBP 9,484 July 2020 ²	-	-
	Buy AUD 1,862 : Sell GBP 1,040 July 2020 ²	-	-
	Buy AUD 20,783 : Sell GBP 11,532 July 2020 ²	-	-
	Buy AUD 3,517 : Sell GBP 1,945 July 2020 ²	-	-
	Buy AUD 4,235 : Sell GBP 2,360 July 2020 ²	-	-
	Buy AUD 4,815 : Sell GBP 2,622 July 2020 ²	-	-
	Buy GBP 10,461 : Sell AUD 18,884 July 2020 ²	-	-
	Buy GBP 114,959 : Sell MXN 3,268,829 July 2020	1	-
	Buy GBP 20,950 : Sell USD 26,082 July 2020 ²	-	-
	Buy GBP 2,714 : Sell AUD 4,975 July 2020 ²	-	-
	Buy GBP 3,450 : Sell AUD 6,258 July 2020 ²	-	-
	Buy GBP 52,007 : Sell USD 64,316 July 2020 ²	-	-
	Buy GBP 55,487 : Sell USD 69,599 July 2020	(1)	-
	Buy GBP 600,482 : Sell AUD 1,104,135 July 2020	(15)	(0.03)
	Buy GBP 66,872 : Sell USD 85,342 September 2020	(2)	-
	Buy GBP 6,887 : Sell MXN 196,066 July 2020 ²	-	-
	Buy GBP 715,075 : Sell USD 894,551 July 2020	(9)	(0.01)
	Buy GBP 819,785 : Sell EUR 911,726 July 2020	(9)	(0.01)
	Buy MXN 125,486 : Sell GBP 4,377 July 2020 ²	-	-
	Buy MXN 133,610 : Sell GBP 4,673 July 2020 ²	-	-
	Buy MXN 171,241 : Sell GBP 6,063 July 2020 ²	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy MXN 187,250 : Sell GBP 6,668 July 2020 ²	-	-
	Buy MXN 451,921 : Sell GBP 15,894 July 2020 ²	-	-
	Buy MXN 60,508 : Sell GBP 2,148 July 2020 ²	-	-
	Buy MXN 63,510 : Sell GBP 2,254 July 2020 ²	-	-
	Buy MXN 78,977 : Sell GBP 2,770 July 2020 ²	-	-
	Buy USD 206,935 : Sell GBP 166,430 July 2020	1	-
	Buy USD 27,420 : Sell GBP 21,813 July 2020 ²	-	-
	Buy USD 50,491 : Sell GBP 40,254 July 2020	1	-
		<u>(33)</u>	<u>(0.05)</u>
	Investment assets including investment liabilities	66,068	98.81
	Other net assets	798	1.19
	Total net assets	66,866	100.00

¹ Related party to the fund

² Due to rounding to nearest £1,000

³ Unquoted securities

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

Statement of total return for the year ended 30 June 2020

		2020		2019	
	Note	£000	£000	£000	£000
Income					
Net capital gains	2		8,248		1,688
Revenue	3	799		792	
Expenses	4	(206)		(160)	
Interest payable and similar charges	5	(4)		-	
Net revenue before taxation		589		632	
Taxation	6	(3)		-	
Net revenue after taxation			586		632
Total return before distributions			8,834		2,320
Distributions	7		(586)		(632)
Change in net assets attributable to shareholders from investment activities			8,248		1,688

Statement of change in net assets attributable to shareholders for the year ended 30 June 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		40,880		41,832
Amounts receivable on issue of shares	38,257		11,885	
Amounts payable on cancellation of shares	(21,088)		(15,058)	
		17,169		(3,173)
Dilution adjustment		16		2
Change in net assets attributable to shareholders from investment activities		8,248		1,688
Retained distributions on accumulation shares		553		531
Closing net assets attributable to shareholders		66,866		40,880

Balance sheet as at 30 June 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		66,312	40,705
Current assets:			
Debtors	8	711	375
Cash and bank balances	9	1,083	362
Total assets		68,106	41,442
Liabilities:			
Investment liabilities		244	192
Creditors:			
Amounts held at derivative clearing houses and brokers		330	226
Bank overdrafts		213	43
Distributions payable		13	25
Other creditors	10	440	76
Total liabilities		1,240	562
Net assets attributable to shareholders		66,866	40,880

Notes to the financial statements for the year ended 30 June 2020

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2020 £000	2019 £000
Derivative securities	492	89
Forward currency contracts	(234)	(168)
Non-derivative securities	8,066	1,777
Other currency losses	(60)	(1)
Transaction costs	(16)	(9)
Net capital gains	8,248	1,688

3 Revenue

	2020 £000	2019 £000
Bank interest	-	2
Derivative revenue	47	89
Interest on debt securities	752	699
Stock lending revenue	-	2
Total revenue	799	792

4 Expenses

	2020 £000	2019 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	172	137
GAC*	27	18
	<u>199</u>	<u>155</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	5	3
Safe custody fees	2	1
	<u>7</u>	<u>4</u>
Other expenses:		
Professional fees	-	1
	<u>-</u>	<u>1</u>
Total expenses	206	160

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £10,316 (2019: £10,316).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	4	-
Total interest payable and similar charges	4	-

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2020 £000	2019 £000
Current tax		
Corporation tax	1	-
Double tax relief	(1)	-
Overseas withholding tax	3	-
Total tax (note 6b)	3	-

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	589	632
Corporation tax at 20% (2019: 20%)	118	126
Effects of:		
Double tax relief	(1)	-
Overseas withholding tax	3	-
Revenue being paid as interest distributions	(117)	(126)
Tax charge for the year (note 6a)	3	-

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2019: nil).

d) Factors that may affect future tax charges

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

Notes to the financial statements (continued)

7 Distributions

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

	2020 £000	2019 £000
Interim income	48	67
Interim accumulation	399	382
Final income	13	25
Final accumulation	154	149
	<u>614</u>	<u>623</u>
Amounts deducted on cancellation of shares	37	40
Amounts received on issue of shares	(65)	(31)
Total distributions	<u>586</u>	<u>632</u>

Details of the distribution per share are set out in the Distribution tables on pages 202 to 205.

8 Debtors

	2020 £000	2019 £000
Accrued revenue	324	321
Amounts receivable for issue of shares	384	45
Currency transactions awaiting settlement	3	9
Total debtors	<u>711</u>	<u>375</u>

9 Cash and bank balances

	2020 £000	2019 £000
Amounts held at derivative clearing houses and brokers	848	319
Cash and bank balances	235	43
Total cash and bank balances	<u>1,083</u>	<u>362</u>

10 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	18	12
Accrued other expenses	6	4
Amounts payable for cancellation of shares	212	46
Derivative revenue payable	4	5
Currency transactions awaiting settlement	2	9
Purchases awaiting settlement	198	-
Total other creditors	<u>440</u>	<u>76</u>

11 Contingent liabilities and commitments

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

Notes to the financial statements (continued)

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 189 and 190 and notes 4, 6, 8 and 10 on pages 191 to 193 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

The ultimate controlling party of HIFL 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 value of purchases transactions was £1,671,000 (2019: nil), the value of sales transactions was nil (2019: nil) and the balance outstanding at the year end was nil (2019: nil).
- b) Revenue receivable for the year was nil (2019: nil) and the balance outstanding at the year end was nil (2019: nil).
- c) Management fee rebates receivable for the year was nil (2019: nil) and the balance outstanding at the year end was nil (2019: nil).
- d) The aggregate value of investments held at the year end was £1,680,557 (2019: nil).

There were no material shareholders at the year end (2019: nil).

13 Shareholders' funds

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

	2020	2019
	%	%
Class A	0.75	0.75
Class E ¹	0.50	n/a
Class I	0.50	0.50
Class Z ²	0.00	0.00

¹ Class E accumulation and Class E income launched on 8 July 2019.

² Charges for managing Z class shares are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 179 to 183. The distribution per share class is given in the Distribution tables on pages 202 to 205. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2020

	Class A accumulation	Class A income	Class E accumulation
Opening number of shares	505,301	3,974,667	-
Issues during the year	470,441	3,874,879	21,253
Cancellations during the year	(382,203)	(3,388,597)	(12,223)
Shares converted during the year	(7,641)	(83,172)	7,641
Closing shares in issue	585,898	4,377,777	16,671

	Class E income	Class I accumulation	Class Z accumulation
Opening number of shares	-	4,000,306	6,845,475
Issues during the year	437	4,639,396	3,482,547
Cancellations during the year	(889)	(2,365,745)	(1,184,708)
Shares converted during the year	45,090	22,767	-
Closing shares in issue	44,638	6,296,724	9,143,314

Notes to the financial statements (continued)

14 Financial derivatives

The fund may use financial derivatives for efficient portfolio management and for meeting the investment objectives including risk reduction and implementation of investment policies.

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 30 June 2020 (2019: nil).

2020

At 30 June 2020 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Futures £000	Forward foreign exchange contracts £000	Interest rate swaps £000	Total by counterparty £000
BNP Paribas	-	3	-	3
Citigroup	-	-	346	346
Morgan Stanley	-	-	183	183
UBS	61	-	-	61
	61	3	529	593

2019

At 30 June 2019 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Futures £000	Forward foreign exchange contracts £000	Interest rate swaps £000	Total by counterparty £000
Barclays	-	-	89	89
BNP Paribas	-	3	-	3
Citigroup	-	-	33	33
Goldman Sachs	-	-	22	22
JP Morgan	-	5	121	126
Morgan Stanley	-	-	67	67
UBS	49	-	-	49
	49	8	332	389

15 Stock lending

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

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

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

2020

The fund had no stock on loan as at 30 June 2020 and no stock lending revenue received in the year to 30 June 2020.

Notes to the financial statements (continued)

15 Stock lending (continued)

2019

The fund had no stock on loan as at 30 June 2019.

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	2	-	2

16 Risk

Currency risk

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

Interest rate risk

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

2020	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
Australian dollar	22	694	4	720
Euro	220	708	51	979
Indonesian rupiah	-	847	19	866
Mexican peso	424	-	3	427
UK sterling	756	60,340	3,826	64,922
US dollar	190	-	2	192
Total	1,612	62,589	3,905	68,106

2019	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
Australian dollar	57	-	13	70
Canadian dollar	23	-	11	34
Euro	149	-	1	150
Indonesian rupiah	-	-	5	5
Japanese yen	16	613	1	630
Mexican peso	92	-	-	92
New Zealand dollar	89	-	9	98
Swedish krona	33	-	4	37
UK sterling	159	39,221	855	40,235
US dollar	73	-	18	91
Total	691	39,834	917	41,442

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk (continued)

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2020				
Australian dollar	25	-	2	27
Euro	115	-	1	116
Mexican peso	240	-	-	240
UK sterling	225	-	483	708
US dollar	147	-	2	149
Total	752	-	488	1,240
2019				
Australian dollar	12	-	-	12
Canadian dollar	10	-	-	10
Euro	89	-	18	107
Japanese yen	-	-	8	8
Mexican peso	22	-	1	23
New Zealand dollar	91	-	-	91
Swedish krona	37	-	-	37
UK sterling	113	-	99	212
US dollar	55	-	7	62
Total	429	-	133	562

Credit Ratings

	Market value £000	Percentage of total net assets %
2020		
Investments		
Investment grade (AAA - BBB)	62,588	93.61
Total debt securities	62,588	93.61
Collective investment schemes	3,131	4.68
Derivatives	349	0.52
Investment assets including investment liabilities	66,068	98.81
Other net assets	798	1.19
Total net assets	66,866	100.00
2019		
Investments		
Investment grade (AAA - BBB)	39,834	97.44
Total debt securities	39,834	97.44
Collective investment schemes	482	1.18
Derivatives	197	0.48
Investment assets including investment liabilities	40,513	99.10
Other net assets	367	0.90
Total net assets	40,880	100.00

Notes to the financial statements (continued)

16 Risk (continued)

Sensitivity analysis

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

VaR Results	Global Exposure Calculation Basis	Actual VaR in year			VaR limit	Utilisation of VaR limit		
		Minimum	Maximum	Average		Minimum	Maximum	Average
		%	%	%	%	%	%	%
2020	Relative VaR*	61.94	109.04	90.46	200	30.97	54.52	45.23
2019	Relative VaR*	96.77	105.79	100.22	200	48.39	52.90	50.11

* Reference portfolio: FTSE Gilts Over 15 Years

Leverage

	Minimum	Maximum	Average
	%	%	%
2020	82.46	136.53	113.34
2019	110.34	234.45	173.73

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Amounts held at derivatives clearing houses and brokers	330	-	-	-
Bank overdrafts	213	-	-	-
Derivative financial liabilities	-	54	23	167
Distribution payable	-	13	-	-
Other creditors	-	440	-	-
Total	543	507	23	167
2019				
Amounts held at derivatives clearing houses and brokers	226	-	-	-
Bank overdrafts	43	-	-	-
Derivative financial liabilities	-	27	107	58
Distribution payable	-	25	-	-
Other creditors	-	76	-	-
Total	269	128	107	58

Notes to the financial statements (continued)

17 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	60,399*	18	39,884*	19
Level 2	5,913	226	821	173
Level 3	-	-	-	-
	66,312	244	40,705	192

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £60,339,134 as at 30 June 2020 (2019: £39,833,952).

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trades in the year				
Collective investment schemes	1,671	-	-	-
Debt securities	39,217	18,574	24,205	21,296
Trades in the year before transaction costs	40,888	18,574	24,205	21,296
Transaction costs				
Commissions				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Equities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	40,888	18,574	24,205	21,296

	Purchases		Sales	
	2020	2019	2020	2019
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Taxes				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Other expenses				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
	2020	2019		
	%	%		

Total transaction costs expressed as a percentage of net asset value

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

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

There were no in specie transfers during the year (2019: nil). There were no corporate actions during the year (2019: nil).

There were direct transaction costs associated with derivatives in the year of £962 (2019: £1,727) which is 0.00% of the average net asset value of the fund (2019: 0.00%).

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

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.

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

The portfolio dealing spread as at 30 June 2020 was 0.01% (2019: 0.01%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 15 October 2020, the Net Asset Value is £64,012,411 which is a drop of 4.3% from the balance sheet date. The fall in NAV is due to the fall in value of the underlying investments and net outflows from the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

Distribution tables for the year ended 30 June 2020 (in pence per share)

Interim interest distribution (accounting date 30 September 2019, paid on 29 November 2019)

Group 1: shares purchased prior to 1 July 2019

Group 2: shares purchased on or after 1 July 2019

	Distribution per share	Equalisation	Total distribution per share 29/11/19	Total distribution per share 30/11/18
Class A accumulation				
Group 1	0.5438	-	0.5438	0.6199
Group 2	0.1723	0.3715	0.5438	0.6199
Class A income				
Group 1	0.4803	-	0.4803	0.5603
Group 2	0.1500	0.3303	0.4803	0.5603
Class E accumulation¹				
Group 1	0.6928	-	0.6928	n/a
Group 2	0.2716	0.4212	0.6928	n/a
Class E income¹				
Group 1	0.6103	-	0.6103	n/a
Group 2	0.0962	0.5141	0.6103	n/a
Class I accumulation				
Group 1	1.1487	-	1.1487	1.1985
Group 2	0.4264	0.7223	1.1487	1.1985
Class Z accumulation				
Group 1	1.1802	-	1.1802	1.1839
Group 2	0.7347	0.4455	1.1802	1.1839

¹ Class E accumulation and Class E income launched on 8 July 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2019, paid on 28 February 2020)

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased on or after 1 October 2019

	Distribution per share	Equalisation	Total distribution per share 28/02/20	Total distribution per share 28/02/19
Class A accumulation				
Group 1	0.3790	-	0.3790	0.6610
Group 2	0.0857	0.2933	0.3790	0.6610
Class A income				
Group 1	0.3388	-	0.3388	0.5935
Group 2	0.0891	0.2497	0.3388	0.5935
Class E accumulation¹				
Group 1	0.5365	-	0.5365	n/a
Group 2	0.5365	-	0.5365	n/a
Class E income¹				
Group 1	0.4777	-	0.4777	n/a
Group 2	0.0724	0.4053	0.4777	n/a
Class I accumulation				
Group 1	0.9106	-	0.9106	1.2735
Group 2	0.3114	0.5992	0.9106	1.2735
Class Z accumulation				
Group 1	1.0076	-	1.0076	1.2137
Group 2	0.3783	0.6293	1.0076	1.2137

¹ Class E accumulation and Class E income launched on 8 July 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 March 2020, paid on 29 May 2020)

Group 1: shares purchased prior to 1 January 2020

Group 2: shares purchased on or after 1 January 2020

	Distribution per share	Equalisation	Total distribution per share 29/05/20	Total distribution per share 31/05/19
Class A accumulation				
Group 1	0.2966	-	0.2966	0.7067
Group 2	-	0.2966	0.2966	0.7067
Class A income				
Group 1	0.2621	-	0.2621	0.6326
Group 2	-	0.2621	0.2621	0.6326
Class E accumulation¹				
Group 1	0.4568	-	0.4568	n/a
Group 2	0.4568	-	0.4568	n/a
Class E income¹				
Group 1	0.4039	-	0.4039	n/a
Group 2	0.0520	0.3519	0.4039	n/a
Class I accumulation				
Group 1	0.7913	-	0.7913	1.3470
Group 2	-	0.7913	0.7913	1.3470
Class Z accumulation				
Group 1	0.9264	-	0.9264	1.2770
Group 2	0.9264	-	0.9264	1.2770

¹ Class E accumulation and Class E income launched on 8 July 2019.

Distribution tables (continued)

Final interest distribution (accounting date 30 June 2020, paid on 28 August 2020)

Group 1: shares purchased prior to 1 April 2020

Group 2: shares purchased on or after 1 April 2020

	Distribution per share	Equalisation	Total distribution per share 28/08/20	Total distribution per share 30/08/19
Class A accumulation				
Group 1	0.3407	-	0.3407	0.7145
Group 2	0.1024	0.2383	0.3407	0.7145
Class A income				
Group 1	0.3010	-	0.3010	0.6387
Group 2	0.0418	0.2592	0.3010	0.6387
Class E accumulation¹				
Group 1	0.5207	-	0.5207	n/a
Group 2	0.2252	0.2955	0.5207	n/a
Class E income¹				
Group 1	0.4533	-	0.4533	n/a
Group 2	0.0245	0.4288	0.4533	n/a
Class I accumulation				
Group 1	0.9029	-	0.9029	1.3725
Group 2	0.2434	0.6595	0.9029	1.3725
Class Z accumulation				
Group 1	1.0401	-	1.0401	1.3113
Group 2	0.2179	0.8222	1.0401	1.3113

¹ Class E accumulation and Class E income launched on 8 July 2019.

Janus Henderson Institutional Short Duration Bond Fund

Authorised Corporate Director's report

Investment Fund Manager

Denis Struc, Ian Bettney and Colin Fleury

Investment objective and policy

The fund aims to provide a return primarily from income with the potential for some capital growth over the long term.

Performance target: To outperform the 3 month GBP LIBOR Interest Rate by 0.25% per annum, before the deduction of charges, over any 3 year period.

The fund invests in a global portfolio of short duration bonds, money market instruments and other fixed income and variable rate securities, issued by governments, companies or any other type of issuer, this may include but is not limited to asset backed and residential mortgage backed securities (ABS & RMBS).

The fund may also hold Collective Investment Schemes (including those managed by Janus Henderson) and cash.

The investment manager may use derivatives (complex financial instruments) to reduce risk (specifically credit, currency and interest rate risks) or to manage the fund more efficiently.

The fund is actively managed with reference to the 3 month GBP LIBOR Interest Rate, as this forms the basis of the fund's performance target. The investment manager has complete discretion to choose investments for the Fund and is not constrained by a benchmark.

Performance summary

	30 Jun 19 - 30 Jun 20 %	30 Jun 18 - 30 Jun 19 %	30 Jun 17 - 30 Jun 18 %	30 Jun 16 - 30 Jun 17 %	24 Nov 15* - 30 Jun 16 %
Class Z accumulation (Net)	1.0	1.1	0.6	1.0	0.6
3 month GBP LIBOR Interest Rate	0.7	0.8	0.5	0.4	0.4
Class Z accumulation (Gross)	1.0	1.1	0.7	1.0	0.6
3 Month GBP LIBOR Interest Rate + 0.25%	1.0	1.1	0.7	0.7	0.5

* The fund launched 24 November 2015.

Please note that the performance target is to be achieved over a specific annualised time period. Refer to the performance target section above within the investment objective.

Source: BNP Paribas

Class Z accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class Z accumulation (Gross), NAV to NAV, gross of OFC and net income reinvested as at 12 noon valuation point.

Benchmark values are at close of business.

Class Z accumulation is disclosed as it is the only share class.

Benchmark Usage

Index: 3 Month GBP LIBOR Interest Rate

Index usage: Target

Index description: 3 month GBP LIBOR is the interest rate at which a selection of banks in London will lend pounds sterling to one another for three months. It is the basis of the fund's performance target.

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.

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 30 June 2020

Largest purchases	£000	Largest sales/maturities	£000
Driver Espana FRN 25/09/2030 6A	20,413	Gracechurch Card FRN 15/07/2021	21,500
DZ Bank 0.86% 26/03/2020	20,000	DZ Bank 0.86% 26/03/2020	20,002
Handelsbanken 0.58% 09/11/2020	20,000	Crédit Agricole Corporate & Investment Bank 0.81% 02/09/2019	20,000
Magoi FRN 27/07/2039 A	19,281	Landesbank Hessen Thüringen 1.05% 27/09/2019	20,000
Volkswagen Car Lease FRN 21/06/2025 29 A	15,727	National Australia Bank 0.875% 26/06/2020	17,003
Barclays 0.87% 09/03/2020	15,000	Coventry Building Society 1.00% 05/05/2020	15,701
Commonwealth Bank of Australia 0.56% 09/12/2020	15,000	Nationwide Building Society 0.85% 10/03/2020	15,002
Credit Suisse 0.96% 14/10/2020	15,000	Société Générale 1.16% 17/02/2020	15,002
Nationwide Building Society 0.85% 10/03/2020	15,000	Barclays 0.87% 09/03/2020	15,000
Société Générale 0.875% 03/02/2021	15,000	Handelsbanken 0.90% 07/05/2020	15,000
Total purchases	1,145,781	Total sales/maturities	1,184,665

Investment review

The fund returned 1.0% based on Class Z accumulation (Gross) over the year under review, compared with a return of 1.0% in the 3 month GBP LIBOR Interest Rate + 0.25%.

Fixed income markets delivered a strong positive total return during the first half of the year under review. Market tone became more positive as the likelihood of a 'phase one' trade deal between the US and China increased, with an agreement reached in December. In the UK, political uncertainty declined after the Conservative Party won a comfortable majority in the general election. Credit spreads (the extra yield demanded over an equivalent government bond) broadly tightened, while government bond markets were rangebound.

In stark contrast, the latter half of the year saw credit markets deliver negative excess returns, while government bonds saw yields fall (prices rose) to all-time lows for many markets as investors sought perceived safe-haven assets. The sharp decline for credit markets came primarily in February and March, as a result of the global spread of COVID-19, subsequent lockdowns across many countries and fear of the impact of these factors on the global economy. Sentiment was also adversely impacted by oil price volatility, with crude oil benchmarks seeing sharp moves lower. In response to the presence of COVID-19, global policy makers announced significant fiscal and monetary stimulus packages in late March and April. These helped restore confidence, and in conjunction with many regions easing lockdown constraints allowed spreads to retrace some of the move wider towards the end of the year. This was despite some evidence that there could be a second wave of COVID-19 infections, as cases in the US and South America rose.

The fund performed well with contributions from all three of the principal asset classes – money market instruments, corporate bonds and asset-backed securities (ABS). This was despite the ongoing Brexit-induced uncertainty impacting sterling assets in 2019 and the COVID-19-related sell-off in the latter part of the reporting year. A broad diversification in terms of money markets, ABS and corporate bonds helped to insulate the fund from these market moves.

Within ABS, the strongest contributors to performance were our positions in UK prime residential mortgage-backed securities (RMBS), UK credit cards and Australian automotive ABS. In contrast, exposure to German automotive ABS and Dutch RMBS detracted from returns during the year. In credit markets, our exposure to financials remained the largest contributor to performance. Contributions came from most of the positions we held in the fund, while healthcare, automotive and transportation holdings detracted.

While the fund began the reporting year with a relatively conservative stance, we took a more defensive stance, as the year progressed. This manifested itself in a gradually increasing allocation to money markets, from 30% to 35%, and decreasing ABS exposure, from 37% to around 33% at the end of the year under review. In ABS specifically, we reduced exposure to UK automotive ABS, driven by concerns about residual value risk associated with this sector. Corporate credit exposure was also reduced, from 28% to 26%, primarily by exiting holdings in the automotive and transportation sectors.

The cross-currency basis swap between euros and sterling remained attractive over the year, although to a lesser extent than previously. We continued to invest in euros when the opportunity arose and also traded between US dollars and sterling on a more tactical basis.

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

Despite significant bouts of volatility, the fund delivered returns in excess of the benchmark and was positioned to capitalise on more attractive opportunities that arose during the periods when markets sold off. As a result, the weighted average spread in the portfolio increased from around 30 basis points (bps) at the start of the reporting year to around 35bps over the London interbank offered rate at the end. Furthermore, an increased allocation to money market instruments as well as an overall reduction in spread duration will offer opportunities to capitalise on any future market dislocations at limited transaction costs.

Nonetheless, we expect coupon income to be the primary driver of the returns of the fund going forward.

Comparative table for the year ended 30 June 2020

	Class Z accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	103.28	102.18	101.57
Return before operating charges*	1.01	1.13	0.65
Operating charges	(0.04)	(0.03)	(0.04)
Return after operating charges*	0.97	1.10	0.61
Distributions on accumulation shares	(0.84)	(0.83)	(0.54)
Retained distributions on accumulation shares	0.84	0.83	0.54
Closing net asset value per share	104.25	103.28	102.18
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.94%	1.08%	0.60%
Other information			
Closing net asset value (£000s)	1,065,805	1,084,257	1,166,635
Closing number of shares	1,022,310,852	1,049,790,246	1,141,656,451
Operating charges	0.04%	0.03%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	104.30	103.30	102.24
Lowest share price (pence)	103.17	102.22	101.60

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, which will differ from those in the Performance summary.

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

The annualised 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.

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class Z	0.04 ²	0.03	0.04

The OCF is calculated in accordance with guidelines issued by the ESMA.

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 30 June 2020.

² The GAC on Class Z accumulation increased from 0.023% to 0.03% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

Risk and reward profile

The fund currently has one type of share class in issue; Z accumulation.

The risk and reward profile is as follows:



The share class appears at 3 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class Z accumulation was launched on 24 November 2015 and as it does not have a 5 year history, a synthetic history has been created using the fund’s relevant sector average.

Portfolio statement as at 30 June 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 58.98% (2019: 61.81%)		
	Australia 3.45% (2019: 5.22%)		
	Asset Backed 0.24% (2019: 0.43%)		
AUD 4,578,220	Driver Australia Five Trust FRN 21/07/2026	2,546	0.24
	Fixed Rate Bond 1.39% (2019: 1.56%)		
GBP 10,000,000	National Australia Bank 5.125% 09/12/2021	10,615	1.00
USD 5,000,000	Westpac Banking 2.00% 13/01/2023	4,189	0.39
		14,804	1.39
	Floating Rate Note 1.82% (2019: 3.23%)		
GBP 12,000,000	Commonwealth Bank of Australia FRN 12/07/2021	12,016	1.13
AUD 13,263,422	Pepper SPARKZ Trust No.2 FRN 16/11/2027 A1A	7,364	0.69
		19,380	1.82
	Austria 0.50% (2019: 0.73%)		
	Floating Rate Note 0.50% (2019: 0.73%)		
EUR 5,913,055	Fact FRN 20/11/2025	5,368	0.50
	Belgium 0.51% (2019: 0.77%)		
	Asset Backed 0.51% (2019: 0.50%)		
EUR 6,000,000	BL FRN 25/03/2034	5,449	0.51
	Floating Rate Note 0.00% (2019: 0.27%)		
	Europe 0.82% (2019: 0.00%)		
	Fixed Rate Bond 0.54% (2019: 0.00%)		
USD 7,000,000	UBS 1.75% 21/04/2022	5,774	0.54
	Floating Rate Note 0.28% (2019: 0.00%)		
EUR 3,300,000	Euroclear Bank FRN 10/07/2020	3,000	0.28
	France 4.68% (2019: 3.90%)		
	Asset Backed 0.00% (2019: 0.42%)		
EUR 29,343	FCT Ginkgo FRN 18/05/2043	27	-
	Fixed Rate Bond 3.00% (2019: 1.74%)		
GBP 9,500,000	Banque Fédérative du Crédit Mutuel 1.875% 13/12/2022	9,741	0.91
GBP 7,200,000	BPCE 2.125% 16/12/2022	7,440	0.70
GBP 8,000,000	LVMH 1.00% 11/02/2023	8,063	0.76
GBP 6,500,000	Total Capital International 2.25% 09/06/2022	6,707	0.63
		31,951	3.00
	Floating Rate Note 1.68% (2019: 1.74%)		
EUR 5,300,000	LVMH FRN 11/02/2020	4,807	0.45
EUR 14,400,000	Purple Master Credit Cards FRN 25/10/2030	13,075	1.23
		17,882	1.68

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Germany 9.77% (2019: 9.42%)		
	Asset Backed 0.31% (2019: 1.53%)		
EUR 775,557	Cars Alliance Auto Loans Germany FRN 18/05/2027 2016-G1V A	705	0.07
EUR 1,328,614	Red & Black Auto Germany FRN 15/09/2025	1,208	0.11
EUR 1,564,929	Silver Arrow FRN 15/07/2025	1,423	0.13
		<u>3,336</u>	<u>0.31</u>
	Fixed Rate Bond 1.72% (2019: 2.58%)		
GBP 8,500,000	Henkel 1.00% 30/09/2022	8,562	0.81
EUR 7,100,000	Siemens Financieringsmaatschappij 0.00% 20/02/2023	6,442	0.60
GBP 3,300,000	Siemens Financieringsmaatschappij 0.875% 05/06/2023	3,324	0.31
		<u>18,328</u>	<u>1.72</u>
	Floating Rate Note 7.74% (2019: 5.31%)		
EUR 4,867,851	Bavarian Sky FRN 20/05/2027 GE10A	4,466	0.42
EUR 6,130,107	Bavarian Sky FRN 20/09/2026 A	5,588	0.52
EUR 7,732,055	Bavarian Sky FRN 20/12/2026 A	7,072	0.66
EUR 22,500,000	Cars Alliance Auto Loans Germany FRN 18/08/2031	20,546	1.94
EUR 8,149,136	Limes Funding FRN 22/09/2029 1A	7,432	0.70
EUR 10,311,251	PBD Germany Auto FRN 19/09/2031	9,382	0.88
EUR 5,534,990	SC Germany Auto FRN 13/12/2027	5,044	0.47
EUR 7,788,690	Silver Arrow FRN 15/02/2027 11A	7,139	0.67
EUR 3,720,221	VCL Multi-Compartment FRN 21/01/2025	3,388	0.32
EUR 13,587,560	Volkswagen Car Lease FRN 21/06/2025 29 A	12,408	1.16
		<u>82,465</u>	<u>7.74</u>
	Japan 1.03% (2019: 1.01%)		
	Floating Rate Note 1.03% (2019: 1.01%)		
GBP 11,000,000	Sumitomo Mitsui Banking FRN 07/09/2020	10,989	1.03
	Netherlands 6.09% (2019: 3.92%)		
	Asset Backed 0.34% (2019: 0.80%)		
EUR 3,978,000	Matsuba FRN 27/08/2021	3,616	0.34
	Fixed Rate Bond 2.21% (2019: 1.29%)		
GBP 9,000,000	ABN AMRO Bank 1.375% 07/06/2022	9,107	0.86
GBP 6,171,000	Cooperatieve Rabobank 4.00% 19/09/2022	6,620	0.62
GBP 7,500,000	ING Bank 5.375% 15/04/2021	7,777	0.73
		<u>23,504</u>	<u>2.21</u>
	Floating Rate Note 3.54% (2019: 1.83%)		
EUR 22,600,000	Magoi FRN 27/07/2039 A	20,503	1.92
EUR 18,937,395	Storm FRN 22/06/2054	17,240	1.62
		<u>37,743</u>	<u>3.54</u>
	Norway 0.27% (2019: 0.49%)		
	Asset Backed 0.27% (2019: 0.49%)		
NOK 34,739,804	Nordax Nordic FRN 15/12/2040 6A	2,913	0.27

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Singapore 0.00% (2019: 0.92%)		
	Floating Rate Note 0.00% (2019: 0.92%)		
	Spain 2.28% (2019: 1.22%)		
	Asset Backed 0.55% (2019: 1.22%)		
EUR 6,429,439	Asset-Backed European Securitisation Transaction Thirteen Fondo de Titulizaciòn FRN 23/08/2030	5,842	0.55
	Floating Rate Note 1.73% (2019: 0.00%)		
EUR 20,222,104	Driver Espana FRN 25/09/2030 6A	18,409	1.73
	Sweden 1.27% (2019: 0.00%)		
	Fixed Rate Bond 1.27% (2019: 0.00%)		
EUR 6,000,000	Skandinaviska Enskilda Banken 0.25% 19/05/2023	5,488	0.51
USD 10,000,000	Svenska Handelsbanken 0.625% 20/06/2023	8,087	0.76
		13,575	1.27
	Switzerland 0.25% (2019: 1.65%)		
	Fixed Rate Bond 0.25% (2019: 0.00%)		
EUR 2,910,000	UBS 0.75% 21/04/2023	2,686	0.25
	Floating Rate Note 0.00% (2019: 1.65%)		
	United Kingdom 22.48% (2019: 28.49%)		
	Asset Backed 9.81% (2019: 18.31%)		
GBP 4,114,533	Brass FRN 16/11/2066 8XA2	4,121	0.39
GBP 4,467,470	Charter Mortgage Funding FRN 12/06/2055 2018-1 A	4,433	0.42
GBP 243,089	Duncan Funding FRN 17/04/2063 2016-1X A1B	243	0.02
GBP 10,334,474	Duncan Funding FRN 17/12/2062 2015-1 A1	10,339	0.97
GBP 17,095,395	Elvet Mortgages FRN 22/10/2058	17,068	1.60
GBP 15,375,370	Friary No.4 FRN 21/01/2050	15,297	1.44
GBP 2,142,857	Holmes Master Issuer FRN 15/10/2054 2017-1	2,142	0.20
GBP 6,503,750	Lanark Master Issuer FRN 22/12/2069	6,498	0.61
GBP 6,190,000	Lanark Master Issuer FRN 22/12/2069 2A	6,186	0.58
GBP 3,529,117	Orbita Funding FRN 16/10/2024	3,525	0.33
GBP 10,000,000	PCL Funding FRN 15/06/2023	9,937	0.93
GBP 19,600,000	Permanent Master Issuer FRN 15/07/2058	19,583	1.84
USD 3,029,215	Silverstone Master Issuer FRN 21/01/2070 1X 1A	2,450	0.23
USD 3,230,000	Silverstone Master Issuer FRN 21/01/2070 1X 2A2	2,614	0.25
		104,436	9.81
	Fixed Rate Bond 5.72% (2019: 5.97%)		
GBP 12,000,000	Coventry Building Society 1.50% 23/01/2023	12,171	1.14
EUR 10,000,000	GlaxoSmithKline Capital 0.00% 12/09/2020	9,089	0.85
GBP 8,840,000	Nationwide Building Society 1.00% 24/01/2023	8,866	0.83
GBP 2,016,000	Northern Electric Finance 8.875% 16/10/2020	2,062	0.19
GBP 12,550,000	Santander UK 1.625% 10/05/2021	12,664	1.19
GBP 10,000,000	Sky 2.875% 24/11/2020	10,080	0.95
GBP 6,000,000	Unilever 1.125% 03/02/2022	6,082	0.57
		61,014	5.72

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Floating Rate Note 6.95% (2019: 4.21%)			
GBP 13,860,000	Brass FRN 16/10/2059	13,856	1.30
GBP 11,983,465	Friary No.3 FRN 21/04/2048	11,998	1.13
GBP 8,554,229	Holmes Master Issuer FRN 15/07/2021 1X A2	8,573	0.80
GBP 5,000,000	Lanark Master Issuer FRN 22/12/2069 2X2A	5,010	0.47
GBP 5,250,000	Orbita Funding FRN 16/03/2027 1A	5,213	0.49
GBP 13,290,000	Silverstone Master Issuer 2020 FRN 21/01/2070 1X1A	13,279	1.25
GBP 10,000,000	TSB Bank FRN 07/12/2022	9,993	0.94
GBP 6,099,880	Turbo Finance FRN 20/02/2026	6,092	0.57
		<u>74,014</u>	<u>6.95</u>
United States 5.58% (2019: 4.07%)			
Fixed Rate Bond 5.58% (2019: 3.26%)			
EUR 9,000,000	Apple 1.00% 10/11/2022	8,398	0.79
EUR 9,000,000	Berkshire Hathaway 0.625% 17/01/2023	8,291	0.78
EUR 12,480,000	Colgate-Palmolive 0.00% 12/11/2021	11,339	1.06
GBP 11,000,000	Met Life Global Funding 1.125% 15/12/2021	11,061	1.04
USD 14,000,000	US Bank 1.95% 09/01/2023	11,745	1.10
GBP 8,500,000	Wells Fargo 2.125% 22/04/2022	8,641	0.81
		<u>59,475</u>	<u>5.58</u>
Floating Rate Note 0.00% (2019: 0.81%)			
Certificates of Deposit 35.26% (2019: 33.74%)			
Australia 1.41% (2019: 0.00%)			
GBP 15,000,000	Commonwealth Bank of Australia 0.56% 09/12/2020	<u>15,024</u>	<u>1.41</u>
Canada 0.00% (2019: 1.39%)			
Denmark 0.94% (2019: 0.92%)			
GBP 10,000,000	DNB Bank 0.60% 16/09/2020	<u>10,011</u>	<u>0.94</u>
Finland 0.94% (2019: 1.38%)			
GBP 10,000,000	Nordea Bank 0.86% 09/10/2020	<u>10,021</u>	<u>0.94</u>
France 7.52% (2019: 5.08%)			
GBP 10,000,000	Crédit Agricole Corporate & Investment Bank 0.31% 27/11/2020	10,006	0.94
GBP 10,000,000	Crédit Agricole Corporate & Investment Bank 0.44% 14/06/2021	10,008	0.94
GBP 10,000,000	Crédit industriel et Commercial 0.77% 06/05/2021	10,038	0.94
GBP 15,000,000	Crédit industriel et Commercial 0.94% 01/09/2020	15,023	1.41
GBP 15,000,000	Société Générale 0.875% 03/02/2021	15,054	1.41
GBP 10,000,000	Société Générale 0.97% 01/07/2020	10,000	0.94
GBP 10,000,000	Société Générale 1.02% 21/12/2020	10,038	0.94
		<u>80,167</u>	<u>7.52</u>
Germany 2.82% (2019: 1.85%)			
GBP 10,000,000	Landesbank Hessen-Thüringen 0.525% 09/11/2020	10,014	0.94
GBP 10,000,000	Landesbank Hessen-Thüringen 0.58% 27/05/2021	10,022	0.94
GBP 10,000,000	Landesbank Hessen-Thüringen 0.625% 08/02/2021	10,021	0.94
		<u>30,057</u>	<u>2.82</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Japan 1.41% (2019: 0.00%)			
GBP 15,000,000	MUFG Bank 0.87% 13/01/2021	15,051	1.41
Netherlands 2.82% (2019: 3.23%)			
GBP 10,000,000	ING Bank 0.93% 29/09/2020	10,021	0.94
GBP 10,000,000	Rabobank Nederland 0.60% 05/05/2021	10,023	0.94
GBP 10,000,000	Rabobank Nederland 0.84% 11/01/2021	10,032	0.94
		<u>30,076</u>	<u>2.82</u>
Singapore 0.00% (2019: 2.77%)			
Sweden 1.88% (2019: 2.77%)			
GBP 20,000,000	Handelsbanken 0.58% 09/11/2020	20,031	1.88
Switzerland 4.70% (2019: 2.31%)			
GBP 10,000,000	Credit Suisse 0.91% 13/07/2020	10,003	0.94
GBP 15,000,000	Credit Suisse 0.96% 14/10/2020	15,038	1.41
GBP 5,000,000	Credit Suisse 1.00% 03/09/2020	5,008	0.47
GBP 10,000,000	UBS 0.87% 23/07/2020	10,005	0.94
GBP 10,000,000	UBS 0.95% 27/10/2020	10,027	0.94
		<u>50,081</u>	<u>4.70</u>
United Arab Emirates 2.82% (2019: 2.82%)			
GBP 5,000,000	First Abu Dhabi Bank 0.34% 04/01/2021	5,003	0.47
GBP 10,000,000	First Abu Dhabi Bank 0.53% 27/11/2020	10,015	0.94
GBP 15,000,000	First Abu Dhabi Bank 1.00% 12/11/2020	15,046	1.41
		<u>30,064</u>	<u>2.82</u>
United Kingdom 8.00% (2019: 9.22%)			
GBP 15,000,000	Barclays 0.60% 09/09/2020	15,017	1.41
GBP 10,000,000	Barclays 0.88% 31/12/2020	10,033	0.94
GBP 10,000,000	HSBC 0.37% 08/03/2021	10,006	0.94
GBP 10,000,000	HSBC 0.60% 18/05/2021	10,023	0.94
GBP 10,000,000	HSBC 0.62% 05/05/2021	10,025	0.94
GBP 10,000,000	Standard Chartered Bank 0.72% 05/02/2021	10,028	0.94
GBP 10,000,000	Standard Chartered Bank 1.10% 14/10/2020	10,029	0.94
GBP 10,000,000	Standard Chartered Bank 1.20% 27/04/2021	10,072	0.95
		<u>85,233</u>	<u>8.00</u>
Derivatives (0.49%) (2019: (0.09%))			
Swaps (0.17%) (2019: (0.07%))¹			
Interest Rate Swaps (0.17%) (2019: (0.07%))¹			
2,500,000	IRS 0.1112% LIBOR 3 month - Receive Floating - GBP ²	-	-
3,300,000	IRS 0.1752% LIBOR 3 month - Receive Floating - GBP	(8)	-
10,000,000	IRS 0.265% LIBOR 3 month - Receive Floating - USD	(8)	-
6,000,000	IRS 0.3452% LIBOR 3 month - Receive Floating - GBP	(22)	-
9,000,000	IRS 0.3587% LIBOR 3 month - Receive Floating - GBP	(48)	-
10,000,000	IRS -0.366% EURIBOR 3 month - Receive Floating - EUR	1	-
2,910,000	IRS -0.3692% EURIBOR 3 month - Receive Floating - EUR	(6)	-
5,434,000	IRS 0.3702% LIBOR 3 month - Receive Floating - GBP	(21)	-
7,500,000	IRS 0.3717% LIBOR 3 month - Receive Floating - GBP	(29)	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Interest Rate Swaps (continued)			
5,566,000	IRS 0.3732% LIBOR 3 month - Receive Floating - GBP	(22)	-
7,500,000	IRS 0.3772% LIBOR 3 month - Receive Floating - GBP	(10)	-
7,000,000	IRS 0.41% LIBOR 3 month - Receive Floating - USD	(17)	-
7,100,000	IRS -0.412% EURIBOR 3 month - Receive Floating - EUR	(11)	-
4,000,000	IRS -0.42% EURIBOR 3 month - Receive Floating - EUR	(1)	-
6,000,000	IRS -0.425% EURIBOR 3 month - Receive Floating - EUR	(4)	-
6,480,000	IRS -0.426% EURIBOR 3 month - Receive Floating - EUR	1	-
6,000,000	IRS -0.427% EURIBOR 3 month - Receive Floating - EUR	1	-
5,000,000	IRS -0.432% EURIBOR 3 month - Receive Floating - EUR	(3)	-
6,500,000	IRS 0.4327% LIBOR 3 month - Receive Floating - GBP	(43)	-
9,000,000	IRS -0.499% EURIBOR 3 month - Receive Floating - EUR	12	-
6,171,000	IRS 0.5622% LIBOR 3 month - Receive Floating - GBP	(66)	(0.01)
8,840,000	IRS 0.5632% LIBOR 3 month - Receive Floating - GBP	(107)	(0.01)
9,500,000	IRS 0.6147% LIBOR 3 month - Receive Floating - GBP	(124)	(0.01)
8,500,000	IRS 0.6202% LIBOR 3 month - Receive Floating - GBP	(78)	(0.01)
8,000,000	IRS 0.6438% LIBOR 3 month - Receive Floating - GBP	(116)	(0.01)
8,500,000	IRS 0.654% LIBOR 3 month - Receive Floating - GBP	(109)	(0.01)
2,550,000	IRS 0.7107% LIBOR 3 month - Receive Floating - GBP	(13)	-
10,000,000	IRS 0.713% LIBOR 3 month - Receive Floating - GBP	(26)	-
12,000,000	IRS 0.7152% LIBOR 3 month - Receive Floating - GBP	(193)	(0.03)
7,200,000	IRS 0.7512% LIBOR 3 month - Receive Floating - GBP	(119)	(0.01)
10,000,000	IRS 1.1367% LIBOR 3 month - Receive Floating - GBP	(88)	(0.01)
2,016,000	IRS 1.161% LIBOR 3 month - Receive Floating - GBP	(6)	-
14,000,000	IRS 1.5754% LIBOR 3 month - Receive Floating - USD	(390)	(0.05)
5,000,000	IRS 1.629% LIBOR 3 month - Receive Floating - USD	(142)	(0.01)
		<u>(1,815)</u>	<u>(0.17)</u>
Forward Foreign Exchange Contracts (0.32%) (2019: (0.02%))¹			
	Buy AUD 246,980 : Sell GBP 136,814 July 2020	1	-
	Buy AUD 596,085 : Sell GBP 329,425 July 2020	3	-
	Buy EUR 1,735,832 : Sell GBP 1,571,742 July 2020	7	-
	Buy EUR 2,729,507 : Sell GBP 2,473,605 July 2020	9	-
	Buy EUR 629,112 : Sell GBP 568,900 July 2020	3	-
	Buy EUR 746,724 : Sell GBP 668,742 July 2020	10	-
	Buy EUR 841,252 : Sell GBP 760,828 July 2020	4	-
	Buy GBP 10,112,252 : Sell AUD 18,593,893 July 2020	(248)	(0.02)
	Buy GBP 22,797 : Sell USD 27,974 July 2020 ²	-	-
	Buy GBP 238,719,429 : Sell EUR 265,492,439 July 2020	(2,722)	(0.25)
	Buy GBP 24,649 : Sell AUD 44,679 July 2020 ²	-	-
	Buy GBP 26,511,032 : Sell USD 33,165,023 July 2020	(326)	(0.03)
	Buy GBP 2,991,169 : Sell NOK 36,447,233 July 2020	(66)	(0.01)
	Buy GBP 36,938 : Sell EUR 41,143 July 2020 ²	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts <small>(continued)</small>			
	Buy GBP 8,003,354 : Sell USD 9,965,400 July 2020	(60)	(0.01)
	Buy NOK 1,727,168 : Sell GBP 144,566 July 2020 ²	-	-
	Buy USD 300 : Sell GBP 242 July 2020 ²	-	-
		<u>(3,385)</u>	<u>(0.32)</u>
	Investment assets including investment liabilities	999,142	93.75
	Other net assets	66,663	6.25
	Total net assets	<u>1,065,805</u>	<u>100.00</u>

¹ Unquoted securities

² Due to rounding to nearest £1,000

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

Statement of total return for the year ended 30 June 2020

	Note	£000	2020 £000	2019 £000
Income				
Net capital gains	2		1,349	2,825
Revenue	3	9,081		9,472
Expenses	4	(379)		(384)
Interest payable and similar charges	5	(6)	(6)	
Net revenue before taxation		8,696	9,082	
Taxation	6	-	-	
Net revenue after taxation			8,696	9,082
Total return before distributions			10,045	11,907
Distributions	7		(8,696)	(9,081)
Change in net assets attributable to shareholders from investment activities			1,349	2,826

Statement of change in net assets attributable to shareholders for the year ended 30 June 2020

	2020 £000	2019 £000
Opening net assets attributable to shareholders	1,084,257	1,166,635
Amounts receivable on issue of shares	41,252	-
Amounts payable on cancellation of shares	(69,745)	(94,195)
	(28,493)	(94,195)
Dilution adjustment	23	16
Change in net assets attributable to shareholders from investment activities	1,349	2,826
Retained distributions on accumulation shares	8,669	8,975
Closing net assets attributable to shareholders	1,065,805	1,084,257

Balance sheet as at 30 June 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		1,004,394	1,036,578
Current assets:			
Debtors	8	3,313	13,189
Cash and bank balances	9	71,216	46,166
Total assets		1,078,923	1,095,933
Liabilities:			
Investment liabilities		5,252	1,588
Creditors:			
Amounts held at derivative clearing houses and brokers		53	-
Other creditors	10	7,813	10,088
Total liabilities		13,118	11,676
Net assets attributable to shareholders		1,065,805	1,084,257

Notes to the financial statements for the year ended 30 June 2020

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2020 £000	2019 £000
Derivative securities	(1,896)	(797)
Forward currency contracts	(5,536)	955
Non-derivative securities	9,371	2,820
Other currency losses	(588)	(151)
Transaction costs	(2)	(2)
Net capital gains	1,349	2,825

3 Revenue

	2020 £000	2019 £000
Bank interest	202	362
Derivative revenue	(261)	(215)
Interest on debt securities	9,136	9,322
Interest on margin	4	3
Total revenue	9,081	9,472

4 Expenses

	2020 £000	2019 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
GAC*	259	258
	259	258
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	65	67
Safe custody fees	55	59
	120	126
Total expenses	379	384

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £10,316 (2019: £10,316).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	6	6
Total interest payable and similar charges	6	6

6 Taxation

a) Analysis of charge in the year

There is no tax charge for the current year (2019: nil).

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	8,696	9,082
Corporation tax at 20% (2019: 20%)	1,739	1,816
Effects of: Revenue being paid as interest distributions	(1,739)	(1,816)
Tax charge for the year (note 6a)	-	-

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2019: nil).

d) Factors that may affect future tax charges

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

7 Distributions

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

	2020 £000	2019 £000
Interim accumulation	6,935	6,704
Final accumulation	1,734	2,271
	8,669	8,975
Amounts deducted on cancellation of shares	86	106
Amounts received on issue of shares	(59)	-
Total distributions	8,696	9,081
Net revenue after taxation	8,696	9,082
Undistributed revenue carried forward	-	(1)
Total distributions	8,696	9,081

Details of the distribution per share are set out in the Distribution tables on page 230.

Notes to the financial statements (continued)

8 Debtors

	2020 £000	2019 £000
Accrued revenue	3,193	3,164
Sales awaiting settlement	120	10,025
Total debtors	3,313	13,189

9 Cash and bank balances

	2020 £000	2019 £000
Amounts held at derivative clearing houses and brokers	3,489	1,566
Cash and bank balances	67,727	44,600
Total cash and bank balances	71,216	46,166

10 Other creditors

	2020 £000	2019 £000
Accrued Depositary's fee	5	11
Accrued other expenses	36	31
Derivative revenue payable	36	46
Purchases awaiting settlement	7,736	10,000
Total other creditors	7,813	10,088

11 Contingent liabilities and commitments

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

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 219 and 220 and notes 4 and 7 on pages 221 to 223 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

HSBC Global Custody Nominee (UK) Limited, as a material shareholder, is a related party holding shares comprising 100% of the total net assets of the fund as at the year end (2019: 100%).

13 Shareholders' funds

The fund currently has 1 share classes available; Class Z (Institutional). The annual management charge on the share class is as follows:

	2020 %	2019 %
Class Z ¹	0.00	0.00

¹ Charges for managing Z class shares are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative table on page 209. The distribution per share class is given in the Distribution tables on page 230.

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation as at 30 June 2020

	Class Z accumulation
Opening number of shares	1,049,790,246
Issues during the year	39,847,979
Cancellations during the year	(67,327,373)
Closing shares in issue	1,022,310,852

14 Financial derivatives

The fund may use financial derivatives for efficient portfolio management and for meeting the investment objectives including risk reduction and implementation of investment policies.

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 30 June 2020 (2019: nil).

2020

At 30 June 2020 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Interest rate swaps £000	Total by counterparty £000
BNP Paribas	37	-	37
Citigroup	-	15	15
	37	15	52

2019

At 30 June 2019 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Interest rate swaps £000	Total by counterparty £000
BNP Paribas	501	-	501
JP Morgan	-	22	22
Morgan Stanley	-	39	39
	501	61	562

15 Risk

Currency risk

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

Notes to the financial statements (continued)

15 Risk (continued)

Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2020				
Australian dollar	9,909	-	8	9,917
Euro	183,563	51,733	238	235,534
Norwegian krone	-	-	2,915	2,915
UK sterling	232,770	525,399	36,707	794,876
US dollar	5,683	29,794	204	35,681
Total	431,925	606,926	40,072	1,078,923
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2019				
Australian dollar	4,668	-	3	4,671
Euro	173,950	32,766	136	206,852
Norwegian krone	5,348	-	4	5,352
UK sterling	334,906	483,364	13,311	831,581
US dollar	19,720	27,521	236	47,477
Total	538,592	543,651	13,690	1,095,933
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2020				
Euro	25	-	18	43
UK sterling	1,249	-	11,211	12,460
US dollar	610	-	5	615
Total	1,884	-	11,234	13,118
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2019				
Euro	28	-	32	60
UK sterling	295	-	10,790	11,085
US dollar	526	-	5	531
Total	849	-	10,827	11,676

Notes to the financial statements (continued)

15 Risk (continued)

Credit Ratings

	Market value £000	Percentage of total net assets %
2020		
Investments		
Investment grade (AAA - BBB)*	937,044	87.93
Unrated	67,298	6.31
Total debt securities	1,004,342	94.24
Derivatives	(5,200)	(0.49)
Investment assets including investment liabilities	999,142	93.75
Other net assets	66,663	6.25
Total net assets	1,065,805	100.00
	Market value £000	Percentage of total net assets %
2019		
Investments		
Investment grade (AAA - BBB)*	959,116	88.46
Unrated	76,900	7.09
Total debt securities	1,036,016	95.55
Derivatives	(1,026)	(0.09)
Investment assets including investment liabilities	1,034,990	95.46
Other net assets	49,267	4.54
Total net assets	1,084,257	100.00

* Certificates of deposits included within investment grade have been rated based on the rating of the issuer.

Sensitivity analysis

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

VaR Results	Global Exposure Calculation Basis	Actual VaR in year			VaR limit	Utilisation of VaR limit		
		Minimum	Maximum	Average		Minimum	Maximum	Average
		%	%	%	%	%	%	%
2020	Absolute VaR	0.17	1.31	0.29	20.00	0.85	6.54	1.44
2019	Absolute VaR	0.23	1.13	0.45	20.00	1.16	5.64	2.25

Leverage

	Minimum	Maximum	Average
	%	%	%
2020	39.10	110.35	62.49
2019	40.57	103.13	61.92

Notes to the financial statements (continued)

15 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Amounts held at derivatives clearing houses and brokers	53	-	-	-
Derivative financial liabilities	-	3,565	1,687	-
Other creditors	-	7,813	-	-
Total	53	11,378	1,687	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2019				
Derivative financial liabilities	-	972	616	-
Other creditors	-	10,088	-	-
Total	-	11,060	616	-

16 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	-	-	-	-
Level 2	1,004,394	5,252	1,036,578	1,588
Level 3	-	-	-	-
	1,004,394	5,252	1,036,578	1,588

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trades in the year				
Certificates of deposit	670,516	582,230	661,018	542,330
Debt securities	475,265	409,907	523,647	499,403
Trades in the year before transaction costs	1,145,781	992,137	1,184,665	1,041,733
Transaction costs				
Commissions				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	1,145,781	992,137	1,184,665	1,041,733

	Purchases		Sales	
	2020	2019	2020	2019
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Taxes				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Other expenses				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
	2020	2019		
	%	%		

Total transaction costs expressed as a percentage of net asset value

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

Notes to the financial statements (continued)

17 Direct transaction costs (continued)

There were no specie transfers during the year (2019: nil). There were no corporate actions during the year (2019: £9,659,840).

There were no direct transaction costs associated with derivatives in the year (2019: nil).

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

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

The portfolio dealing spread as at 30 June 2020 was 0.18% (2019: 0.08%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 15 October 2020, the Net Asset Value is £1,040,719,786 which is a drop of 2.4% from the balance sheet date. The fall in NAV is due to the fall in value of the underlying investments and net outflows from the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

Distribution tables for the year ended 30 June 2020 (in pence per share)

Interim interest distribution (accounting date 30 September 2019, paid on 29 November 2019)

Group 1: shares purchased prior to 1 July 2019

Group 2: shares purchased on or after 1 July 2019

	Distribution per share	Equalisation	Total distribution per share 29/11/19	Total distribution per share 30/11/18
Class Z accumulation				
Group 1	0.2302	-	0.2302	0.1982
Group 2	0.0913	0.1389	0.2302	0.1982

Interim interest distribution (accounting date 31 December 2019, paid on 28 February 2020)

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased on or after 1 October 2019

	Distribution per share	Equalisation	Total distribution per share 28/02/20	Total distribution per share 28/02/19
Class Z accumulation				
Group 1	0.2221	-	0.2221	0.1996
Group 2	0.0642	0.1579	0.2221	0.1996

Interim interest distribution (accounting date 31 March 2020, paid on 29 May 2020)

Group 1: shares purchased prior to 1 January 2020

Group 2: shares purchased on or after 1 January 2020

	Distribution per share	Equalisation	Total distribution per share 29/05/20	Total distribution per share 31/05/19
Class Z accumulation				
Group 1	0.2161	-	0.2161	0.2167
Group 2	0.2161	-	0.2161	0.2167

Final interest distribution (accounting date 30 June 2020, paid on 28 August 2020)

Group 1: shares purchased prior to 1 April 2020

Group 2: shares purchased on or after 1 April 2020

	Distribution per share	Equalisation	Total distribution per share 28/08/20	Total distribution per share 30/08/19
Class Z accumulation				
Group 1	0.1696	-	0.1696	0.2163
Group 2	0.0383	0.1313	0.1696	0.2163

Janus Henderson Institutional UK Gilt Fund

Authorised Corporate Director's report

Investment Fund Managers

Andrew Mulliner and Bethany Payne

Investment objective and policy

The fund aims to provide an income with the potential for capital growth over the long term.

Performance target: To outperform the FTSE Actuaries All Stocks Gilt Index by 0.75% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in UK government bonds (also known as gilts) of any maturity.

The fund is actively managed with reference to the FTSE Actuaries All Stocks Gilt Index, which is broadly representative of the bonds in which it may invest, as this forms the basis of the fund's performance target. The investment manager has discretion to choose investments for the fund with weightings different to the index or not in the index, but at times the fund may hold investments similar to the index.

Performance summary

	30 Jun 19 - 30 Jun 20 %	30 Jun 18 - 30 Jun 19 %	30 Jun 17 - 30 Jun 18 %	30 Jun 16 - 30 Jun 17 %	30 Jun 15 - 30 Jun 16 %
Class I accumulation (Net)	11.5	4.5	1.2	(0.6)	11.4
FTSE Actuaries All Stocks Gilt Index	11.2	4.9	1.9	(0.9)	13.5
IA UK Gilts	12.0	5.0	2.1	(0.8)	13.6
Class I accumulation (Gross)	12.1	5.1	1.7	(0.1)	12.0
FTSE Actuaries All Stocks Gilt Index + 0.75%	12.0	5.7	2.7	(0.1)	14.3

Please note that the performance target is to be achieved over a specific annualised time period. Refer to the performance target section above within the investment objective.

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 12 noon valuation point.

Benchmark values are at close of business.

Class I accumulation is disclosed as it is the representative share class.

Benchmark Usage

Index: FTSE Actuaries All Stocks Gilt Index

Index usage: Target

Index description: The FTSE Actuaries All Stock Gilt Index is a measure of the combined performance of conventional bonds issued by the British government. It is the basis for the fund's performance target.

Peer group: IA UK Gilts

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

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.

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 30 June 2020

Largest purchases	£000	Largest sales	£000
UK Treasury 1.50% 22/07/2026	7,877	UK Treasury 4.25% 07/06/2032	12,749
UK Treasury 1.75% 07/09/2037	3,977	UK Treasury 4.75% 07/12/2030	11,691
Janus Henderson All Stocks Credit Fund Z Accumulation ¹	3,389	UK Treasury 1.50% 22/07/2026	11,482
UK Treasury 1.625% 22/10/2071	3,107	UK Treasury 4.25% 07/03/2036	10,475
UK Treasury 1.25% 22/10/2041	2,965	UK Treasury 4.25% 07/12/2055	9,787
UK Treasury 0.875% 22/10/2029	2,872	UK Treasury 4.25% 07/12/2046	9,155
UK Treasury 0.625% 07/06/2025	2,381	UK Treasury 4.00% 07/03/2022	8,473
UK Treasury 1.625% 22/10/2054	2,227	UK Treasury 5.00% 07/03/2025	8,299
UK Treasury 4.75% 07/12/2030	1,494	UK Treasury 2.00% 22/07/2020	7,248
UK Treasury 1.25% 22/07/2027	1,463	UK Treasury 4.75% 07/12/2038	6,990
Total purchases	38,398	Total sales	252,263

¹ Related party to the fund

Investment review

The fund returned 12.1% based on Class I accumulation (Gross) over the year under review, compared with a return of 12.0% in the FTSE Actuaries All Stocks Gilt Index + 0.75%.

The year was dominated by the impact of the spread of COVID-19, which prompted governments to impose varying degrees of shutdown. The shutdowns caused a rapid decline in economic activity and significant uncertainty in financial markets. This was followed by a swift policy response as central banks cut interest rates to near zero, expanded quantitative easing asset purchases and governments announced huge fiscal spending programmes (akin to those seen in wartime). Many of these are sizeable at about 10% of GDP, in an attempt to cushion the impact of the global recession. The Bank of England cut rates to 0.1% (from 0.75% at the start of the year) and announced £200bn of asset purchases (quantitative easing), which was subsequently increased by a further £100bn in June. Government bond yields fell sharply (prices rose, reflecting their inverse relationship), with gilt yields hitting new lows while those with longer maturities performed particularly well.

The fund started the second half of 2019 with interest rate duration (sensitivity to interest rates) at the upper end of the range, through positions in the US, Canada, Sweden, Australia and New Zealand. The sharp fall in government bond yields in July and August, particularly in core markets, allowed these positions to perform well. We subsequently reduced this duration position to lock in some of the gains and also took profits on our holdings as we expected a flatter euro yield curve.

Inflation strategies were beneficial in 2019. In the UK, we were positioned, through a position in inflation swaps, for breakeven inflation expectations to fall. This benefited from the rise in sterling, which dampened inflation expectations, and the announced review of the retail price inflation index – could be replaced with a (lower) alternative.

Emerging market positioning in Mexico continued to perform well as the country's central bank cut rates.

Entering 2020, we rotated our active allocations more towards emerging markets (Mexico/Indonesia) and retained exposure to 'safe haven' government bond markets in smaller size. In March, emerging market bonds and currencies suffered in the 'risk-off' environment, during which there were sharp falls in risk markets. In addition, we held a position for Italian government bonds to outperform on a relative basis, which detracted. These subsequently recovered as the European Union recovery fund proposal gained further traction in the final quarter of the reporting year. In addition, the European Central Bank expanded its emergency bond-buying programme to €1.35trn and extended the length of the scheme to June 2021. These were a positive tailwind for Italian sovereign debt. We also added a position in 10-year Spanish government debt alongside this.

Currency positions detracted from performance where the fund was positioned for the appreciation of growth currencies such as the Norwegian krone and emerging market currencies (Mexico/Indonesia) versus the US dollar at the start of 2020. We maintained our positioning in Indonesia, given high real yields and attractive relative valuation, which was rewarded in the final quarter of the reporting year.

The fund utilises derivatives. During the year, derivative positions included the use of government bond futures and interest rate/inflation swaps to implement active positions and manage overall interest rate exposure. Forward foreign exchange contracts were used to implement currency positions.

This could turn out to be the shortest and sharpest recession on record. However, the economic damage or 'scarring' that policy makers have feared cannot be underestimated and could lead to a more prolonged downturn. What we are more confident on is that the COVID-19 tragedy has been the catalyst for greater use of fiscal spending/deficits by governments to stimulate the economy. This will require central banks to continue to run very loose monetary policy and quantitative easing asset purchases. While there are positive signs in terms of a rebound in economic data and in halting the spread of COVID-19, we feel that the measures in place so far have provided liquidity to financial markets and bridged the income gap (wage subsidisation). However, there is uncertainty as to how long this will last and the impact on employment. Markets have priced in a more positive scenario, in our view, as full economy shutdowns that we saw in the second quarter of 2020 are unlikely to be repeated.

Government bonds in core markets offer limited scope for further capital appreciation unless more central banks move to negative rates. As a result, we are looking more for carry trades and yield curve positions to extract value. We continue to view peripheral government debt (for example, Italy) as attractive relative to core markets, on the assumption that the political backdrop is stable. In addition, we have been tilting more of our risk budget towards emerging markets.

Comparative tables for the year ended 30 June 2020

	Class A income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	213.83	207.10	207.45
Return before operating charges*	25.51	10.45	3.30
Operating charges	(2.09)	(1.88)	(1.88)
Return after operating charges*	23.42	8.57	1.42
Distributions on income shares	(2.12)	(1.84)	(1.77)
Closing net asset value per share	235.13	213.83	207.10
* after direct transaction costs of:	-	-	-

Performance

Return after charges	10.95%	4.14%	0.68%
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Other information

Closing net asset value (£000s)	998	1,024	827
Closing number of shares	424,556	479,035	399,420
Operating charges	0.93%	0.91%	0.91%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	241.34	215.80	212.70
Lowest share price (pence)	213.23	198.80	201.00

	Class D accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	157.94	150.70	148.74
Return before operating charges*	18.95	7.68	2.39
Operating charges	(0.50)	(0.44)	(0.43)
Return after operating charges*	18.45	7.24	1.96
Distributions on accumulation shares	(2.61)	(2.29)	(2.20)
Retained distributions on accumulation shares	2.61	2.29	2.20
Closing net asset value per share	176.39	157.94	150.70
* after direct transaction costs of:	-	-	-

Performance

Return after charges	11.68%	4.80%	1.32%
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Other information

Closing net asset value (£000s)	3,499	13,112	10,852
Closing number of shares	1,983,717	8,301,968	7,201,569
Operating charges	0.30%	0.29%	0.29%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	180.25	159.00	152.70
Lowest share price (pence)	158.40	145.20	145.30

Comparative tables (continued)

Class E income 08/07/19 - 30/06/20 (pence per share)

Change in net assets per share

Opening net asset value per share	217.09 ¹
Return before operating charges*	22.22
Operating charges	(1.51)
Return after operating charges*	20.71
Distributions on income shares	(2.67)
Closing net asset value per share	235.13
* after direct transaction costs of:	-

Performance

Return after charges	9.54% ²
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Other information

Closing net asset value (£000s)	134
Closing number of shares	57,103
Operating charges	0.68%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	241.44
Lowest share price (pence)	213.34

¹ Class E income launched on 8 July 2019 and this is the first published price.

² Return after charges relates to the period 08/07/19 to 30/06/20 post conversion from the A income share class. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

Class I accumulation

	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	346.34	331.26	327.82
Return before operating charges*	41.55	16.87	5.21
Operating charges	(2.05)	(1.79)	(1.77)
Return after operating charges*	39.50	15.08	3.44
Distributions on accumulation shares	(4.80)	(4.21)	(4.02)
Retained distributions on accumulation shares	4.80	4.21	4.02
Closing net asset value per share	385.84	346.34	331.26
* after direct transaction costs of:	-	-	0.01

Performance

Return after charges	11.40%	4.55%	1.05%
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Other information

Closing net asset value (£000s)	7,461	6,620	30,828
Closing number of shares	1,933,599	1,911,355	9,306,308
Operating charges	0.56%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	394.59	348.70	336.30
Lowest share price (pence)	347.30	318.90	319.80

Comparative tables (continued)

	Class I income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	212.09	205.42	205.78
Return before operating charges*	25.31	10.36	3.26
Operating charges	(1.25)	(1.11)	(1.11)
Return after operating charges*	24.06	9.25	2.15
Distributions on income shares	(2.93)	(2.58)	(2.51)
Closing net asset value per share	233.22	212.09	205.42
* after direct transaction costs of:	-	-	-

Performance

Return after charges	11.34%	4.50%	1.04%
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Other information

Closing net asset value (£000s)	2,227	2,101	2,498
Closing number of shares	954,588	990,497	1,216,043
Operating charges	0.56%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	239.54	214.20	211.10
Lowest share price (pence)	211.66	197.20	199.50

	Class Z accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	229.28	218.21	214.85
Return before operating charges*	27.54	11.16	3.45
Operating charges	(0.12)	(0.09)	(0.09)
Return after operating charges*	27.42	11.07	3.36
Distributions on accumulation shares	(4.40)	(3.86)	(3.72)
Retained distributions on accumulation shares	4.40	3.86	3.72
Closing net asset value per share	256.70	229.28	218.21
* after direct transaction costs of:	-	-	-

Performance

Return after charges	11.96%	5.07%	1.56%
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Other information

Closing net asset value (£000s)	54,842	252,474	259,000
Closing number of shares	21,363,973	110,118,005	118,691,356
Operating charges	0.05%	0.04%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	262.12	230.80	220.60
Lowest share price (pence)	229.90	210.40	210.30

Comparative tables (continued)

	Class I accumulation gross 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	354.02
Return before operating charges*	(1.32)
Operating charges	(0.50)
Return after operating charges*	(1.82)
Distributions on accumulation shares	(0.98)
Retained distributions on accumulation shares	0.98
Final cancellation	(352.20) ³
Closing net asset value per share	-
* after direct transaction costs of:	0.01
Performance	
Return after charges	(0.51%)
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.54%
Direct transaction costs	0.00%
Prices	
Highest share price (pence)	363.20 ⁴
Lowest share price (pence)	349.90 ⁴

³ Class I accumulation gross closed on the 2 October 2017.

⁴ to October 2017.

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

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

Operating charges

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

Share class launches and closures

The following share class launched in the year:

Share class	Launch date
Class E income	8 July 2019

There were no share classes closed in the year.

Share class conversion	Conversion date
Class A income to Class E income	8 July 2019

The conversion of A share classes to the E share classes was performed to benefit investors who do not use a financial adviser as a lower management fee is charged because there are no commission payments bundled within it. The E share classes are available for direct investment.

Ongoing charge figure

The annualised 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.

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class A	0.93 ²	0.91	0.95
Class D	0.30 ³	0.29	0.31
Class E⁴	0.68 ²	n/a	0.70
Class I	0.56 ³	0.54	0.56
Class Z	0.05 ³	0.04	0.06

The OCF is calculated in accordance with guidelines issued by the ESMA.

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 30 June 2020.

² The GAC on Class A and Class E increased from 0.14% to 0.17% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

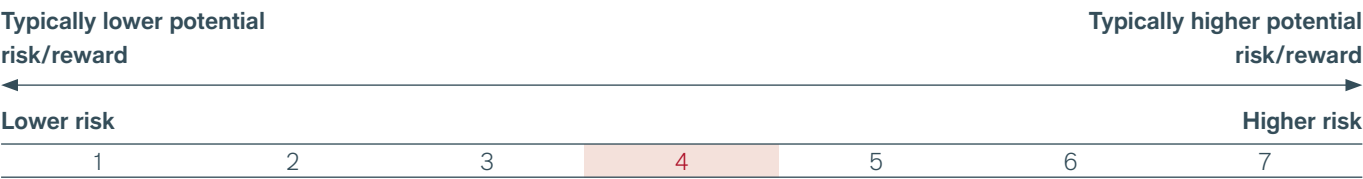
³ The GAC on Class D, Class I and Class Z increased from 0.023% to 0.03% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

⁴ Class E accumulation launched on 8 July 2019 so there are no prior year comparatives.

Risk and reward profile

The fund currently has 6 types of share class in issue; A income, D accumulation, E income, I accumulation, I income and Z accumulation.

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



The share classes appear at 4 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class E income launched on 8 July 2019 and as it does not have a 5 year history, a synthetic history has been created using the A income share class.

Portfolio statement as at 30 June 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 91.70% (2019: 96.61%)		
	Australia 1.02% (2019: 0.00%)		
	Fixed Rate Bond 1.02% (2019: 0.00%)		
AUD 995,000	Australia (Commonwealth of) 3.00% 21/03/2047	706	1.02
	Indonesia 1.52% (2019: 0.00%)		
	Fixed Rate Bond 1.52% (2019: 0.00%)		
IDR 17,642,000,000	Indonesia (Republic of) 8.375% 15/03/2034	1,049	1.52
	Japan 0.00% (2019: 1.64%)		
	Fixed Rate Bond 0.00% (2019: 1.64%)		
	Spain 1.38% (2019: 0.00%)		
	Fixed Rate Bond 1.38% (2019: 0.00%)		
EUR 412,000	Spain (Kingdom of) 0.50% 30/04/2030	378	0.55
EUR 588,000	Spain (Kingdom of) 1.25% 31/10/2030	577	0.83
		955	1.38
	United Kingdom 87.78% (2019: 94.97%)		
	Fixed Rate Bond 87.78% (2019: 94.97%)		
GBP 600,802	UK Treasury 0.125% 30/01/2026	605	0.88
GBP 2,696,647	UK Treasury 0.50% 22/07/2022	2,729	3.94
GBP 384,719	UK Treasury 0.50% 22/10/2061	378	0.55
GBP 2,371,466	UK Treasury 0.625% 07/06/2025	2,452	3.54
GBP 1,145,289	UK Treasury 0.875% 22/10/2029	1,225	1.77
GBP 1,643,253	UK Treasury 1.00% 22/04/2024	1,711	2.47
GBP 1,409,155	UK Treasury 1.25% 22/07/2027	1,533	2.22
GBP 403,708	UK Treasury 1.25% 22/10/2041	455	0.66
GBP 578,773	UK Treasury 1.50% 22/07/2026	633	0.92
GBP 1,521,798	UK Treasury 1.50% 22/07/2047	1,849	2.67
GBP 1,917,095	UK Treasury 1.625% 22/10/2028	2,168	3.13
GBP 287,692	UK Treasury 1.625% 22/10/2054	378	0.55
GBP 613,175	UK Treasury 1.625% 22/10/2071	931	1.35
GBP 1,745,567	UK Treasury 1.75% 07/09/2022	1,816	2.63
GBP 2,112,619	UK Treasury 1.75% 07/09/2037	2,534	3.66
GBP 572,629	UK Treasury 1.75% 22/01/2020	740	1.07
GBP 914,772	UK Treasury 1.75% 22/07/2057	1,272	1.84
GBP 104,190	UK Treasury 2.25% 07/09/2023	112	0.16
GBP 780,475	UK Treasury 2.50% 22/07/2065	1,386	2.00
GBP 916,196	UK Treasury 2.75% 07/09/2024	1,025	1.48
GBP 1,178,128	UK Treasury 3.25% 22/01/2044	1,850	2.68
GBP 1,053,917	UK Treasury 3.50% 22/01/2045	1,739	2.51
GBP 706,417	UK Treasury 3.50% 22/07/2068	1,590	2.30
GBP 1,705,828	UK Treasury 3.75% 07/09/2021	1,782	2.58
GBP 862,527	UK Treasury 3.75% 22/07/2052	1,652	2.39
GBP 1,230,111	UK Treasury 4.00% 07/03/2022	1,315	1.90
GBP 657,892	UK Treasury 4.00% 22/01/2060	1,461	2.11
GBP 1,788,485	UK Treasury 4.25% 07/03/2036	2,812	4.06
GBP 1,951,833	UK Treasury 4.25% 07/06/2032	2,860	4.13
GBP 1,368,047	UK Treasury 4.25% 07/09/2039	2,287	3.31
GBP 1,212,505	UK Treasury 4.25% 07/12/2027	1,594	2.30

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 1,389,815	UK Treasury 4.25% 07/12/2040	2,370	3.43
GBP 142,468	UK Treasury 4.25% 07/12/2046	268	0.39
GBP 1,074,073	UK Treasury 4.25% 07/12/2049	2,118	3.06
GBP 1,062,340	UK Treasury 4.25% 07/12/2055	2,301	3.33
GBP 1,046,687	UK Treasury 4.50% 07/12/2042	1,901	2.75
GBP 1,496,594	UK Treasury 4.75% 07/12/2030	2,206	3.19
GBP 989,871	UK Treasury 4.75% 07/12/2038	1,724	2.49
GBP 769,158	UK Treasury 5.00% 07/03/2025	952	1.38
		<u>60,714</u>	<u>87.78</u>
Collective Investment Schemes 6.74% (2019: 1.88%)			
1,243,148	Deutsche Global Liquidity Managed Platinum Sterling Fund	1,243	1.80
1,257,370	Janus Henderson All Stocks Credit Fund Z Accumulation ¹	3,417	4.94
		<u>4,660</u>	<u>6.74</u>
Derivatives 0.71% (2019: 0.49%)			
Futures 0.05% (2019: 0.06%)			
13	EUX Euro BTP September 2020	50	0.07
(10)	EUX Euro Bund September 2020	(20)	(0.03)
5	ICE Long Gilt September 2020	4	0.01
		<u>34</u>	<u>0.05</u>
Options 0.00% (2019: 0.00%)			
1,750,000	USD/MXN Put 19.3 July 2020 ²	-	-
1,075,000	USD/MXN Put 19.4 July 2020 ²	-	-
		<u>-</u>	<u>-</u>
Swaps 0.72% (2019: 0.43%)³			
Inflation Index Swaps 0.00% (2019: (0.18%))³			
Interest Rate Swaps 0.72% (2019: 0.61%)³			
7,400,000	IRS -0.094% EURIBOR 6 month - Receive Fixed - EUR	50	0.07
1,200,000	IRS 0.095% EURIBOR 6 month - Receive Floating - EUR	(19)	(0.03)
7,400,000	IRS -0.27% EURIBOR 6 month - Receive Floating - EUR	(23)	(0.03)
38,500,000	IRS 0.2825% LIBOR 3 month - Receive Fixed - USD	37	0.05
24,154,694	IRS 0.70% BBR 6 month - Receive Fixed - AUD	18	0.03
7,100,000	IRS 0.8975% LIBOR 3 month - Receive Floating - USD	(149)	(0.22)
10,191,406	IRS 5.59% TIIE 28 day - Receive Fixed - MXN	12	0.02
142,350,885	IRS 7.871% TIIE 3 Month - Receive Fixed - MXN	574	0.83
		<u>500</u>	<u>0.72</u>
Forward Foreign Exchange Contracts (0.06%) (2019: 0.00%)³			
	Buy AUD 14,257 : Sell GBP 7,923 July 2020 ²	-	-
	Buy AUD 17,057 : Sell GBP 9,427 July 2020 ²	-	-
	Buy AUD 1,851 : Sell GBP 1,034 July 2020 ²	-	-
	Buy AUD 20,659 : Sell GBP 11,463 July 2020 ²	-	-
	Buy AUD 3,496 : Sell GBP 1,933 July 2020 ²	-	-
	Buy AUD 4,210 : Sell GBP 2,346 July 2020 ²	-	-
	Buy AUD 4,786 : Sell GBP 2,606 July 2020 ²	-	-
	Buy GBP 10,399 : Sell AUD 18,771 July 2020 ²	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy GBP 1,074,185 : Sell EUR 1,194,658 July 2020	(12)	(0.02)
	Buy GBP 1,216,112 : Sell USD 1,521,343 July 2020	(15)	(0.02)
	Buy GBP 1,410 : Sell MXN 39,740 July 2020 ²	-	-
	Buy GBP 21,232 : Sell USD 26,432 July 2020 ²	-	-
	Buy GBP 2,697 : Sell AUD 4,945 July 2020 ²	-	-
	Buy GBP 3,429 : Sell AUD 6,220 July 2020 ²	-	-
	Buy GBP 34,562 : Sell USD 43,352 July 2020	(1)	-
	Buy GBP 3,898 : Sell SEK 45,757 July 2020 ²	-	-
	Buy GBP 52,720 : Sell USD 65,199 July 2020 ²	-	-
	Buy GBP 674,227 : Sell AUD 1,239,733 July 2020	(17)	(0.02)
	Buy GBP 9,184 : Sell MXN 261,130 July 2020 ²	-	-
	Buy GBP 9,654 : Sell MXN 274,840 July 2020 ²	-	-
	Buy MXN 156,122 : Sell GBP 5,446 July 2020 ²	-	-
	Buy MXN 182,486 : Sell GBP 6,382 July 2020 ²	-	-
	Buy MXN 220,389 : Sell GBP 7,803 July 2020 ²	-	-
	Buy MXN 241,418 : Sell GBP 8,597 July 2020 ²	-	-
	Buy MXN 43,076 : Sell GBP 1,524 July 2020 ²	-	-
	Buy MXN 603,932 : Sell GBP 21,240 July 2020 ²	-	-
	Buy MXN 75,309 : Sell GBP 2,673 July 2020 ²	-	-
	Buy MXN 90,402 : Sell GBP 3,208 July 2020 ²	-	-
	Buy MXN 96,911 : Sell GBP 3,399 July 2020 ²	-	-
	Buy SEK 45,757 : Sell GBP 3,919 July 2020 ²	-	-
	Buy USD 104,474 : Sell IDR 1,513,620,000 September 2020	1	-
	Buy USD 182,686 : Sell GBP 146,928 July 2020	1	-
	Buy USD 27,797 : Sell GBP 22,113 July 2020 ²	-	-
	Buy USD 51,144 : Sell GBP 40,775 July 2020	1	-
		(42)	(0.06)
	Investment assets including investment liabilities	68,576	99.15
	Other net assets	585	0.85
	Total net assets	69,161	100.00

¹ Related party to the fund

² Due to rounding to nearest £1,000

³ Unquoted securities

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

Statement of total return for the year ended 30 June 2020

		2020		2019	
	Note	£000	£000	£000	£000
Income					
Net capital gains	2		16,213		8,484
Revenue	3	1,736		4,988	
Expenses	4	(118)		(186)	
Interest payable and similar charges	5	(22)		(1)	
Net revenue before taxation		1,596		4,801	
Taxation	6	(6)		-	
Net revenue after taxation			1,590		4,801
Total return before distributions			17,803		13,285
Distributions	7		(1,590)		(4,801)
Change in net assets attributable to shareholders from investment activities			16,213		8,484

Statement of change in net assets attributable to shareholders for the year ended 30 June 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		275,331		304,005
Amounts receivable on issue of shares	26,248		15,055	
Amounts payable on cancellation of shares	(250,062)		(56,905)	
		(223,814)		(41,850)
Dilution adjustment		77		12
Change in net assets attributable to shareholders from investment activities		16,213		8,484
Retained distributions on accumulation shares		1,354		4,680
Closing net assets attributable to shareholders		69,161		275,331

Balance sheet as at 30 June 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		68,832	273,991
Current assets:			
Debtors	8	1,532	2,529
Cash and bank balances	9	829	3,135
Total assets		71,193	279,655
Liabilities:			
Investment liabilities		256	1,464
Creditors:			
Amounts held at derivative clearing houses and brokers		666	1,577
Bank overdrafts		84	1,118
Distributions payable		8	9
Other creditors	10	1,018	156
Total liabilities		2,032	4,324
Net assets attributable to shareholders		69,161	275,331

Notes to the financial statements for the year ended 30 June 2020

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2020 £000	2019 £000
Capital management fee rebates	1	-
Derivative securities	988	345
Forward currency contracts	(403)	(975)
Non-derivative securities	15,737	9,144
Other currency losses	(93)	(18)
Transaction costs	(17)	(12)
Net capital gains	16,213	8,484

3 Revenue

	2020 £000	2019 £000
Bank interest	-	30
Derivative revenue	202	705
Interest on debt securities	1,514	4,146
Interest on margin	2	4
Stock lending revenue	18	103
Total revenue	1,736	4,988

4 Expenses

	2020 £000	2019 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	78	91
GAC*	26	64
	104	155
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	10	24
Safe custody fees	4	6
	14	30
Other expenses:		
Professional fees	-	1
	-	1
Total expenses	118	186

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £10,316 (2019: £10,316).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	22	1
Total interest payable and similar charges	22	1

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2020 £000	2019 £000
Current tax		
Corporation tax	1	-
Double tax relief	(1)	-
Overseas withholding tax	6	-
Total tax (note 6b)	6	-

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	1,596	4,801
Corporation tax at 20% (2019: 20%)	319	960
Effects of:		
Double tax relief	(1)	-
Overseas withholding tax	6	-
Relief for indexation movements on index-linked gilts	-	(3)
Revenue being paid as interest distributions	(318)	(957)
Tax charge for the year (note 6a)	6	-

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2019: nil).

d) Factors that may affect future tax charges

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

Notes to the financial statements (continued)

7 Distributions

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

	2020 £000	2019 £000
Interim income	31	27
Interim accumulation	1,119	3,450
Final income	8	9
Final accumulation	235	1,230
	<u>1,393</u>	<u>4,716</u>
Amounts deducted on cancellation of shares	255	129
Amounts received on issue of shares	(58)	(44)
Total distributions	<u>1,590</u>	<u>4,801</u>

Details of the distribution per share are set out in the Distribution tables on pages 257 to 260.

8 Debtors

	2020 £000	2019 £000
Accrued revenue	314	2,275
Amounts receivable for issue of shares	1,216	188
Currency transactions awaiting settlement	2	66
Total debtors	<u>1,532</u>	<u>2,529</u>

9 Cash and bank balances

	2020 £000	2019 £000
Amounts held at derivative clearing houses and brokers	735	2,013
Cash and bank balances	94	1,122
Total cash and bank balances	<u>829</u>	<u>3,135</u>

10 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	5	7
Accrued Depositary's fee	1	4
Accrued other expenses	5	9
Amounts payable for cancellation of shares	6	32
Derivative revenue payable	4	38
Currency transactions awaiting settlement	2	66
Purchases awaiting settlement	995	-
Total other creditors	<u>1,018</u>	<u>156</u>

11 Contingent liabilities and commitments

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

Notes to the financial statements (continued)

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 243 and 244 and notes 4, 7, 8 and 10 on pages 245 to 247 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

The ultimate controlling party of HIFL 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 value of purchases transactions was £3,388,612 (2019: nil), the value of sales transactions was nil (2019: nil) and the balance outstanding at the year end was nil (2019: nil).
- b) Revenue receivable for the year was nil (2019: nil) and the balance outstanding at the year end was nil (2019: nil).
- c) The aggregate value of investments held at the year end was £3,416,529 (2019: nil).

Harewood Nominees Ltd, as a material shareholder, is a related party holding shares comprising 64.55% of the total net assets of the fund as at the year end (2019: 14.84%). HSBC Global Custody Nominee Ltd, as a material shareholder, is a related party holding shares comprising 15.24% of the total net assets of the fund as at the year end (2019: 75.49%).

13 Shareholders' funds

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

	2020 %	2019 %
Class A	0.75	0.75
Class D	0.25	0.25
Class E ¹	0.50	n/a
Class I	0.50	0.50
Class Z ²	0.00	0.00

¹ Class E income launched on 8 July 2019.

² Charges for managing Z class shares are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 234 to 237. The distribution per share class is given in the Distribution tables on pages 257 to 260. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2020

	Class A income	Class D accumulation	Class E income
Opening number of shares	479,035	8,301,968	-
Issues during the year	85,242	636,649	2,653
Cancellations during the year	(57,342)	(7,430,957)	(22,858)
Shares converted during the year	(82,379)	476,057	77,308
Closing shares in issue	424,556	1,983,717	57,103

	Class I accumulation	Class I income	Class Z accumulation
Opening number of shares	1,911,355	990,497	110,118,005
Issues during the year	2,481,912	202,024	6,508,633
Cancellations during the year	(2,459,668)	(243,045)	(94,934,941)
Shares converted during the year	-	5,112	(327,724)
Closing shares in issue	1,933,599	954,588	21,363,973

Notes to the financial statements (continued)

14 Financial derivatives

The fund may use financial derivatives for efficient portfolio management and for meeting the investment objectives including risk reduction and implementation of investment policies.

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

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

As at 30 June 2020 there was no bonds held as collateral in respect of derivatives (2019: £307,129) and there was no cash pledged as collateral (2019: nil).

2020

At 30 June 2020 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Interest rate swaps £000	Total by counterparty £000
BNP Paribas	2	-	-	2
Citigroup	1	-	691	692
UBS	-	54	-	54
	3	54	691	748

2019

At 30 June 2019 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Interest rate swaps £000	Total by counterparty £000
Barclays	45	-	660	705
Citigroup	-	-	231	231
Goldman Sachs	-	-	161	161
JP Morgan	36	-	863	899
Morgan Stanley	-	-	501	501
UBS	-	304	-	304
	81	304	2,416	2,801

15 Stock lending

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

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

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

Notes to the financial statements (continued)

15 Stock lending (continued)

2020

The fund had no stock on loan as at 30 June 2020.

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	21	3	18

2019 Counterparty		Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Barclays		9,087	9,549	Government Bond
JP Morgan		2,363	2,563	Corporate Bond
JP Morgan		10,218	10,948	Government Bond
		12,581	13,511	
Morgan Stanley		6,809	7,127	Government Bond
Natixis		67,005	74,496	Equity
		95,482	104,683	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	121	18	103

16 Risk

Currency risk

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

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2020				
Australian dollar	21	706	5	732
Euro	217	955	52	1,224
Indonesian rupee	-	1,049	24	1,073
Mexican peso	585	-	2	587
UK sterling	504	60,714	6,163	67,381
US dollar	193	-	3	196
Total	1,520	63,424	6,249	71,193
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2019				
Australian dollar	375	-	90	465
Canadian dollar	170	-	87	257
Euro	957	-	10	967
Indonesian rupee	-	-	37	37
Japanese yen	137	4,528	9	4,674
Mexican peso	685	-	-	685
New Zealand dollar	635	-	59	694
Swedish krona	231	-	36	267
UK sterling	1,981	261,479	7,636	271,096
US dollar	376	-	137	513
Total	5,547	266,007	8,101	279,655

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk (continued)

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2020				
Australian dollar	25	-	2	27
Euro	97	-	41	138
Mexican peso	582	-	1	583
UK sterling	68	-	1,065	1,133
US dollar	149	-	2	151
Total	921	-	1,111	2,032

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2019				
Australian dollar	86	-	-	86
Canadian dollar	80	-	-	80
Euro	668	-	129	797
Japanese yen	-	-	69	69
Mexican peso	161	-	6	167
New Zealand dollar	651	-	-	651
Swedish krona	258	-	-	258
UK sterling	1,626	-	140	1,766
US dollar	397	-	53	450
Total	3,927	-	397	4,324

Credit Ratings

	Market value £000	Percentage of total net assets %
2020		
Investments		
Investment grade (AAA - BBB)	63,424	91.70
Total debt securities	63,424	91.70
Collective investment schemes	4,660	6.74
Derivatives	492	0.71
Investment assets including investment liabilities	68,576	99.15
Other net assets	585	0.85
Total net assets	69,161	100.00
2019		
Investments		
Investment grade (AAA - BBB)	266,007	96.61
Total debt securities	266,007	96.61
Collective investment schemes	5,183	1.88
Derivatives	1,337	0.49
Investment assets including investment liabilities	272,527	98.98
Other net assets	2,804	1.02
Total net assets	275,331	100.00

Notes to the financial statements (continued)

16 Risk (continued)

Sensitivity analysis

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

VaR Results	Global Exposure Calculation Basis	Actual VaR in year			VaR limit	Utilisation of VaR limit		
		Minimum	Maximum	Average		Minimum	Maximum	Average
		%	%	%	%	%	%	%
2020	Relative VaR*	66.23	109.05	48.53	200	33.15	54.53	48.53
2019	Relative VaR*	93.61	108.20	100.00	200	46.81	54.10	50.00

* Reference portfolio: FTSE Actuaries All Stocks Gilt Index

Leverage

	Minimum	Maximum	Average
	%	%	%
2020	99.06	188.58	123.35
2019	117.86	246.32	183.93

Liquidity risk

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

	On demand	Within one year	Over one year but not more than five years	Over five years
	£000	£000	£000	£000
2020				
Amounts held at derivatives clearing houses and brokers	666	-	-	-
Bank overdrafts	84	-	-	-
Derivative financial liabilities	-	65	23	168
Distribution payable	-	8	-	-
Other creditors	-	1,018	-	-
Total	750	1,091	23	168
2019				
Amounts held at derivatives clearing houses and brokers	1,577	-	-	-
Bank overdrafts	1,118	-	-	-
Derivative financial liabilities	-	229	822	413
Distribution payable	-	9	-	-
Other creditors	-	156	-	-
Total	2,695	394	822	413

Notes to the financial statements (continued)

17 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	60,768*	20	266,311*	151
Level 2	8,064	236	7,680	1,313
Level 3	-	-	-	-
	68,832	256	273,991	1,464

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £60,714,674 as at 30 June 2020 (2019: £226,007,136).

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trades in the year				
Collective investment schemes	3,388	-	-	-
Debt securities	35,010	154,300	252,263	186,116
Trades in the year before transaction costs	38,398	154,300	252,263	186,116
Transaction costs				
Commissions				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	38,398	154,300	252,263	186,116

	Purchases		Sales	
	2020	2019	2020	2019
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Taxes				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Other expenses				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Total transaction costs expressed as a percentage of net asset value				
Commissions	-	-	-	-
Taxes	-	-	-	-
Other expenses	-	-	-	-
Total costs	-	-	-	-

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

There were no in specie transfers during the year (2019: nil). There were no corporate actions during the year (2019: nil).

There were direct transaction costs associated with derivatives in the year of £1,635 (2019: £12,224) which is 0.00% of the average net asset value of the fund (2019: 0.00%).

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

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.

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

The portfolio dealing spread as at 30 June 2020 was 0.01% (2019: 0.01%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 15 October 2020, the Net Asset Value is £68,961,547 which is a drop of 0.3% from the balance sheet date. The fall in NAV is due to the fall in value of the underlying investments and net outflows from the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

Distribution tables for the year ended 30 June 2020 (in pence per share)

Interim interest distribution (accounting date 30 September 2019, paid on 29 November 2019)

Group 1: shares purchased prior to 1 July 2019

Group 2: shares purchased on or after 1 July 2019

	Distribution per share	Equalisation	Total distribution per share 29/11/19	Total distribution per share 30/11/18
Class A income				
Group 1	1.2302	-	1.2302	0.4036
Group 2	0.7214	0.5088	1.2302	0.4036
Class D accumulation				
Group 1	1.1637	-	1.1637	0.5286
Group 2	0.6458	0.5179	1.1637	0.5286
Class E income¹				
Group 1	1.3588	-	1.3588	n/a
Group 2	-	1.3588	1.3588	n/a
Class I accumulation				
Group 1	2.3242	-	2.3242	0.9770
Group 2	1.5872	0.7370	2.3242	0.9770
Class I income				
Group 1	1.4240	-	1.4240	0.5901
Group 2	0.7946	0.6294	1.4240	0.5901
Class Z accumulation				
Group 1	1.8386	-	1.8386	0.9015
Group 2	1.2302	0.6084	1.8386	0.9015

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2019, paid on 28 February 2020)

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased on or after 1 October 2019

	Distribution per share	Equalisation	Total distribution per share 28/02/20	Total distribution per share 28/02/19
Class A income				
Group 1	0.3047	-	0.3047	0.4286
Group 2	-	0.3047	0.3047	0.4286
Class D accumulation				
Group 1	0.4803	-	0.4803	0.5476
Group 2	0.1200	0.3603	0.4803	0.5476
Class E income¹				
Group 1	0.4435	-	0.4435	n/a
Group 2	0.0089	0.4346	0.4435	n/a
Class I accumulation				
Group 1	0.8259	-	0.8259	1.0016
Group 2	0.3456	0.4803	0.8259	1.0016
Class I income				
Group 1	0.5030	-	0.5030	0.6139
Group 2	0.1817	0.3213	0.5030	0.6139
Class Z accumulation				
Group 1	0.8468	-	0.8468	0.9284
Group 2	0.3262	0.5206	0.8468	0.9284

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 March 2020, paid on 29 May 2020)

Group 1: shares purchased prior to 1 January 2020

Group 2: shares purchased on or after 1 January 2020

	Distribution per share	Equalisation	Total distribution per share 29/05/20	Total distribution per share 31/05/19
Class A income				
Group 1	0.2112	-	0.2112	0.4836
Group 2	-	0.2112	0.2112	0.4836
Class D accumulation				
Group 1	0.4099	-	0.4099	0.5845
Group 2	0.1779	0.2320	0.4099	0.5845
Class E income¹				
Group 1	0.3517	-	0.3517	n/a
Group 2	0.0017	0.3500	0.3517	n/a
Class I accumulation				
Group 1	0.6801	-	0.6801	1.0692
Group 2	-	0.6801	0.6801	1.0692
Class I income				
Group 1	0.4130	-	0.4130	0.6655
Group 2	-	0.4130	0.4130	0.6655
Class Z accumulation				
Group 1	0.7538	-	0.7538	0.9829
Group 2	0.3682	0.3856	0.7538	0.9829

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Final interest distribution (accounting date 30 June 2020, paid on 28 August 2020)

Group 1: shares purchased prior to 1 April 2020

Group 2: shares purchased on or after 1 April 2020

	Distribution per share	Equalisation	Total distribution per share 28/08/20	Total distribution per share 30/08/19
Class A income				.
Group 1	0.3728	-	0.3728	0.5269
Group 2	-	0.3728	0.3728	0.5269
Class D accumulation				
Group 1	0.5528	-	0.5528	0.6265
Group 2	0.1031	0.4497	0.5528	0.6265
Class E income¹				
Group 1	0.5132	-	0.5132	n/a
Group 2	0.2913	0.2219	0.5132	n/a
Class I accumulation				
Group 1	0.9720	-	0.9720	1.1618
Group 2	-	0.9720	0.9720	1.1618
Class I income				
Group 1	0.5884	-	0.5884	0.7119
Group 2	0.1031	0.4853	0.5884	0.7119
Class Z accumulation				
Group 1	0.9624	-	0.9624	1.0494
Group 2	0.0143	0.9481	0.9624	1.0494

¹ Class E income launched on 8 July 2019.

Janus Henderson Preference & Bond Fund

Authorised Corporate Director's report

Investment Fund Managers

Jenna Barnard, John Pattullo and Rebecca Young

Investment objective and policy

The fund aims to provide a return, from a combination of income and capital growth over the long term.

Performance target: To outperform the IA Sterling Strategic Bond Sector average, after the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in a global portfolio of bonds of any quality, including high yield (non-investment grade) bonds, issued by governments or companies. Where investments are made in assets in currencies other than sterling, the fund will seek to hedge at least 80% of those assets back to sterling to largely remove the risk of currency exchange rate movements. In certain market conditions, the fund may invest more than 35% of its assets in government bonds issued by any one body. The investment manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the fund's objective, to reduce risk or to manage the fund more efficiently.

The fund is actively managed with reference to the IA Sterling Strategic Bond Sector average, which is based on a peer group of broadly similar funds, as this forms the basis of the fund's performance target. The investment manager has complete freedom to choose individual investments for the fund and to vary allocations between different types of bonds.

Performance summary

	30 Jun 19 - 30 Jun 20	30 Jun 18 - 30 Jun 19	30 Jun 17 - 30 Jun 18	30 Jun 16 - 30 Jun 17	30 Jun 15 - 30 Jun 16
	%	%	%	%	%
Class I accumulation (Net)	4.1	8.3	0.0	9.0	3.3
IA Sterling Strategic Bond Sector	3.1	5.1	0.4	6.5	2.9

Please note that the performance target is to be achieved over a specific annualised time period. Refer to the performance target section above within the investment objective.

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation is disclosed as it is the representative share class.

Benchmark Usage

Peer group: IA Sterling Strategic Bond Sector

Peer group usage: Target

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors.

The fund's ranking within the sector (as calculated by a number of data providers) forms the basis for the fund's performance target.

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.

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 30 June 2020

Largest purchases	£000	Largest sales/maturities	£000
UK Treasury 1.625% 22/10/2028	16,684	Australia (Commonwealth of) 3.25% 21/04/2025	24,663
Live Nation Entertainment 4.75% 15/10/2027	10,263	Australia (Commonwealth of) 3.75% 21/04/2037	19,844
Equinix 3.20% 18/11/2029	9,883	Australia (Commonwealth of) 2.75% 21/11/2028	17,962
Credit Suisse 6.375% Perpetual	9,796	UK Treasury 1.625% 22/10/2028	16,173
Ziggo 4.875% 15/01/2030	9,600	Walmart 3.70% 26/06/2028	12,951
Trivium Packaging Finance 5.50% 15/08/2026	8,864	US Treasury 2.75% 15/11/2023	11,634
GLP Capital 4.00% 15/01/2030	8,663	Australia (Commonwealth of) 2.75% 21/04/2024	11,561
iShares USD High Yield Corp Bond UCITS ETF	8,629	Amazon.com 3.15% 22/08/2027	10,563
Hasbro 3.90% 19/11/2029	8,573	Orange 3.25% 15/01/2032	10,472
Scottish Widows 7.00% 16/06/2043	8,359	Anheuser-Busch InBev 4.75% 23/01/2029	8,918
Total purchases	564,605	Total sales/maturities	556,380

Investment review

The fund returned 4.1% based on Class I accumulation (Net) over the year under review, compared with a return of 3.1% in the IA Sterling Strategic Bond Sector peer group benchmark.

It was an unusually volatile but positive year to be invested in corporate bonds. Market sentiment swung between deflationary periods in the autumn, essentially because the US authorities had previously overtightened monetary policy on the mistaken threat regarding the return of sustainable growth and inflation. Interest rates were subsequently cut in late summer, both in Europe and the US, but far too slowly. These rate cuts led, with lagged effects, into a more reflationary period over mid-winter, only to slump again. We now find ourselves in a crisis within the greater debt crisis that we have been discussing for years and in a world structurally short of growth and inflation. The Saudi oil price shock was in itself a significant macroeconomic event. This was massively compounded by the spread of COVID-19 and we saw the fastest sell-off in equities and corporate bond spreads ever. Panic selling set in as many leveraged investors sold anything to realize cash. Although a little slow at first, the speed of the economic response from authorities was hugely impressive compared with the 2008 global financial crisis.

The US and the UK led the way, with a not unusually delayed and patchy response from Europe. Global quantitative easing programmes were launched and 'bridging loans' were proposed for both individuals and corporates. One of the most reassuring responses was the numerous programmes from the US Federal Reserve, which effectively backstopped the investment-grade bond and commercial paper markets. The last few weeks of March and early April contained record new issuance levels for investment-grade credit. These issues came at extremely attractive valuations, having traded from reassuringly expensive levels only a month earlier (February 2020). The second quarter of 2020 was also one of the wildest on record, but in the other direction. The market sniffed a peak in the virus and a bottom in economic data as lockdowns eased in various countries around the world.

The fund performed well, outperforming the sector over the year. We always need to have a reasonable allocation of corporate bonds to be able to generate the quarterly income stream required by investors. However, given that the last economic cycle was very long and was getting a bit desperate in the constant hunt for yield, we stuck very much to our core strategy of sensible income and avoided the late-cycle value 'traps' being hawked around the market. These, typically, were a mixture of illiquid, esoteric alternatives, often structured with extra leverage in generally unproven investments. We continue to believe in our bias to large-cap non-cyclical growth businesses while we remain shy of structurally challenged small-cap, cyclical value traps. Not having any energy shipping, steel, automotive nor airline holdings has helped our drawdown performance. Although the fund fell during March, our relative numbers were very encouraging as was the rebound in April and beyond. The COVID-19 lockdowns have, in many ways, exaggerated many of the trends that we have highlighted for years. This growth over value bias being applied to fixed-interest investments makes perfect sense to us.

Over the majority of the year, we ran the fund in a relatively conservative fashion, subject to the income constraint. This was beneficial as it gave us the opportunity to add risk at very attractive yield levels into the COVID-19 crisis. We sold the sovereign bonds we held in Australia and the US, both of which had performed well, and invested in corporate bonds, which allowed us to pick up some desirable extra yield. We also sold many of the limited number of best-quality bonds we were holding. We used a European credit derivative index, ITraxx Crossover, to efficiently and cheaply buy extra generic exposure to the European high-yield market. This trade worked well as central banks suppressed volatility and many European governments offered state support to many national champions held within this index – the socialisation of European credit risk. Finally, we used interest rate futures to successfully add interest rate risk during the summer of 2019. We had some leisure companies that were directly impacted by the lockdown (CPUK Finance, Live Nation Entertainment, Motion Finco, Boyd Gaming and Station Casinos). However, these are companies with a history of strong returns and, hence, have been supported by both bond and equity investors in providing liquidity to see them through the shutdown. The strongest performers over the year were bonds around the bottom end of investment grade and top end of the high-yield rating category (Tesco, Co-operative, CCO, Crown Castle International and Phoenix, for example).

Governments continue to offer unprecedented monetary and fiscal stimulus in order to manage the economic impact of COVID-19. We expect this to continue during the recovery stage, with a raft of new policies aimed at minimising defaults and encouraging consumers to spend. We remain very constructive on corporate bonds, which appear to us to be in the sweet spot as they generally offer an acceptable yield with less volatility than equities. Our entire focus remains on proving a dependable and reliable source of quarterly income without impairing capital throughout the economic cycle.

Comparative tables for the year ended 30 June 2020

	2020 (pence per share)	Class A income 2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	52.90	51.21	53.72
Return before operating charges*	2.52	4.49	0.54
Operating charges	(0.75)	(0.72)	(0.76)
Return after operating charges*	1.77	3.77	(0.22)
Distributions on income shares	(2.22)	(2.08)	(2.29)
Closing net asset value per share	52.45	52.90	51.21
* after direct transaction costs of:	-	-	-

Performance

Return after charges	3.35%	7.36%	(0.41%)
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Other information

Closing net asset value (£000s)	92,608	127,269	131,832
Closing number of shares	176,567,728	240,576,818	257,427,871
Operating charges	1.41%	1.40%	1.41%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price (pence)	54.60	53.54	54.67
Lowest share price (pence)	46.24	50.12	51.84

Class E income 08/07/19 - 30/06/20 (pence per share)

Change in net assets per share	
Opening net asset value per share	53.14 ¹
Return before operating charges*	2.27
Operating charges	(0.47)
Return after operating charges*	1.80
Distributions on income shares	(2.23)
Closing net asset value per share	52.71
* after direct transaction costs of:	-

Performance

Return after charges	3.39% ²
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Other information

Closing net asset value (£000s)	27,931
Closing number of shares	52,993,675
Operating charges	0.91%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	54.74
Lowest share price (pence)	46.41

¹ Class E income launched on 8 July 2019 and this is the first published price.

² Return after charges relates to the period 08/07/19 to 30/06/20 post conversion from the A income share class. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

Comparative tables (continued)

	Class I accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	154.21	142.37	142.06
Return before operating charges*	7.56	12.85	1.31
Operating charges	(1.09)	(1.01)	(1.00)
Return after operating charges*	6.47	11.84	0.31
Distributions on accumulation shares	(6.72)	(6.00)	(6.26)
Retained distributions on accumulation shares	6.72	6.00	6.26
Closing net asset value per share	160.68	154.21	142.37
* after direct transaction costs of:	-	-	0.01

Performance

Return after charges	4.20%	8.32%	0.22%
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Other information

Closing net asset value (£000s)	99,144	76,509	64,091
Closing number of shares	61,704,215	49,613,814	45,018,319
Operating charges	0.69%	0.69%	0.69%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price (pence)	162.90	154.50	146.50
Lowest share price (pence)	138.10	141.70	142.40

	Class I income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	57.76	55.55	57.90
Return before operating charges*	2.76	4.90	0.56
Operating charges	(0.40)	(0.39)	(0.40)
Return after operating charges*	2.36	4.51	0.16
Distributions on income shares	(2.48)	(2.30)	(2.51)
Closing net asset value per share	57.64	57.76	55.55
* after direct transaction costs of:	-	-	-

Performance

Return after charges	4.09%	8.12%	0.28%
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Other information

Closing net asset value (£000s)	541,084	559,457	585,139
Closing number of shares	938,761,365	968,626,637	1,053,392,355
Operating charges	0.69%	0.69%	0.69%
Direct transaction costs	0.00%	0.00%	0.01%

Prices

Highest share price (pence)	59.84	58.46	59.00
Lowest share price (pence)	50.74	54.54	56.22

Comparative tables (continued)

	Class Z accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	236.31	216.75	214.87
Return before operating charges*	11.62	19.63	1.97
Operating charges	(0.10)	(0.07)	(0.09)
Return after operating charges*	11.52	19.56	1.88
Distributions on accumulation shares	(10.46)	(9.28)	(9.61)
Retained distributions on accumulation shares	10.46	9.28	9.61
Closing net asset value per share	247.83	236.31	216.75
* after direct transaction costs of:	-	-	0.02
Performance			
Return after charges	4.87%	9.02%	0.87%
Other information			
Closing net asset value (£000s)	25,677	20,860	20,032
Closing number of shares	10,361,065	8,827,435	9,242,240
Operating charges	0.04%	0.03%	0.04%
Direct transaction costs	0.00%	0.00%	0.01%
Prices			
Highest share price (pence)	250.70	236.80	222.40
Lowest share price (pence)	212.60	216.30	215.40
		Class A income gross	
		2018	
		(pence	
		per share)	
Change in net assets per share			
Opening net asset value per share			54.39
Return before operating charges*			1.06
Operating charges			(0.20)
Return after operating charges*			0.86
Distributions on income shares			(0.60)
Final cancellation			(54.65) ³
Closing net asset value per share			-
* after direct transaction costs of:			-
Performance			
Return after charges			1.58%
Other information			
Closing net asset value (£000s)			-
Closing number of shares			-
Operating charges			1.41%
Direct transaction costs			0.01%
Prices			
Highest share price (pence)			55.35 ⁴
Lowest share price (pence)			54.46 ⁴

³ Class A income gross closed on 2 October 2017.

⁴ to 2 October 2017.

Comparative tables (continued)

	Class I income gross 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	58.73
Return before operating charges*	1.15
Operating charges	(0.11)
Return after operating charges*	1.04
Distributions on income shares	(0.66)
Final cancellation	(59.11) ⁵
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	1.77%
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.69%
Direct transaction costs	0.01%
Prices	
Highest share price (pence)	59.85 ⁶
Lowest share price (pence)	58.83 ⁶

⁵ Class I income gross closed on 2 October 2017.

⁶ to 2 October 2017.

Comparative tables (continued)

	Class Z accumulation gross 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	253.10
Return before operating charges*	4.93
Operating charges	(0.03)
Return after operating charges*	4.90
Distributions on accumulation shares	(2.86)
Retained distributions on accumulation shares	2.86
Final cancellation	(258.00) ⁷
Closing net asset value per share	-
* after direct transaction costs of:	0.02
Performance	
Return after charges	1.94%
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.04%
Direct transaction costs	0.01%
Prices	
Highest share price (pence)	258.20 ⁸
Lowest share price (pence)	253.60 ⁸

⁷ Class Z accumulation gross closed on 2 October 2017.

⁸ to 2 October 2017.

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

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

Operating charges

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

Share class launches and closures

The following share class launched in the year:

Share class	Launch date
Class E income	8 July 2019

There were no share classes closed in the year.

Share class conversion	Conversion date
Class A income to Class E income	8 July 2019

The conversion of A share classes to the E share classes was performed to benefit investors who do not use a financial adviser as a lower management fee is charged because there are no commission payments bundled within it. The E share classes are available for direct investment.

Ongoing charge figure

The annualised 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.

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class A	1.41 ²	1.40	1.43
Class E³	0.91 ²	n/a	0.93
Class I	0.69 ⁴	0.69	0.70
Class Z	0.04 ⁵	0.03	0.04

The OCF is calculated in accordance with guidelines issued by the ESMA.

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 30 June 2020.

² The GAC on Class A and Class E increased from 0.14% to 0.17% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

³ Class E income launched on 8 July 2019 so there are no prior year comparatives.

⁴ The GAC on Class I increased from 0.075% to 0.09% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

⁵ The GAC on Class Z increased from 0.023% to 0.03% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

Risk and reward profile

The fund currently has 5 types of share class in issue; A income, E income, I accumulation, I income and Z accumulation.

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



The share classes appear at 3 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class E income launched on 8 July 2019 and as it does not have a 5 year history, a synthetic history has been created using the A income share class.

Portfolio statement as at 30 June 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 1.90% (2019: 1.84%)		
	United Kingdom 1.90% (2019: 1.84%)		
	Consumer Goods 0.00% (2019: 0.00%)		
310,000	Whitnash 6.50% Preference ¹	-	-
550,000	Whitnash 9.00% Preference ¹	-	-
		-	-
	Financials 1.90% (2019: 1.84%)		
95,700	Nationwide Building Society CDDS	14,911	1.90
	Bonds 94.12% (2019: 92.42%)		
	Australia 0.00% (2019: 8.90%)		
	Fixed Rate Bond 0.00% (2019: 8.90%)		
	Belgium 0.00% (2019: 1.10%)		
	Fixed Rate Bond 0.00% (2019: 1.10%)		
	Canada 2.30% (2019: 1.36%)		
	Fixed Rate Bond 2.30% (2019: 1.36%)		
USD 4,585,000	Cott 5.50% 01/04/2025	3,730	0.47
USD 7,477,000	Stars 7.00% 15/07/2026	6,379	0.81
USD 4,950,000	1011778 BC 4.25% 15/05/2024	4,013	0.51
USD 5,030,000	1011778 BC 4.375% 15/01/2028	3,990	0.51
		18,112	2.30
	France 2.32% (2019: 1.94%)		
	Fixed Rate Bond 1.53% (2019: 1.94%)		
USD 9,680,000	Altice France 5.50% 15/01/2028	7,912	1.00
EUR 4,430,000	Firmenich International 3.75% Perpetual	4,129	0.53
		12,041	1.53
	Variable Rate Bond 0.79% (2019: 0.00%)		
GBP 5,115,000	AXA 5.625% 16/01/2054	6,241	0.79
	Germany 0.59% (2019: 0.58%)		
	Fixed Rate Bond 0.59% (2019: 0.58%)		
EUR 1,620,000	Vertical Holdco 6.625% 15/07/2028	1,473	0.19
EUR 2,160,000	Vertical Midco 4.375% 15/07/2027	1,963	0.24
USD 1,522,000	Vertical US Newco 5.25% 15/07/2027	1,232	0.16
		4,668	0.59
	Ireland 0.86% (2019: 0.73%)		
	Fixed Rate Bond 0.86% (2019: 0.73%)		
USD 4,938,000	Ardagh Packaging Finance 4.125% 15/08/2026	3,931	0.49
USD 1,841,000	Ardagh Packaging Finance 5.25% 15/08/2027	1,464	0.19
USD 1,684,000	Ardagh Packaging Finance 6.00% 15/02/2025	1,398	0.18
		6,793	0.86

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Luxembourg 1.87% (2019: 0.00%)		
	Fixed Rate Bond 1.87% (2019: 0.00%)		
USD 2,580,000	Altice France 10.50% 15/05/2027	2,300	0.29
EUR 4,490,000	ARD Finance 5.00% 30/06/2027	3,916	0.50
USD 3,929,000	ARD Finance 6.50% 30/06/2027	3,146	0.40
USD 6,612,000	Camelot Finance 4.50% 01/11/2026	5,352	0.68
		<u>14,714</u>	<u>1.87</u>
	Netherlands 2.89% (2019: 1.05%)		
	Fixed Rate Bond 2.89% (2019: 1.05%)		
USD 5,000,000	Heineken 3.50% 29/01/2028	4,560	0.58
EUR 3,560,000	Sunshine Mid 6.50% 15/05/2026	3,193	0.41
USD 1,754,000	Trivium Packaging Finance 5.50% 15/08/2026	1,432	0.18
USD 12,090,000	Ziggo 4.875% 15/01/2030	9,838	1.25
USD 4,500,000	Ziggo 6.00% 15/01/2027	3,697	0.47
		<u>22,720</u>	<u>2.89</u>
	New Zealand 0.20% (2019: 0.00%)		
	Fixed Rate Bond 0.20% (2019: 0.00%)		
USD 1,896,000	Reynolds 5.125% 15/07/2023	1,546	0.20
	Switzerland 2.49% (2019: 0.00%)		
	Fixed Rate Bond 0.51% (2019: 0.00%)		
USD 4,750,000	UBS 7.00% Perpetual	3,993	0.51
	Variable Rate Bond 1.98% (2019: 0.00%)		
USD 11,300,000	Credit Suisse 6.375% Perpetual	9,287	1.18
USD 1,400,000	Swiss Re Finance (Luxembourg) 5.00% 02/04/2049	1,269	0.16
USD 5,700,000	UBS 7.00% Perpetual	5,070	0.64
		<u>15,626</u>	<u>1.98</u>
	United Kingdom 27.67% (2019: 25.66%)		
	Asset Backed 0.44% (2019: 0.91%)		
GBP 9,969,144	DECO Series FRN 27/01/2036 ²	-	-
GBP 2,602,205	Tesco Property Finance 5.744% 13/04/2040	3,481	0.44
		<u>3,481</u>	<u>0.44</u>
	Fixed Rate Bond 18.18% (2019: 15.47%)		
GBP 3,850,000	Arqiva Broadcast Finance 6.75% 30/09/2023	3,985	0.51
GBP 3,660,000	Aviva 4.00% 03/06/2055	3,684	0.47
USD 7,198,000	Bacardi 4.45% 15/05/2025	6,371	0.81
GBP 7,200,000	BUPA Finance 4.125% 14/06/2035	7,221	0.92
GBP 7,000,000	Cattles 6.875% Perpetual ²	-	-
GBP 2,160,000	Co-operative 5.125% 17/05/2024	2,282	0.29
GBP 3,700,000	CPUK Finance 4.25% 28/08/2022	3,522	0.45
GBP 1,000,000	CPUK Finance 4.875% 28/08/2025	923	0.12
GBP 670,000	Direct Line Insurance 4.00% 05/06/2032	688	0.09
GBP 7,600,000	Direct Line Insurance 4.75% Perpetual	6,937	0.88
GBP 7,740,000	Galaxy Bidco 6.50% 31/07/2026	7,777	0.99
GBP 580,000	Legal & General 4.50% 01/11/2050	596	0.08
GBP 1,600,000	Legal & General 5.625% Perpetual	1,580	0.20

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
EUR 290,000	Motion Bondco 4.50% 15/11/2027	231	0.03
USD 3,810,000	Motion Bondco 6.625% 15/11/2027	2,683	0.34
EUR 2,010,000	Motion Finco 7.00% 15/05/2025	1,871	0.24
USD 4,000,000	Nationwide Building Society 4.00% 14/09/2026	3,499	0.44
GBP 1,570,000	Nationwide Building Society 5.75% Perpetual	1,580	0.20
GBP 4,750,000	Phoenix 4.125% 20/07/2022	4,900	0.62
GBP 11,700,000	Phoenix 6.625% 18/12/2025	13,442	1.72
USD 2,920,000	Prudential 4.875% Perpetual	2,367	0.30
GBP 800,000	Prudential 6.125% 19/12/2031	1,028	0.13
USD 6,617,000	RELX Capital 4.00% 18/03/2029	6,219	0.79
GBP 4,710,000	Royal Bank of Scotland 3.622% 14/08/2030	4,824	0.61
USD 4,361,000	Royal Bank of Scotland 6.00% Perpetual	3,575	0.45
GBP 8,260,000	Scottish Widows 7.00% 16/06/2043	11,514	1.46
EUR 6,310,000	Synlab Unsecured Bondco 8.25% 01/07/2023	5,870	0.75
GBP 3,650,000	Tesco 5.20% 05/03/2057	5,314	0.68
GBP 5,200,000	Tesco 5.50% 13/01/2033	6,609	0.84
USD 3,260,000	Tesco 6.15% 15/11/2037	3,329	0.42
GBP 4,600,000	Virgin Media 4.125% 15/08/2030	4,531	0.58
GBP 4,640,000	Virgin Media 4.875% 15/07/2028	4,663	0.59
USD 2,009,000	Virgin Media 5.00% 15/07/2030	1,590	0.20
AUD 1,950,000	Vodafone 3.25% 13/12/2022	1,133	0.14
GBP 5,364,000	WM Morrison Supermarkets 4.75% 04/07/2029	6,620	0.84
		<u>142,958</u>	<u>18.18</u>
Secured Loans 0.81% (2019: 0.63%)³			
EUR 1,310,000	Froneri FRN 29/01/2027 A	1,145	0.15
USD 888,193	Froneri FRN 29/01/2027 B	674	0.09
USD 186,329	Froneri FRN 31/01/2028 A	143	0.02
USD 3,400,000	LGC FRN 21/04/2027 B	2,639	0.33
EUR 2,000,000	LGC FRN 21/04/2027 B1	1,742	0.22
		<u>6,343</u>	<u>0.81</u>
Stepped Rate Bond 1.77% (2019: 2.35%)			
GBP 12,182,000	Co-operative 7.50% 08/07/2026	<u>13,885</u>	<u>1.77</u>
Variable Rate Bond 6.47% (2019: 6.30%)			
GBP 9,000,000	Aviva 6.125% Perpetual	9,585	1.21
GBP 6,550,000	Barclays 2.25% Perpetual	6,491	0.83
USD 7,540,000	Barclays 6.278% Perpetual	6,682	0.85
GBP 9,447,000	BUPA Finance 6.125% Perpetual	9,401	1.20
USD 1,000,000	HBOS Capital Funding 6.85% Perpetual	818	0.10
GBP 4,508,000	HBOS Sterling Finance 7.881% Perpetual	6,858	0.87
GBP 4,300,000	Legal & General 3.75% 26/11/2049	4,217	0.54
USD 5,558,000	Lloyds Bank 6.657% Perpetual	5,066	0.64
USD 901,000	RBS Capital Trust II FRN Perpetual	1,066	0.14
USD 604,000	Royal Bank of Scotland 7.648% Perpetual	707	0.09
		<u>50,891</u>	<u>6.47</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
United States 52.93% (2019: 51.10%)			
Asset Backed 0.00% (2019: 0.00%)			
GBP 1,119,119	Lehman Brothers 7.875% 08/05/2018 ²	17	-
Fixed Rate Bond 51.05% (2019: 49.90%)			
USD 2,550,000	American Tower 3.10% 15/06/2050	2,041	0.26
USD 6,520,000	American Tower 3.70% 15/10/2049	5,738	0.73
USD 11,414,000	Aramark 4.75% 01/06/2026	8,891	1.13
USD 8,390,000	Aramark 5.00% 01/02/2028	6,451	0.82
USD 705,000	Aramark 5.00% 01/04/2025	562	0.07
USD 836,000	Ardagh Packaging Finance 5.25% 15/08/2027	665	0.08
USD 9,530,000	AT&T 3.50% 01/06/2041	8,085	1.03
USD 4,500,000	AT&T 4.30% 15/12/2042	4,076	0.52
USD 873,000	Ball 5.25% 01/07/2025	773	0.10
USD 2,306,000	Booking 3.55% 15/03/2028	2,039	0.26
USD 3,119,000	Booking 4.625% 13/04/2030	2,979	0.38
USD 7,346,000	Boston Scientific 4.00% 01/03/2029	6,803	0.87
USD 1,521,000	Boyd Gaming 4.75% 01/12/2027	1,059	0.13
USD 194,000	Boyd Gaming 6.375% 01/04/2026	149	0.02
USD 2,098,000	Boyd Gaming 8.625% 01/06/2025	1,774	0.23
USD 1,784,000	Broadcom 4.15% 15/11/2030	1,569	0.20
USD 2,430,000	Broadcom 4.30% 15/11/2032	2,158	0.27
USD 3,890,000	Broadcom 5.00% 15/04/2030	3,619	0.46
EUR 3,120,000	Catalent Pharma Solutions 2.375% 01/03/2028	2,686	0.34
USD 7,984,000	Catalent Pharma Solutions 4.875% 15/01/2026	6,560	0.83
USD 5,600,000	CCO 4.75% 01/03/2030	4,637	0.59
USD 3,324,000	CCO 5.00% 01/02/2028	2,778	0.35
USD 2,300,000	CCO 5.875% 01/05/2027	1,942	0.25
USD 2,851,000	Comcast 3.95% 15/10/2025	2,644	0.34
USD 1,990,000	Constellation Brands 4.10% 15/02/2048	1,825	0.23
USD 10,952,000	Crown Americas 4.75% 01/02/2026	9,032	1.15
USD 2,322,000	Crown Castle International 2.25% 15/01/2031	1,896	0.24
USD 7,842,000	Crown Castle International 3.65% 01/09/2027	7,093	0.90
USD 3,150,000	Crown Castle International 4.15% 01/07/2050	2,988	0.38
USD 3,900,000	Crown Castle International 4.30% 15/02/2029	3,660	0.47
USD 8,692,000	CSC 5.75% 15/01/2030	7,327	0.93
USD 4,500,000	CSC 7.50% 01/04/2028	3,974	0.51
USD 4,828,000	DaVita 4.625% 01/06/2030	3,889	0.49
USD 3,880,000	Dell International 5.30% 01/10/2029	3,466	0.44
USD 7,830,000	Dell International 6.02% 15/06/2026	7,265	0.92
USD 1,940,000	Diamond 1 & 2 Finance 8.10% 15/07/2036	2,071	0.26
USD 8,800,000	Digital Realty Trust 3.60% 01/07/2029	8,177	1.04
USD 2,710,000	Digital Realty Trust 4.75% 01/10/2025	2,531	0.32
USD 12,848,000	Equinix 3.20% 18/11/2029	11,308	1.44
GBP 1,760,000	Fiserv 3.00% 01/07/2031	1,964	0.25
USD 5,090,000	Global Payments 3.20% 15/08/2029	4,413	0.56
USD 6,220,000	Global Payments 4.15% 15/08/2049	5,789	0.74
USD 10,590,000	GLP Capital 4.00% 15/01/2030	8,496	1.08
USD 1,488,000	GLP Capital 4.00% 15/01/2031	1,196	0.15
USD 11,052,000	Hasbro 3.90% 19/11/2029	9,313	1.18
USD 5,360,000	HCA 4.50% 15/02/2027	4,837	0.62

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
USD 6,461,000	HCA 5.25% 15/06/2026	6,041	0.77
USD 2,538,000	Hilton Worldwide Finance 4.875% 01/04/2027	2,005	0.25
USD 1,340,000	iHeartCommunications 4.75% 15/01/2028	1,000	0.13
USD 681,000	iHeartCommunications 5.25% 15/08/2027	528	0.07
USD 9,870,000	IHS Markit 4.75% 15/02/2025	8,947	1.14
USD 3,330,000	IHS Markit 5.00% 01/11/2022	2,890	0.37
USD 5,231,000	IQVIA 5.00% 15/05/2027	4,338	0.55
USD 10,900,000	IQVIA 5.00% 15/10/2026	9,074	1.15
USD 3,286,000	Iron Mountain 5.25% 15/07/2030	2,620	0.33
USD 5,070,000	KFC 5.25% 01/06/2026	4,206	0.53
USD 1,880,000	Lamb Weston 4.625% 01/11/2024	1,579	0.20
USD 1,365,000	Lamb Weston 4.875% 01/11/2026	1,143	0.15
USD 1,267,000	Lamb Weston 4.875% 15/05/2028	1,086	0.14
USD 8,310,000	Live Nation Entertainment 4.75% 15/10/2027	5,785	0.74
USD 4,694,000	Marriott International 5.75% 01/05/2025	4,127	0.52
USD 1,875,000	Match 5.00% 15/12/2027	1,579	0.20
USD 9,980,000	Match 5.625% 15/02/2029	8,514	1.08
USD 4,750,000	McCormick 3.40% 15/08/2027	4,281	0.54
GBP 6,000,000	McDonald's 2.95% 15/03/2034	6,815	0.87
USD 1,209,000	MSCI 3.625% 01/09/2030	974	0.12
USD 6,762,000	MSCI 4.00% 15/11/2029	5,582	0.71
USD 3,361,000	Oracle 3.60% 01/04/2050	3,027	0.38
USD 6,110,000	Post 4.625% 15/04/2030	4,840	0.62
USD 1,569,000	Post 5.00% 15/08/2026	1,275	0.16
USD 1,181,000	Post 5.75% 01/03/2027	987	0.13
USD 3,000,000	Rackspace Hosting 8.625% 15/11/2024	2,440	0.31
USD 7,056,000	Service International 4.625% 15/12/2027	5,953	0.76
USD 1,960,000	Service International 5.125% 01/06/2029	1,707	0.22
USD 3,733,000	Sirius XM Radio 4.125% 01/07/2030	2,988	0.38
USD 3,341,000	Sirius XM Radio 4.625% 15/07/2024	2,772	0.35
USD 9,900,000	Sirius XM Radio 5.00% 01/08/2027	8,189	1.04
USD 3,955,000	Sirius XM Radio 5.375% 15/04/2025	3,287	0.42
USD 2,808,000	Station Casinos 4.50% 15/02/2028	1,923	0.24
USD 5,465,000	Sysco 5.95% 01/04/2030	5,556	0.71
USD 902,000	The Walt Disney Company 1.85% 30/07/2026	754	0.10
USD 190,000	Thermo Fisher Scientific 4.497% 25/03/2030	191	0.02
USD 10,709,000	T-Mobile USA 4.50% 01/02/2026	8,771	1.12
USD 4,356,000	T-Mobile USA 4.50% 15/04/2050	4,196	0.53
USD 3,019,000	T-Mobile USA 4.75% 01/02/2028	2,581	0.33
USD 13,269,000	TransDigm 6.25% 15/03/2026	10,711	1.36
USD 2,886,000	Twitter 3.875% 15/12/2027	2,336	0.30
USD 5,121,000	Upjohn 3.85% 22/06/2040	4,454	0.57
USD 3,800,000	Verizon Communications 4.50% 10/08/2033	3,831	0.49
AUD 12,020,000	Verizon Communications 4.50% 17/08/2027	7,787	0.99
USD 494,000	VICI Properties 3.75% 15/02/2027	376	0.05
USD 2,271,000	VICI Properties 4.125% 15/08/2030	1,753	0.22
USD 1,680,000	VICI Properties 4.625% 01/12/2029	1,326	0.17
USD 864,000	Visa 2.70% 15/04/2040	748	0.10
USD 5,065,000	VMware 3.90% 21/08/2027	4,350	0.55
USD 4,510,000	VMware 4.70% 15/05/2030	4,026	0.51

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
AUD 3,500,000	Wells Fargo 4.00% 27/04/2027	2,163	0.28
EUR 2,780,000	WMG Acquisition 2.75% 15/07/2028	2,565	0.33
USD 1,284,000	WMG Acquisition 3.875% 15/07/2030	1,050	0.13
USD 4,950,000	WMG Acquisition 5.50% 15/04/2026	4,145	0.53
USD 8,708,000	YUM! Brands 4.75% 15/01/2030	7,153	0.91
USD 4,993,000	Zayo Group 4.00% 01/03/2027	3,845	0.49
USD 1,338,000	1011778 BC 3.875% 15/01/2028	1,051	0.13
		<u>401,409</u>	<u>51.05</u>
Secured Loans 1.88% (2019: 1.20%)³			
USD 2,300,000	McAfee FRN 29/09/2025	1,848	0.24
USD 4,424,189	McAfee FRN 30/09/2024 B	3,478	0.44
EUR 2,139,885	McAfee FRN 30/09/2024 B1	1,899	0.24
EUR 656,667	Refinitiv FRN 01/10/2025	584	0.07
USD 8,778,161	Refinitiv FRN 01/10/2025 B	6,932	0.89
		<u>14,741</u>	<u>1.88</u>
Derivatives (0.27%) (2019: (1.12%))			
Futures (0.04%) (2019: 0.08%)			
(26)	CBT US Long Bond September 2020	4	-
(510)	CBT US 10 Year Note September 2020	(327)	(0.04)
		<u>(323)</u>	<u>(0.04)</u>
Swaps 0.23% (2019: 0.00%)³			
Credit Default Index Swaps 0.23% (2019: 0.00%)³			
15,400,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	726	0.10
7,700,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	362	0.05
3,850,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	181	0.02
3,850,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	181	0.02
3,850,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	181	0.02
3,850,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	181	0.02
		<u>1,812</u>	<u>0.23</u>
Forward Foreign Exchange Contracts (0.46%) (2019: (1.20%))³			
	Buy AUD 27,693,317 : Sell GBP 14,543,560 August 2020	887	0.11
	Buy AUD 31,688 : Sell GBP 17,466 September 2020 ⁴	-	-
	Buy AUD 70,000 : Sell GBP 36,506 July 2020	2	-
	Buy EUR 1,209,531 : Sell GBP 1,082,468 August 2020	18	-
	Buy EUR 1,289,595 : Sell GBP 1,143,068 July 2020	30	-
	Buy EUR 1,375,581 : Sell GBP 1,204,247 July 2020	47	0.01
	Buy EUR 138,527 : Sell GBP 123,017 August 2020	3	-
	Buy EUR 1,408,570 : Sell GBP 1,256,281 August 2020	25	-
	Buy EUR 153,837 : Sell GBP 134,471 July 2020	5	-
	Buy EUR 196,961 : Sell GBP 172,112 July 2020	7	-
	Buy EUR 225,078 : Sell GBP 204,814 September 2020 ⁴	-	-
	Buy EUR 2,354,417 : Sell GBP 2,053,950 July 2020	87	0.01
	Buy EUR 242,046 : Sell GBP 211,109 July 2020	9	-
	Buy EUR 264,926 : Sell GBP 234,010 August 2020	7	-
	Buy EUR 28,060 : Sell GBP 24,976 August 2020	1	-
	Buy EUR 28,998 : Sell GBP 25,812 August 2020	1	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy EUR 297,782 : Sell GBP 267,182 August 2020	4	-
	Buy EUR 30,878 : Sell GBP 27,654 September 2020 ⁴	-	-
	Buy EUR 326,575 : Sell GBP 296,200 September 2020	1	-
	Buy EUR 35,287 : Sell GBP 30,850 July 2020	1	-
	Buy EUR 380,478 : Sell GBP 332,741 July 2020	13	-
	Buy EUR 392,273 : Sell GBP 349,729 September 2020	7	-
	Buy EUR 403,348 : Sell GBP 362,454 August 2020	4	-
	Buy EUR 443,518 : Sell GBP 385,638 July 2020	18	-
	Buy EUR 462,007 : Sell GBP 416,223 August 2020	4	-
	Buy EUR 49,174 : Sell GBP 43,985 August 2020	1	-
	Buy EUR 502,313 : Sell GBP 452,594 August 2020	4	-
	Buy EUR 504,131 : Sell GBP 443,206 July 2020	15	-
	Buy EUR 51,618 : Sell GBP 46,386 September 2020	1	-
	Buy EUR 5,420,796 : Sell GBP 4,871,111 August 2020	60	0.01
	Buy EUR 550,652 : Sell GBP 483,306 July 2020	17	-
	Buy EUR 825,729 : Sell GBP 740,122 September 2020	11	-
	Buy EUR 831,881 : Sell GBP 746,258 August 2020	11	-
	Buy EUR 9,458 : Sell GBP 8,312 July 2020 ⁴	-	-
	Buy EUR 957,478 : Sell GBP 841,858 July 2020	29	-
	Buy EUR 991,623 : Sell GBP 892,220 August 2020	10	-
	Buy GBP 1,009,582 : Sell USD 1,285,182 August 2020	(30)	-
	Buy GBP 1,025,065 : Sell USD 1,267,000 July 2020 ⁴	-	-
	Buy GBP 1,031,124 : Sell USD 1,284,000 September 2020	(8)	-
	Buy GBP 1,036,226 : Sell EUR 1,186,471 July 2020	(43)	(0.01)
	Buy GBP 1,135,827 : Sell USD 1,387,613 August 2020	13	-
	Buy GBP 1,145,560 : Sell EUR 1,302,085 July 2020	(38)	-
	Buy GBP 1,168,209 : Sell USD 1,455,013 September 2020	(9)	-
	Buy GBP 1,173,633 : Sell USD 1,470,546 September 2020	(16)	-
	Buy GBP 1,183,733 : Sell USD 1,470,546 September 2020	(6)	-
	Buy GBP 1,270,046 : Sell USD 1,540,514 August 2020	24	-
	Buy GBP 1,298,042 : Sell EUR 1,451,869 September 2020	(23)	-
	Buy GBP 1,375,139 : Sell EUR 1,526,496 August 2020	(14)	-
	Buy GBP 13,839,138 : Sell USD 17,295,532 July 2020	(157)	(0.02)
	Buy GBP 14,523,144 : Sell AUD 29,705,736 July 2020	(2,028)	(0.26)
	Buy GBP 1,480,295 : Sell USD 1,825,836 July 2020	3	-
	Buy GBP 156,798 : Sell USD 195,338 July 2020	(1)	-
	Buy GBP 15,686,446 : Sell EUR 17,876,883 August 2020	(577)	(0.07)
	Buy GBP 159,185 : Sell USD 194,700 August 2020	2	-
	Buy GBP 1,605,248 : Sell USD 2,024,607 August 2020	(33)	-
	Buy GBP 165,118 : Sell USD 207,418 August 2020	(3)	-
	Buy GBP 1,663,082 : Sell EUR 1,868,497 August 2020	(37)	-
	Buy GBP 1,665,437 : Sell USD 2,085,999 July 2020	(23)	-
	Buy GBP 167,572 : Sell EUR 182,581 September 2020	1	-
	Buy GBP 1,758,458 : Sell EUR 2,010,000 July 2020	(69)	(0.01)
	Buy GBP 177,027,534 : Sell USD 218,530,780 August 2020	218	0.03
	Buy GBP 1,821,058 : Sell USD 2,318,053 September 2020	(54)	(0.01)
	Buy GBP 182,832 : Sell USD 228,305 August 2020	(2)	-
	Buy GBP 1,878,498 : Sell USD 2,346,888 July 2020	(21)	-
	Buy GBP 193,257 : Sell EUR 213,266 September 2020	(1)	-
	Buy GBP 205,644 : Sell EUR 227,006 September 2020	(1)	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy GBP 2,085,258 : Sell USD 2,559,038 July 2020	14	-
	Buy GBP 2,112,521 : Sell USD 2,612,637 August 2020	(1)	-
	Buy GBP 226,141 : Sell EUR 256,170 July 2020	(7)	-
	Buy GBP 2,324,781 : Sell USD 2,894,950 September 2020	(17)	-
	Buy GBP 2,389,335 : Sell USD 3,041,591 August 2020	(72)	(0.01)
	Buy GBP 243,194 : Sell USD 298,500 September 2020	2	-
	Buy GBP 244,561,162 : Sell USD 301,035,730 July 2020	961	0.12
	Buy GBP 2,469,148 : Sell USD 3,081,455 July 2020	(24)	-
	Buy GBP 2,515,758 : Sell EUR 2,780,000 September 2020	(15)	-
	Buy GBP 260,881 : Sell EUR 288,227 September 2020	(1)	-
	Buy GBP 268,875 : Sell USD 332,600 September 2020 ⁴	-	-
	Buy GBP 283,286 : Sell USD 349,100 August 2020	1	-
	Buy GBP 296,646 : Sell EUR 337,704 July 2020	(10)	-
	Buy GBP 304,789 : Sell EUR 349,778 July 2020	(13)	-
	Buy GBP 322,908 : Sell USD 397,940 August 2020	1	-
	Buy GBP 325,447 : Sell USD 406,974 July 2020	(4)	-
	Buy GBP 3,295,495 : Sell EUR 3,701,939 September 2020	(74)	(0.01)
	Buy GBP 329,775 : Sell EUR 376,905 July 2020	(13)	-
	Buy GBP 3,337,333 : Sell EUR 3,679,639 September 2020	(12)	-
	Buy GBP 3,513,830 : Sell USD 4,361,000 September 2020	(14)	-
	Buy GBP 3,563,692 : Sell USD 4,372,317 July 2020	26	-
	Buy GBP 361,421 : Sell EUR 404,524 August 2020	(7)	-
	Buy GBP 3,846,837 : Sell USD 4,832,313 August 2020	(63)	(0.01)
	Buy GBP 3,933,378 : Sell USD 4,828,106 August 2020	27	-
	Buy GBP 3,977,799 : Sell EUR 4,540,711 July 2020	(151)	(0.02)
	Buy GBP 406,518 : Sell EUR 457,867 August 2020	(10)	-
	Buy GBP 4,165,571 : Sell EUR 4,764,998 July 2020	(167)	(0.02)
	Buy GBP 425,521 : Sell USD 538,300 September 2020	(10)	-
	Buy GBP 429,145 : Sell EUR 480,188 August 2020	(8)	-
	Buy GBP 4,292,717 : Sell EUR 4,820,061 August 2020	(92)	(0.01)
	Buy GBP 432,525 : Sell EUR 483,353 August 2020	(7)	-
	Buy GBP 435,180 : Sell USD 534,801 July 2020	2	-
	Buy GBP 4,410,395 : Sell USD 5,527,910 July 2020	(63)	(0.01)
	Buy GBP 4,516,587 : Sell USD 5,688,213 August 2020	(86)	(0.01)
	Buy GBP 471,231 : Sell USD 575,100 August 2020	6	-
	Buy GBP 4,885,292 : Sell USD 6,010,301 August 2020	22	-
	Buy GBP 498,921 : Sell EUR 560,534 August 2020	(11)	-
	Buy GBP 5,191,668 : Sell USD 6,396,288 July 2020	16	-
	Buy GBP 522,038 : Sell EUR 591,995 July 2020	(16)	-
	Buy GBP 528,298 : Sell USD 651,719 August 2020	1	-
	Buy GBP 532,509 : Sell EUR 590,569 September 2020	(5)	-
	Buy GBP 5,394,872 : Sell USD 6,687,439 July 2020	(17)	-
	Buy GBP 551,466 : Sell EUR 622,121 July 2020	(14)	-
	Buy GBP 559,351 : Sell USD 704,876 August 2020	(11)	-
	Buy GBP 5,737,783 : Sell USD 6,998,460 August 2020	75	0.01
	Buy GBP 5,817,169 : Sell USD 7,274,754 July 2020	(70)	(0.01)
	Buy GBP 5,958,354 : Sell USD 7,571,573 August 2020	(168)	(0.02)
	Buy GBP 603,395 : Sell EUR 671,642 September 2020	(8)	-
	Buy GBP 60,784 : Sell USD 76,432 September 2020	(1)	-
	Buy GBP 61,619 : Sell EUR 67,664 September 2020 ⁴	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy GBP 6,207,567 : Sell USD 7,799,579 July 2020	(104)	(0.01)
	Buy GBP 633,354 : Sell USD 772,966 August 2020	8	-
	Buy GBP 633,749 : Sell USD 772,780 August 2020	9	-
	Buy GBP 63,774 : Sell EUR 73,112 July 2020	(3)	-
	Buy GBP 670,455 : Sell USD 826,245 August 2020	2	-
	Buy GBP 6,744,041 : Sell USD 8,584,635 September 2020	(201)	(0.03)
	Buy GBP 700,295 : Sell EUR 795,750 July 2020	(23)	-
	Buy GBP 7,320,908 : Sell USD 9,198,318 September 2020	(120)	(0.02)
	Buy GBP 740,311 : Sell USD 942,356 September 2020	(22)	-
	Buy GBP 7,446,307 : Sell USD 9,183,181 July 2020	15	-
	Buy GBP 765,101 : Sell EUR 858,647 August 2020	(16)	-
	Buy GBP 7,678,666 : Sell AUD 14,037,544 September 2020	(142)	(0.02)
	Buy GBP 7,791,204 : Sell USD 9,500,457 August 2020	105	0.01
	Buy GBP 79,668,611 : Sell USD 101,016,764 September 2020	(2,049)	(0.26)
	Buy GBP 813,548 : Sell EUR 896,974 September 2020	(3)	-
	Buy GBP 83,844 : Sell EUR 94,010 August 2020	(2)	-
	Buy GBP 95,400 : Sell EUR 105,421 September 2020	(1)	-
	Buy USD 1,036,822 : Sell GBP 830,743 July 2020	8	-
	Buy USD 1,160,763 : Sell GBP 932,044 July 2020	7	-
	Buy USD 116,200 : Sell GBP 94,021 July 2020 ⁴	-	-
	Buy USD 125,200 : Sell GBP 102,487 August 2020	(1)	-
	Buy USD 126,906 : Sell GBP 101,154 September 2020	2	-
	Buy USD 1,370,213 : Sell GBP 1,093,595 September 2020	15	-
	Buy USD 138,600 : Sell GBP 108,878 August 2020	3	-
	Buy USD 1,470,546 : Sell GBP 1,173,680 September 2020	16	-
	Buy USD 1,481,643 : Sell GBP 1,214,782 August 2020	(16)	-
	Buy USD 1,515,439 : Sell GBP 1,227,721 July 2020	(1)	-
	Buy USD 15,227,742 : Sell GBP 12,258,173 September 2020	61	0.01
	Buy USD 152,490 : Sell GBP 124,262 July 2020	(1)	-
	Buy USD 1,553,935 : Sell GBP 1,247,815 July 2020	10	-
	Buy USD 159,401 : Sell GBP 128,942 September 2020 ⁴	-	-
	Buy USD 17,130 : Sell GBP 13,755 September 2020 ⁴	-	-
	Buy USD 184,998 : Sell GBP 151,715 August 2020	(2)	-
	Buy USD 1,881,940 : Sell GBP 1,516,391 September 2020	6	-
	Buy USD 192,030 : Sell GBP 150,473 September 2020	5	-
	Buy USD 19,738 : Sell GBP 15,884 July 2020 ⁴	-	-
	Buy USD 2,010,762 : Sell GBP 1,632,135 July 2020	(5)	-
	Buy USD 2,216,750 : Sell GBP 1,741,470 September 2020	52	0.01
	Buy USD 232,155 : Sell GBP 184,635 September 2020	3	-
	Buy USD 248,877 : Sell GBP 201,258 July 2020 ⁴	-	-
	Buy USD 2,504,554 : Sell GBP 2,050,161 August 2020	(24)	-
	Buy USD 269,600 : Sell GBP 213,757 August 2020	4	-
	Buy USD 2,974,129 : Sell GBP 2,370,532 July 2020	36	-
	Buy USD 34,413 : Sell GBP 27,427 July 2020 ⁴	-	-
	Buy USD 35,589 : Sell GBP 28,979 July 2020 ⁴	-	-
	Buy USD 36,414 : Sell GBP 29,667 August 2020 ⁴	-	-
	Buy USD 366,768 : Sell GBP 295,231 September 2020	1	-
	Buy USD 377,156 : Sell GBP 302,711 July 2020	2	-
	Buy USD 3,969,743 : Sell GBP 3,255,666 August 2020	(44)	(0.01)
	Buy USD 408,068 : Sell GBP 332,997 August 2020	(3)	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy USD 45,495 : Sell GBP 36,699 July 2020 ⁴	-	-
	Buy USD 4,767,350 : Sell GBP 3,799,757 September 2020	57	0.01
	Buy USD 4,817,298 : Sell GBP 3,894,468 September 2020	3	-
	Buy USD 49,871 : Sell GBP 39,862 July 2020 ⁴	-	-
	Buy USD 510,396 : Sell GBP 415,959 July 2020	(3)	-
	Buy USD 550,140 : Sell GBP 446,041 July 2020	(1)	-
	Buy USD 5,649,901 : Sell GBP 4,585,944 July 2020	(14)	-
	Buy USD 5,702,937 : Sell GBP 4,586,512 September 2020	27	-
	Buy USD 5,704,574 : Sell GBP 4,536,773 September 2020	78	0.01
	Buy USD 603,671 : Sell GBP 475,250 August 2020	13	-
	Buy USD 626,897 : Sell GBP 503,891 July 2020	3	-
	Buy USD 6,472,113 : Sell GBP 5,251,998 August 2020	(16)	-
	Buy USD 6,574,855 : Sell GBP 5,240,190 September 2020	79	0.01
	Buy USD 721,113 : Sell GBP 594,507 August 2020	(11)	-
	Buy USD 755,125 : Sell GBP 609,347 July 2020	2	-
	Buy USD 782,500 : Sell GBP 620,223 July 2020	13	-
	Buy USD 8,201,774 : Sell GBP 6,586,426 September 2020	49	0.01
	Buy USD 82,100 : Sell GBP 66,552 August 2020 ⁴	-	-
	Buy USD 8,657,234 : Sell GBP 6,855,407 September 2020	148	0.02
	Buy USD 881,006 : Sell GBP 722,302 August 2020	(9)	-
	Buy USD 885,840 : Sell GBP 702,088 July 2020	15	-
	Buy USD 893,502 : Sell GBP 711,282 August 2020	12	-
	Buy USD 9,161,738 : Sell GBP 7,411,820 September 2020 ⁴	-	-
	Buy USD 920,638 : Sell GBP 751,244 August 2020	(6)	-
	Buy USD 9,420,102 : Sell GBP 7,615,574 September 2020	5	-
	Buy USD 9,562,938 : Sell GBP 7,662,254 July 2020	76	0.01
		<u>(3,594)</u>	<u>(0.46)</u>
	Investment assets including investment liabilities	752,985	95.75
	Other net assets	33,459	4.25
	Total net assets	786,444	100.00

¹ Suspended or delisted securities

² Defaulted

³ Unquoted securities

⁴ Due to rounding to nearest £1,000

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

Statement of total return for the year ended 30 June 2020

		2020		2019	
	Note	£000	£000	£000	£000
Income					
Net capital gains	2		962		34,671
Revenue	3	33,337		30,983	
Expenses	4	(6,165)		(5,969)	
Interest payable and similar charges	5	(19)		(23)	
Net revenue before taxation		27,153		24,991	
Taxation	6	-		(90)	
Net revenue after taxation			27,153		24,901
Total return before distributions			28,115		59,572
Distributions	7		(34,280)		(31,191)
Change in net assets attributable to shareholders from investment activities			(6,165)		28,381

Statement of change in net assets attributable to shareholders for the year ended 30 June 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		784,095		801,094
Amounts receivable on issue of shares	100,292		61,273	
Amounts payable on cancellation of shares	(96,912)		(110,410)	
		3,380		(49,137)
Dilution adjustment		272		51
Change in net assets attributable to shareholders from investment activities		(6,165)		28,381
Retained distributions on accumulation shares		4,851		3,695
Unclaimed distributions		11		11
Closing net assets attributable to shareholders		786,444		784,095

Balance sheet as at 30 June 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		760,611	740,894
Current assets:			
Debtors	8	27,411	14,155
Cash and bank balances	9	29,716	74,131
Total assets		817,738	829,180
Liabilities:			
Investment liabilities		7,626	10,593
Creditors:			
Amounts held at derivative clearing houses and brokers		1,761	667
Bank overdrafts		-	19,464
Distributions payable		7,768	6,816
Other creditors	10	14,139	7,545
Total liabilities		31,294	45,085
Net assets attributable to shareholders		786,444	784,095

Notes to the financial statements for the year ended 30 June 2020

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2020 £000	2019 £000
Derivative securities	(1,836)	6,562
Forward currency contracts	(23,809)	(23,606)
Non-derivative securities	23,167	52,232
Other currency gains/(losses)	3,452	(506)
Transaction costs	(12)	(11)
Net capital gains	962	34,671

3 Revenue

	2020 £000	2019 £000
Bank interest	192	334
Derivative revenue	998	292
Interest on debt securities	31,137	29,299
Interest on margin	9	17
Stock lending revenue	21	60
UK dividends	980	981
Total revenue	33,337	30,983

4 Expenses

	2020 £000	2019 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	5,395	5,259
GAC*	697	641
	6,092	5,900
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	45	46
Safe custody fees	28	23
	73	69
Total expenses	6,165	5,969

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £12,799 (2019: £12,799).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	19	23
Total interest payable and similar charges	19	23

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2020 £000	2019 £000
Current tax		
Overseas withholding tax	-	90
Total tax (note 6b)	-	90

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	27,153	24,991
Corporation tax at 20% (2019: 20%)	5,431	4,998
Effects of:		
Irrecoverable overseas tax	-	90
Revenue being paid as interest distributions	(5,235)	(4,802)
UK dividends*	(196)	(196)
Tax charge for the year (note 6a)	-	90

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

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2019: nil).

d) Factors that may affect future tax charges

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

Notes to the financial statements (continued)

7 Distributions

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

	2020 £000	2019 £000
Interim income	21,453	20,569
Interim accumulation	3,393	2,732
Final income	7,768	6,816
Final accumulation	1,458	963
	<u>34,072</u>	<u>31,080</u>
Amounts deducted on cancellation of shares	671	417
Amounts received on issue of shares	(463)	(306)
Total distributions	<u>34,280</u>	<u>31,191</u>
Net revenue after taxation	27,153	24,901
Annual management charge borne by the capital account	5,395	5,259
Effective yield coupon based adjustment	1,734	1,031
Income carried forward	(2)	-
Total distributions	<u>34,280</u>	<u>31,191</u>

Details of the distribution per share are set out in the Distribution tables on pages 294 to 297.

8 Debtors

	2020 £000	2019 £000
Accrued revenue	10,146	9,563
Amounts receivable for issue of shares	901	1,963
Currency transactions awaiting settlement	7,415	2,625
Overseas withholding tax reclaimable	4	4
Sales awaiting settlement	8,945	-
Total debtors	<u>27,411</u>	<u>14,155</u>

9 Cash and bank balances

	2020 £000	2019 £000
Amounts held at derivative clearing houses and brokers	5,424	2,542
Cash and bank balances	24,292	71,589
Total cash and bank balances	<u>29,716</u>	<u>74,131</u>

Notes to the financial statements (continued)

10 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	433	444
Accrued Depositary's fee	5	10
Accrued other expenses	72	61
Amounts payable for cancellation of shares	1,130	29
Currency transactions awaiting settlement	7,415	2,626
Purchases awaiting settlement	5,084	4,375
Total other creditors	14,139	7,545

11 Contingent liabilities and commitments

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

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 281 and 282 and notes 4, 7, 8 and 10 on pages 283 to 286 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

There were no material shareholders at the year end (2019: nil).

13 Shareholders' funds

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

	2020 %	2019 %
Class A	1.25	1.25
Class E ¹	0.75	n/a
Class I	0.60	0.60
Class ²	0.00	0.00

¹ Class E income launched on 8 July 2019.

² Charges for managing Z class shares are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 264 to 268. The distribution per share class is given in the Distribution tables on pages 294 to 297. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation as at 30 June 2020

	Class A income	Class E income	Class I accumulation
Opening number of shares	240,576,818	-	49,613,814
Issues during the year	12,471,759	2,009,297	19,658,767
Cancellations during the year	(20,909,000)	(3,339,769)	(7,612,214)
Shares converted during the year	(55,571,849)	54,324,147	43,848
Closing shares in issue	176,567,728	52,993,675	61,704,215

	Class I income	Class Z accumulation
Opening number of shares	968,626,637	8,827,435
Issues during the year	90,382,209	3,425,121
Cancellations during the year	(121,283,809)	(1,887,740)
Shares converted during the year	1,036,328	(3,751)
Closing shares in issue	938,761,365	10,361,065

14 Financial derivatives

The fund may use financial derivatives for efficient portfolio management and for meeting the investment objectives including risk reduction and implementation of investment policies.

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 30 June 2020 (2019: nil).

2020

At 30 June 2020 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Credit default index swaps £000	Forward foreign exchange contracts £000	Futures £000
BNP Paribas	-	3,705	-
Citigroup	1,812	-	-
UBS	-	-	4
	1,812	3,705	4
Counterparty			Total by counterparty £000
BNP Paribas			3,705
Citigroup			1,812
UBS			4
			5,521

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2019

At 30 June 2019 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Futures £000	Forward foreign exchange contracts £000	Total by counterparty £000
Barclays	-	109	109
BNP Paribas	-	974	974
UBS	667	29	696
	667	1,112	1,779

15 Stock lending

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

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

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

2020 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category £000
Credit Suisse	272	315	Corporate Bond
Credit Suisse	181	210	Government Bond
	453	525	
JP Morgan	134	143	Government Bond
	587	668	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	25	4	21

Notes to the financial statements (continued)

15 Stock lending (continued)

2019 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Barclays	457	480	Government Bond
Société Générale	9,245	10,272	Equity
	9,702	10,752	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	71	11	60

16 Risk

Currency risk

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

Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2020				
Australian dollar	-	11,083	1,015	12,098
Euro	9,192	29,709	823	39,724
UK sterling	92,790	116,498	13,522	222,810
US dollar	50,371	476,977	15,758	543,106
Total	152,353	634,267	31,118	817,738
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2019				
Australian dollar	-	80,448	570	81,018
Euro	6,166	13,615	526	20,307
Japanese yen	-	-	138	138
UK sterling	124,205	129,071	21,469	274,745
US dollar	26,009	419,339	7,624	452,972
Total	156,380	642,473	30,327	829,180

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk (continued)

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2020				
Euro	1,602	-	3,436	5,038
UK sterling	-	-	16,550	16,550
US dollar	159	-	9,547	9,706
Total	1,761	-	29,533	31,294
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2019				
Euro	427	-	-	427
UK sterling	19,463	-	22,168	41,631
US dollar	240	-	2,787	3,027
Total	20,130	-	24,955	45,085

Credit Ratings

	Market value £000	Percentage of total net assets %
2020		
Investments		
Investment grade (AAA - BBB)	317,327	40.35
Below investment grade (BB and below)	399,467	50.79
Unrated	23,385	2.98
Total debt securities	740,179	94.12
Derivatives	(2,105)	(0.27)
Equities	14,911	1.90
Investment assets including investment liabilities	752,985	95.75
Other net assets	33,459	4.25
Total net assets	786,444	100.00
	Market value £000	Percentage of total net assets %
2019		
Investments		
Investment grade (AAA - BBB)	447,940	57.12
Below investment grade (BB and below)	266,558	34.00
Unrated	10,224	1.30
Total debt securities	724,722	92.42
Derivatives	(8,814)	(1.12)
Equities	14,393	1.84
Investment assets including investment liabilities	730,301	93.14
Other net assets	53,794	6.86
Total net assets	784,095	100.00

Notes to the financial statements (continued)

16 Risk (continued)

Sensitivity analysis

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

VaR Results	Global Exposure Calculation Basis	Actual VaR in year			VaR limit	Utilisation of VaR limit		
		Minimum	Maximum	Average		Minimum	Maximum	Average
		%	%	%	%	%	%	%
2020	Absolute VaR	1.05	7.63	2.80	20.00	5.24	38.16	14.01
2019	Absolute VaR	1.10	2.17	1.60	20.00	5.52	10.83	8.00

Leverage

	Minimum	Maximum	Average
	%	%	%
2020	85.05	249.26	132.39
2019	76.73	231.37	123.89

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Amounts held at derivatives clearing houses and brokers	1,761	-	-	-
Derivative financial liabilities	-	7,626	-	-
Distribution payable	-	7,768	-	-
Other creditors	-	14,139	-	-
Total	1,761	29,533	-	-
2019				
Amounts held at derivatives clearing houses and brokers	667	-	-	-
Bank overdrafts	19,464	-	-	-
Derivative financial liabilities	-	10,593	-	-
Distribution payable	-	6,816	-	-
Other creditors	-	7,545	-	-
Total	20,131	24,954	-	-

Notes to the financial statements (continued)

17 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	4*	327	12,130*	12
Level 2	760,607	7,299	728,764	10,581
Level 3	-	-	-	-
	760,611	7,626	740,894	10,593

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to nil as at 30 June 2020 (2019: £11,462,589).

18 Direct transaction costs

	Purchases		Sales	
	2020 £000	2019 £000	2020 £000	2019 £000
Trades in the year				
Debt securities	555,976	333,741	548,724	397,454
Equities	8,626	-	7,658	-
Trades in the year before transaction costs	564,602	333,741	556,382	397,454
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Equities	3	-	2	-
Total commissions	3	-	2	-
Taxes				
Debt securities	-	-	-	-
Equities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Equities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	3	-	2	-
Total net trades in the year after transaction costs	564,605	333,741	556,380	397,454

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

	Purchases		Sales	
	2020	2019	2020	2019
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Debt securities	-	-	-	-
Equities	0.03	-	0.03	-
Taxes				
Debt securities	-	-	-	-
Equities	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Equities	-	-	-	-
	2020	2019		
	%	%		
Total transaction costs expressed as a percentage of net asset value				
Commissions	-	-		
Taxes	-	-		
Other expenses	-	-		
Total costs	-	-		

There were in specie transfers during the year of (2019: nil). There were corporate actions during the year of £12,318,606 (2019: £7,021,853).

There were direct transaction costs associated with derivatives in the year of £10,940 (2019: £34,174) which is 0.00% of the average net asset value of the fund (2019: 0.00%).

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

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

The portfolio dealing spread as at 30 June 2020 was 0.68% (2019: 0.51%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 15 October 2020, the Net Asset Value of the fund had increased.

Distribution tables for the year ended 30 June 2020 (in pence per share)

Interim interest distribution (accounting date 30 September 2019, paid on 29 November 2019)

Group 1: shares purchased prior to 1 July 2019

Group 2: shares purchased on or after 1 July 2019

	Distribution per share	Equalisation	Total distribution per share 29/11/19	Total distribution per share 30/11/18
Class A income				
Group 1	0.5287	-	0.5287	0.5324
Group 2	0.2366	0.2921	0.5287	0.5324
Class E income¹				
Group 1	0.5310	-	0.5310	n/a
Group 2	0.2393	0.2917	0.5310	n/a
Class I accumulation				
Group 1	1.5695	-	1.5695	1.5048
Group 2	0.8242	0.7453	1.5695	1.5048
Class I income				
Group 1	0.5879	-	0.5879	0.5870
Group 2	0.2825	0.3054	0.5879	0.5870
Class Z accumulation				
Group 1	2.4383	-	2.4383	2.3210
Group 2	1.3426	1.0957	2.4383	2.3210

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Interim Interim interest distribution (accounting date 31 December 2019, paid on 28 February 2020)

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased on or after 1 October 2019

	Distribution per share	Equalisation	Total distribution per share 28/02/20	Total distribution per share 28/02/19
Class A income				
Group 1	0.4974	-	0.4974	0.5287
Group 2	0.2571	0.2403	0.4974	0.5287
Class E income¹				
Group 1	0.4984	-	0.4984	n/a
Group 2	0.2743	0.2241	0.4984	n/a
Class I accumulation				
Group 1	1.4947	-	1.4947	1.5128
Group 2	0.7947	0.7000	1.4947	1.5128
Class I income				
Group 1	0.5541	-	0.5541	0.5840
Group 2	0.3408	0.2133	0.5541	0.5840
Class Z accumulation				
Group 1	2.3284	-	2.3284	2.3375
Group 2	1.0829	1.2455	2.3284	2.3375

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 March 2020, paid on 29 May 2020)

Group 1: shares purchased prior to 1 January 2020

Group 2: shares purchased on or after 1 January 2020

	Distribution per share	Equalisation	Total distribution per share 29/05/20	Total distribution per share 31/05/19
Class A income				
Group 1	0.5880	-	0.5880	0.5039
Group 2	0.3252	0.2628	0.5880	0.5039
Class E income¹				
Group 1	0.5901	-	0.5901	n/a
Group 2	0.3601	0.2300	0.5901	n/a
Class I accumulation				
Group 1	1.7827	-	1.7827	1.4608
Group 2	1.0234	0.7593	1.7827	1.4608
Class I income				
Group 1	0.6544	-	0.6544	0.5575
Group 2	0.3986	0.2558	0.6544	0.5575
Class Z accumulation				
Group 1	2.7741	-	2.7741	2.2622
Group 2	1.2930	1.4811	2.7741	2.2622

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Final interest distribution (accounting date 30 June 2020, paid on 28 August 2020)

Group 1: shares purchased prior to 1 April 2020

Group 2: shares purchased on or after 1 April 2020

	Distribution per share	Equalisation	Total distribution per share 28/08/20	Total distribution per share 30/08/19
Class A income				
Group 1	0.6082	-	0.6082	0.5183
Group 2	0.2911	0.3171	0.6082	0.5183
Class E income¹				
Group 1	0.6110	-	0.6110	n/a
Group 2	0.3801	0.2309	0.6110	n/a
Class I accumulation				
Group 1	1.8733	-	1.8733	1.5212
Group 2	1.1862	0.6871	1.8733	1.5212
Class I income				
Group 1	0.6786	-	0.6786	0.5749
Group 2	0.4110	0.2676	0.6786	0.5749
Class Z accumulation				
Group 1	2.9201	-	2.9201	2.3587
Group 2	1.6723	1.2478	2.9201	2.3587

¹ Class E income launched on 8 July 2019.

Janus Henderson Strategic Bond Fund

Authorised Corporate Director's report

Investment Fund Managers

Jenna Barnard and John Pattullo

Investment objective and policy

The fund aims to provide a return, from a combination of income and capital growth over the long term.

Performance target: To outperform the IA Sterling Strategic Bond Sector average, after the deduction of charges, over any 5 year period.

The fund invests in a global portfolio of bonds of any quality, including high yield (non-investment grade) bonds, issued by governments or companies. Where investments are made in assets in currencies other than the base currency of the fund, the fund will seek to hedge those assets back to the base currency to remove the risk of currency exchange rate movements. In certain market conditions, the fund may invest more than 35% of its assets in government bonds issued by any one body. The investment manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the fund's objective, to reduce risk or to manage the fund more efficiently.

The fund is actively managed with reference to the IA Sterling Strategic Bond Sector average, which is based on a peer group of broadly similar funds, as this forms the basis of the fund's performance target. The investment manager has complete freedom to choose individual investments for the fund and to vary allocations between different types of bonds.

Performance summary

	30 Jun 19 - 30 Jun 20	30 Jun 18 - 30 Jun 19	30 Jun 17 - 30 Jun 18	30 Jun 16 - 30 Jun 17	30 Jun 15 - 30 Jun 16
	%	%	%	%	%
Class I accumulation (Net)	6.2	7.5	0.0	6.5	3.1
IA Sterling Strategic Bond Sector	3.1	5.1	0.4	6.5	2.9

Please note that the performance target is to be achieved over a specific annualised time period. Refer to the performance target section above within the investment objective.

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Class I accumulation is disclosed as it is the representative share class.

Benchmark Usage

Peer group: IA Sterling Strategic Bond Sector

Peer group usage: Target

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors.

The fund's ranking within the sector (as calculated by a number of data providers) forms the basis for the fund's performance target.

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 30 June 2020

Largest purchases	£000	Largest sales/maturities	£000
UK Treasury 0.625% 07/06/2025	135,307	UK Treasury 0.50% 22/07/2022	134,689
UK Treasury 0.50% 22/07/2022	133,926	UK Treasury 0.625% 07/06/2025	133,866
Australia (Commonwealth of) 2.00% 21/12/2021	62,590	Australia (Commonwealth of) 2.75% 21/11/2028	114,402
UK Treasury 1.625% 22/10/2028	53,388	US Treasury 2.75% 15/11/2023	101,930
Australia (Commonwealth of) 2.25% 21/11/2022	52,741	Canada (Government of) 2.00% 01/06/2028	96,049
UK Treasury 0.75% 22/07/2023	41,246	UK Treasury 1.625% 22/10/2028	74,398
Equinix 3.20% 18/11/2029	30,214	Australia (Commonwealth of) 2.25% 21/05/2028	64,525
AT&T 2.75% 01/06/2031	29,145	Australia (Commonwealth of) 2.00% 21/12/2021	60,514
iShares USD High Yield Corp Bond UCITS ETF	27,758	Australia (Commonwealth of) 3.75% 21/04/2037	60,104
Charter Communications Operating Capital 4.20% 15/03/2028	27,204	Canada (Government of) 1.75% 01/03/2023	53,480
Total purchases	2,552,802	Total sales/maturities	2,071,929

Investment review

The fund returned 6.2% based on Class I accumulation (Net) over the year under review, compared with a return of 3.1% in the IA Sterling Strategic Bond Sector peer group benchmark.

The year under review was defined by the financial and health crisis generated by COVID-19 in the early months of 2020. Everything that occurred in markets prior to this event frankly looks quaint in comparison. The enforced shutdown of the global economy resulted in the most dramatic sell-off in corporate bonds in the history of this market. The repricing which occurred during March 2020 took around 18 months during the 2008 financial crisis. What was even more remarkable was the fact that the speed of the decline in corporate bond prices was only matched by the speed of the subsequent recovery as governments and central banks stepped in to provide support for households and corporations. For investors, this has meant that the default rates have been much lower than the scale of the economic decline would suggest. In addition, the dramatic cuts in interest rates across the developed world has created a huge demand for the relatively reliable income provided by corporate bonds. Bond coupons always rank senior to equity dividends, and in this crisis it would appear, also commercial property rents.

The fund used the COVID-19-related sell-off in March 2020 as an opportunity to substantially change its asset allocation within the fixed income market. We did this by increasing the exposure to corporate bonds: both investment-grade and lower-rated, high-yield corporate bonds at the expense of government bonds and cash. This reversed a three-year process of de-allocating from the riskier areas of the corporate bond market (subordinated financial bonds and high-yield corporate bonds) and seeking out the more defensive attributes of government bonds. The scale of the move was one of the largest and quickest that we have enacted in our 16 years managing the fund, but we felt it was justified by the valuations on offer during the sell-off and the unique policy response to the economic downturn. By the end of the year under review, this had resulted in a substantial recovery in the capital value of the fund, reaching new highs, and a significantly enhanced yield for investors.

The fund had a handful of modest detractors to performance, but these were rounding errors in the context of overall performance. This reflects the fact that we had no corporate bonds which faced serious risk of default, even during the COVID-19 crisis. We are extremely disciplined in our corporate bond investing by style and deem large parts of the market 'uninvestable'. It is, thus, no surprise that we had no exposure to airlines, automotive issuers, traditional (non-food) retail, energy or other commodity companies. We had a handful of leisure companies that were directly impacted by the lockdown (CPUK Finance, Live Nation Entertainment, Motion Finco and GLP Capital). However, these are companies with a history of strong returns and hence have been supported by both bond and equity investors in providing liquidity to see them through the shutdown. That is to say, they are survivors and in a number of cases, we added to existing positions in the depth of the sell-off. The strongest performers over the year were high-quality investment-grade bonds (Alphabet, Amazon, Microsoft and Visa), which saw their yields plummet to all-time lows following the collapse in government bond yields during the year under review.

Derivatives continue to be used for two ends: interest rate derivatives to manage duration (government bond exposure) and credit derivatives to manage corporate bond exposure. We used the latter particularly successfully during the COVID-19 sell-off to add additional exposure to the European high-yield market.

Governments continue to offer unprecedented monetary and fiscal stimulus in order to manage the economic impact of COVID-19. We expect this to continue during the recovery stage, with a raft of new policies aimed at minimising defaults and encouraging consumers to spend. We remain very constructive on corporate bonds, which appear to us to be in the sweet spot as they generally offer an acceptable yield with less volatility than equities.

Comparative tables for the year ended 30 June 2020

	2020 (pence per share)	Class A income 2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	125.25	120.95	125.98
Return before operating charges*	8.61	9.77	1.06
Operating charges	(1.77)	(1.70)	(1.75)
Return after operating charges*	6.84	8.07	(0.69)
Distributions on income shares	(3.81)	(3.77)	(4.34)
Closing net asset value per share	128.28	125.25	120.95
* after direct transaction costs of:	-	0.01	0.01
Performance			
Return after charges	5.46%	6.67%	(0.55%)
Other information			
Closing net asset value (£000s)	114,122	119,620	128,296
Closing number of shares	88,960,146	95,504,454	106,071,549
Operating charges	1.40%	1.40%	1.40%
Direct transaction costs	0.00%	0.01%	0.01%
Prices			
Highest share price (pence)	130.20	126.40	127.90
Lowest share price (pence)	114.90	118.70	121.80

Class E income 08/07/19 - 30/06/20 (pence per share)

Change in net assets per share	
Opening net asset value per share	125.63 ¹
Return before operating charges*	8.25
Operating charges	(1.12)
Return after operating charges*	7.13
Distributions on income shares	(3.83)
Closing net asset value per share	128.93
* after direct transaction costs of:	-
Performance	
Return after charges	5.68% ²
Other information	
Closing net asset value (£000s)	7,214
Closing number of shares	5,595,485
Operating charges	0.90%
Direct transaction costs	0.00%
Prices	
Highest share price (pence)	130.80
Lowest share price (pence)	115.30

¹ Class E income launched on 8 July 2019 and this is the first published price.

² Return after charges relates to the period 08/07/19 to 30/06/20 post conversion from the A income share class. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

Comparative tables (continued)

Class G accumulation 05/05/20 - 30/06/20 (pence per share)

Change in net assets per share

Opening net asset value per share	340.00 ³
Return before operating charges*	13.28
Operating charges	(0.28)
Return after operating charges*	13.00
Distributions on accumulation shares	(2.55)
Retained distributions on accumulation shares	2.55
Closing net asset value per share	353.00
* after direct transaction costs of:	-

Performance

Return after charges	3.82%
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Other information

Closing net asset value (£000s)	10,449
Closing number of shares	2,959,936
Operating charges	0.53%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	354.80
Lowest share price (pence)	338.50

³ Class G accumulation launched on 5 May 2020 and this is the first published price.

Class G income 05/05/20 - 30/06/20 (pence per share)

Change in net assets per share

Opening net asset value per share	130.00 ⁴
Return before operating charges*	4.99
Operating charges	(0.11)
Return after operating charges*	4.88
Distributions on income shares	(0.97)
Closing net asset value per share	133.91
* after direct transaction costs of:	-

Performance

Return after charges	3.75%
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Other information

Closing net asset value (£000s)	1
Closing number of shares	537
Operating charges	0.53%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	135.60
Lowest share price (pence)	129.40

⁴ Class G income launched on 5 May 2020 and this is the first published price.

Comparative tables (continued)

	Class I accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	351.34	326.62	326.20
Return before operating charges*	24.73	26.98	2.68
Operating charges	(2.48)	(2.26)	(2.27)
Return after operating charges*	22.25	24.72	0.41
Distributions on accumulation shares	(11.12)	(10.56)	(11.65)
Retained distributions on accumulation shares	11.12	10.56	11.65
Closing net asset value per share	373.59	351.34	326.62
* after direct transaction costs of:	-	0.02	0.02

Performance

Return after charges	6.33%	7.57%	0.13%
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Other information

Closing net asset value (£000s)	1,404,579	975,018	807,770
Closing number of shares	375,971,044	277,514,358	247,312,803
Operating charges	0.69%	0.68%	0.69%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest share price (pence)	375.50	352.10	333.40
Lowest share price (pence)	328.10	323.90	326.00

	Class I income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	137.15	131.58	136.16
Return before operating charges*	9.49	10.67	1.16
Operating charges	(0.96)	(0.90)	(0.94)
Return after operating charges*	8.53	9.77	0.22
Distributions on income shares	(4.29)	(4.20)	(4.80)
Closing net asset value per share	141.39	137.15	131.58
* after direct transaction costs of:	-	0.01	0.01

Performance

Return after charges	6.22%	7.43%	0.16%
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Other information

Closing net asset value (£000s)	1,448,176	1,294,506	1,186,020
Closing number of shares	1,024,241,987	943,875,930	901,363,675
Operating charges	0.69%	0.68%	0.69%
Direct transaction costs	0.00%	0.01%	0.01%

Prices

Highest share price (pence)	143.50	138.50	138.40
Lowest share price (pence)	126.40	129.40	132.50

Comparative tables (continued)

	Class Z accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	384.27	354.91	352.16
Return before operating charges*	27.12	29.47	2.89
Operating charges	(0.12)	(0.11)	(0.14)
Return after operating charges*	27.00	29.36	2.75
Distributions on accumulation shares	(12.41)	(11.70)	(12.82)
Retained distributions on accumulation shares	12.41	11.70	12.82
Closing net asset value per share	411.27	384.27	354.91
* after direct transaction costs of:	-	0.02	0.02
Performance			
Return after charges	7.03%	8.27%	0.78%
Other information			
Closing net asset value (£000s)	10,647	11,749	11,158
Closing number of shares	2,588,907	3,057,563	3,143,862
Operating charges	0.03%	0.03%	0.04%
Direct transaction costs	0.00%	0.01%	0.01%
Prices			
Highest share price (pence)	413.30	385.10	361.00
Lowest share price (pence)	360.60	352.60	352.60
		Class A income gross	
		2018	
		(pence	
		per share)	
Change in net assets per share			
Opening net asset value per share			127.55
Return before operating charges*			1.87
Operating charges			(0.46)
Return after operating charges*			1.41
Distributions on income shares			(1.16)
Final cancellation			(127.80) ⁵
Closing net asset value per share			-
* after direct transaction costs of:			0.01
Performance			
Return after charges			1.11%
Other information			
Closing net asset value (£000s)			-
Closing number of shares			-
Operating charges			1.40%
Direct transaction costs			0.01%
Prices			
Highest share price (pence)			129.50 ⁶
Lowest share price (pence)			127.60 ⁶

⁵ Class A income gross closed on 2 October 2017.

⁶ to 2 October 2017.

Comparative tables (continued)

	Class I accumulation gross 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	380.71
Return before operating charges*	5.48
Operating charges	(0.69)
Return after operating charges*	4.79
Distributions on accumulation shares	(3.53)
Retained distributions on accumulation shares	3.53
Final cancellation	(385.50) ⁷
Closing net asset value per share	-
* after direct transaction costs of:	0.03
Performance	
Return after charges	1.26%
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.69%
Direct transaction costs	0.01%
Prices	
Highest share price (pence)	387.00 ⁸
Lowest share price (pence)	381.00 ⁸

⁷ Class I accumulation gross closed on 2 October 2017.

⁸ to 2 October 2017.

Comparative tables (continued)

	Class I income gross 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	101.98
Return before operating charges*	1.46
Operating charges	(0.19)
Return after operating charges*	1.27
Distributions on income shares	(0.95)
Final cancellation	(102.30) ⁹
Closing net asset value per share	-
* after direct transaction costs of:	0.01
Performance	
Return after charges	1.25%
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.69%
Direct transaction costs	0.01%
Prices	
Highest share price (pence)	103.70 ¹⁰
Lowest share price (pence)	102.10 ¹⁰

⁹ Class I income gross closed on 2 October 2017.

¹⁰ to 2 October 2017.

Comparative tables (continued)

	Class Z accumulation gross 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	387.88
Return before operating charges*	5.66
Operating charges	(0.04)
Return after operating charges*	5.62
Distributions on accumulation shares	(3.65)
Retained distributions on accumulation shares	3.65
Final cancellation	(393.50) ¹¹
Closing net asset value per share	-
* after direct transaction costs of:	0.03
Performance	
Return after charges	1.45%
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.04%
Direct transaction costs	0.01%
Prices	
Highest share price (pence)	394.70 ¹²
Lowest share price (pence)	388.20 ¹²

¹¹ Class Z accumulation gross closed on 2 October 2017.

¹² to 2 October 2017.

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

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

Operating charges

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

Share class launches and closures

The following share classes launched in the year:

Share class	Launch date
Class E income	8 July 2019
Class G accumulation	5 May 2020
Class G income	5 May 2020

There were no share classes closed in the year.

Share class conversion	Conversion date
Class A income to Class E income	8 July 2019

The conversion of A share class to the E share class was performed to benefit investors who do not use a financial adviser as a lower management fee is charged because there are no commission payments bundled within it. The E share classes are available for direct investment.

Ongoing charge figure

The annualised 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.

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class A	1.40 ²	1.40	1.43
Class E³	0.90 ²	n/a	0.93
Class G⁴	0.53	n/a	n/a
Class I	0.69 ⁵	0.68	0.70
Class Z	0.03 ⁶	0.03	0.04

The OCF is calculated in accordance with guidelines issued by the ESMA.

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 30 June 2020.

² The GAC on Class A and Class E increased from 0.14% to 0.17% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

³ Class E income launched on 8 July 2019 so there are no prior year comparatives.

⁴ Class G accumulation and Class G income launched on 5 May 2020 so there are no prior year comparatives.

⁵ The GAC on Class I increased from 0.075% to 0.09% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

⁶ The GAC on Class Z increased from 0.023% to 0.03% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

Risk and reward profile

The fund currently has 7 types of share class in issue; A income, E income, G accumulation, G income, I accumulation, I income and Z accumulation.

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



The share classes appear at 3 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class E income launched on 8 July 2019 and Class G accumulation and Class G income were launched on 5 May 2020. As these share classes do not have a 5 year history, a synthetic history has been created for Class E income using the A income share class and for Class G accumulation and G income created using the fund's sector average.

Portfolio statement as at 30 June 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 0.68% (2019: 0.82%)		
	United Kingdom 0.68% (2019: 0.82%)		
	Financials 0.68% (2019: 0.82%)		
14,000	Lloyds Bank 9.25% Non-Cumulative Preference Share	19	-
130,350	Nationwide Building Society CDDS	20,310	0.68
		<u>20,329</u>	<u>0.68</u>
	Bonds 96.77% (2019: 95.70%)		
	Australia 0.00% (2019: 10.46%)		
	Fixed Rate Bond 0.00% (2019: 10.46%)		
	Belgium 0.14% (2019: 1.41%)		
	Fixed Rate Bond 0.14% (2019: 1.41%)		
AUD 7,000,000	Anheuser-Busch InBev Worldwide 4.10% 06/09/2027	<u>4,315</u>	<u>0.14</u>
	Canada 0.88% (2019: 8.26%)		
	Fixed Rate Bond 0.88% (2019: 8.26%)		
USD 6,368,000	Cott 5.50% 01/04/2025	5,180	0.17
USD 24,996,000	Stars 7.00% 15/07/2026	21,325	0.71
		<u>26,505</u>	<u>0.88</u>
	France 3.21% (2019: 2.79%)		
	Fixed Rate Bond 3.09% (2019: 2.79%)		
USD 25,457,000	Altice France 5.50% 15/01/2028	20,809	0.69
EUR 10,190,000	Altice France 5.875% 01/02/2027	9,728	0.32
USD 12,543,000	Altice France 7.375% 01/05/2026	10,586	0.35
EUR 24,700,000	Orange 2.00% 15/01/2029	25,068	0.85
GBP 10,000,000	Orange 3.25% 15/01/2032	11,649	0.39
EUR 1,020,000	Sodexo 0.75% 14/04/2027	923	0.03
EUR 11,970,000	Sodexo 1.00% 27/04/2029	10,711	0.36
GBP 2,900,000	Sodexo 1.75% 26/06/2028	2,939	0.10
		<u>92,413</u>	<u>3.09</u>
	Variable Rate Bond 0.12% (2019: 0.00%)		
USD 4,100,000	BNP Paribas FRN Perpetual	<u>3,584</u>	<u>0.12</u>
	Germany 2.88% (2019: 2.05%)		
	Asset Backed 0.00% (2019: 0.00%)		
EUR 1,231,147	Talisman-6 Finance FRN 22/10/2016 ¹	-	-
	Fixed Rate Bond 2.88% (2019: 2.05%)		
EUR 18,085,000	Deutsche Bahn Finance 1.625% 16/08/2033	18,424	0.61
EUR 19,720,000	Deutsche Telekom 1.375% 05/07/2034	18,337	0.61
EUR 11,360,000	Symrise 1.25% 29/11/2025	10,375	0.35
EUR 9,430,000	Symrise 1.375% 01/07/2027	8,640	0.29
USD 20,500,000	T-Mobile USA 3.875% 15/04/2030	18,465	0.61
EUR 8,140,000	Vertical Midco 4.375% 15/07/2027	7,399	0.25
USD 5,769,000	Vertical US Newco 5.25% 15/07/2027	4,669	0.16
		<u>86,309</u>	<u>2.88</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Ireland 0.69% (2019: 0.29%)		
	Fixed Rate Bond 0.69% (2019: 0.29%)		
EUR 3,170,000	Ardagh Packaging Finance 2.125% 15/08/2026	2,768	0.09
USD 6,918,000	Ardagh Packaging Finance 5.25% 15/08/2027	5,500	0.19
USD 4,839,000	Ardagh Packaging Finance 6.00% 15/02/2025	4,016	0.13
EUR 3,200,000	Eircom Finance 2.625% 15/02/2027	2,774	0.09
EUR 3,170,000	Smurfit Kappa 2.375% 01/02/2024	2,940	0.10
EUR 2,902,000	Smurfit Kappa 2.875% 15/01/2026	2,724	0.09
		<u>20,722</u>	<u>0.69</u>
	Luxembourg 0.00% (2019: 0.22%)		
	Secured Loans 0.00% (2019: 0.22%)²		
	Netherlands 2.11% (2019: 0.97%)		
	Fixed Rate Bond 1.66% (2019: 0.97%)		
EUR 8,600,000	Heineken 1.50% 03/10/2029	8,405	0.28
EUR 3,920,000	Heineken 2.25% 30/03/2030	4,029	0.13
USD 12,220,000	Heineken 3.50% 29/01/2028	11,146	0.38
EUR 7,510,000	Sunshine Mid 6.50% 15/05/2026	6,736	0.22
USD 23,570,000	Ziggo 4.875% 15/01/2030	19,179	0.65
		<u>49,495</u>	<u>1.66</u>
	Variable Rate Bond 0.45% (2019: 0.00%)		
EUR 10,000,000	Rabobank 6.50% Perpetual	9,635	0.32
EUR 4,266,000	Ziggo 4.25% 15/01/2027	3,992	0.13
		<u>13,627</u>	<u>0.45</u>
	Spain 0.33% (2019: 0.67%)		
	Fixed Rate Bond 0.33% (2019: 0.67%)		
EUR 7,900,000	Cellnex Telecom 1.875% 26/06/2029	7,070	0.23
EUR 3,200,000	Grifols 2.25% 15/11/2027	2,854	0.10
		<u>9,924</u>	<u>0.33</u>
	Supranational 0.00% (2019: 0.76%)		
	Fixed Rate Bond 0.00% (2019: 0.76%)		
	Switzerland 1.52% (2019: 1.24%)		
	Fixed Rate Bond 1.09% (2019: 1.24%)		
EUR 10,700,000	Argentum Givaudan Finance 2.00% 17/09/2030	10,839	0.36
EUR 9,170,000	Firmanich International 1.75% 30/04/2030	8,668	0.29
EUR 13,350,000	Novartis Finance 1.375% 14/08/2030	13,357	0.44
		<u>32,864</u>	<u>1.09</u>
	Variable Rate Bond 0.43% (2019: 0.00%)		
USD 5,760,000	Credit Suisse 7.50% Perpetual	5,011	0.17
USD 8,710,000	UBS 7.00% Perpetual	7,747	0.26
		<u>12,758</u>	<u>0.43</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
United Kingdom 17.53% (2019: 15.52%)			
Asset Backed 0.22% (2019: 0.33%)			
GBP 1,993,829	DECO Series FRN 27/01/2036 ¹	-	-
GBP 5,011,654	Tesco Property Finance 5.744% 13/04/2040	6,704	0.22
		<u>6,704</u>	<u>0.22</u>
Fixed Rate Bond 13.00% (2019: 9.72%)			
GBP 14,060,000	Arqiva Broadcast Finance 6.75% 30/09/2023	14,553	0.49
USD 18,309,000	Bacardi 4.45% 15/05/2025	16,205	0.54
USD 11,311,000	Bacardi 4.70% 15/05/2028	10,354	0.35
GBP 13,490,000	BUPA Finance 4.125% 14/06/2035	13,529	0.45
GBP 1,000,000	Cattles 6.875% Perpetual ¹	-	-
GBP 10,810,000	Co-operative 5.125% 17/05/2024	11,423	0.38
GBP 5,000,000	CPUK Finance 4.25% 28/08/2022	4,760	0.16
GBP 1,200,000	CPUK Finance 4.875% 28/08/2025	1,107	0.04
GBP 12,090,000	Diageo Finance 2.875% 27/03/2029	13,631	0.46
USD 21,741,000	Experian Finance 2.75% 08/03/2030	18,752	0.62
GBP 1,900,000	Experian Finance 3.25% 07/04/2032	2,197	0.07
USD 20,169,000	Experian Finance 4.25% 01/02/2029	18,984	0.62
GBP 2,060,000	Legal & General 4.50% 01/11/2050	2,118	0.07
GBP 6,000,000	Legal & General 5.625% Perpetual	5,927	0.20
GBP 14,580,000	Lloyds Bank 1.875% 15/01/2026	14,532	0.49
AUD 16,240,000	Lloyds Bank 4.25% 22/11/2027	9,797	0.33
USD 7,200,000	Lloyds Bank 4.375% 22/03/2028	6,761	0.23
EUR 935,000	Motion Bondco 4.50% 15/11/2027	746	0.02
USD 10,115,000	Motion Bondco 6.625% 15/11/2027	7,122	0.24
EUR 7,050,000	Motion Finco 7.00% 15/05/2025	6,563	0.22
GBP 11,760,000	Nationwide Building Society 5.75% Perpetual	11,835	0.40
GBP 15,607,000	Phoenix 4.125% 20/07/2022	16,101	0.54
GBP 9,100,000	Phoenix 6.625% 18/12/2025	10,454	0.35
USD 11,440,000	Prudential 3.125% 14/04/2030	9,956	0.33
USD 7,390,000	Prudential 4.875% Perpetual	5,990	0.20
GBP 608,000	Prudential 6.125% 19/12/2031	781	0.03
USD 5,671,000	RELX Capital 3.00% 22/05/2030	4,947	0.17
GBP 6,000,000	Royal Bank of Scotland 2.875% 19/09/2026	6,229	0.21
GBP 17,360,000	Royal Bank of Scotland 3.622% 14/08/2030	17,781	0.58
USD 7,000,000	Royal Bank of Scotland 5.125% 28/05/2024	6,197	0.21
GBP 5,000,000	Scottish Widows 5.50% 16/06/2023	5,417	0.18
GBP 2,515,000	Scottish Widows 7.00% 16/06/2043	3,506	0.12
GBP 7,280,000	Tesco Treasury Services 2.75% 27/04/2030	7,723	0.26
GBP 2,550,000	Tesco 5.20% 05/03/2057	3,713	0.12
GBP 10,400,000	Tesco 5.50% 13/01/2033	13,218	0.44
USD 4,866,000	Tesco 6.15% 15/11/2037	4,969	0.17
GBP 10,240,000	Unilever 1.50% 22/07/2026	10,814	0.36
USD 19,500,000	Unilever 2.125% 06/09/2029	16,659	0.56
GBP 8,230,000	Virgin Media 4.125% 15/08/2030	8,107	0.27
GBP 5,390,000	Virgin Media 4.875% 15/07/2028	5,417	0.18
USD 7,542,000	Virgin Media 5.00% 15/07/2030	5,968	0.20
GBP 14,824,000	Virgin Media 5.25% 15/05/2029	15,461	0.52
EUR 3,200,000	Vodafone 1.60% 29/07/2031	3,079	0.10

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Fixed Rate Bond 13.00% (continued)		
USD 7,000,000	Vodafone 4.375% 30/05/2028	6,738	0.22
GBP 7,953,000	WM Morrison Supermarkets 3.50% 27/07/2026	8,903	0.30
		<u>389,024</u>	<u>13.00</u>
	Secured Loans 0.68% (2019: 0.37%)²		
EUR 4,240,000	Froneri FRN 29/01/2027 A	3,707	0.12
USD 2,854,907	Froneri FRN 29/01/2027 B	2,168	0.07
USD 598,915	Froneri FRN 31/01/2028 A	459	0.02
USD 10,940,000	LGC FRN 21/04/2027 B	8,488	0.28
EUR 6,470,000	LGC FRN 21/04/2027 B1	5,636	0.19
		<u>20,458</u>	<u>0.68</u>
	Stepped Rate Bond 1.00% (2019: 1.42%)		
GBP 13,125,000	Co-operative 6.875% 08/07/2020	13,072	0.44
GBP 14,819,000	Co-operative 7.50% 08/07/2026	16,891	0.56
		<u>29,963</u>	<u>1.00</u>
	Variable Rate Bond 2.63% (2019: 3.68%)		
GBP 5,000,000	Aviva 6.125% Perpetual	5,325	0.18
USD 29,680,000	Barclays 6.278% Perpetual	26,302	0.88
GBP 14,289,000	BUPA Finance 6.125% Perpetual	14,219	0.47
GBP 8,502,000	HBOS Sterling Finance 7.881% Perpetual	12,934	0.43
USD 10,152,000	Lloyds Bank 6.657% Perpetual	9,254	0.31
USD 6,204,000	RBS Capital Trust II FRN Perpetual	7,343	0.25
USD 2,917,000	Royal Bank of Scotland 7.648% Perpetual	3,415	0.11
		<u>78,792</u>	<u>2.63</u>
	United States 67.48% (2019: 51.06%)		
	Asset Backed 0.00% (2019: 0.00%)		
GBP 857,197	Lehman Brothers 7.875% 08/05/2018 ¹	13	-
	Fixed Rate Bond 66.29% (2019: 50.50%)		
EUR 13,290,000	Abbott Ireland Financing 1.50% 27/09/2026	12,904	0.43
USD 71,446,000	Alphabet 1.998% 15/08/2026	61,949	2.06
USD 11,175,000	Amazon.com 2.50% 03/06/2050	9,285	0.31
USD 61,080,000	Amazon.com 3.15% 22/08/2027	56,576	1.89
USD 18,853,000	American Tower 2.90% 15/01/2030	16,286	0.54
USD 14,240,000	American Tower 3.60% 15/01/2028	12,858	0.43
USD 20,487,000	American Tower 3.80% 15/08/2029	18,766	0.63
USD 24,342,000	Anthem 2.25% 15/05/2030	20,211	0.67
USD 8,186,000	Anthem 3.125% 15/05/2050	6,854	0.23
EUR 9,710,000	Apple 1.375% 24/05/2029	9,699	0.32
USD 3,545,000	Apple 3.35% 09/02/2027	3,269	0.11
USD 18,237,000	Aramark 4.75% 01/06/2026	14,206	0.47
USD 14,348,000	Aramark 6.375% 01/05/2025	11,991	0.40
USD 23,655,000	Ardagh Packaging Finance 5.25% 15/08/2027	18,807	0.63
EUR 12,400,000	AT&T 2.35% 05/09/2029	12,275	0.41
EUR 3,000,000	AT&T 2.45% 15/03/2035	2,894	0.10
EUR 3,000,000	AT&T 2.60% 17/12/2029	3,046	0.10
USD 35,700,000	AT&T 2.75% 01/06/2031	30,083	1.00

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
EUR 10,210,000	AT&T 3.375% 15/03/2034	11,013	0.37
USD 8,610,000	AT&T 4.50% 15/05/2035	8,269	0.28
USD 25,168,000	Autodesk 2.85% 15/01/2030	22,428	0.75
EUR 3,220,000	Ball 1.50% 15/03/2027	2,796	0.09
USD 3,640,000	Ball 4.875% 15/03/2026	3,204	0.11
EUR 16,000,000	Bank of America FRN 31/03/2029	17,397	0.58
CAD 16,500,000	Bank of America 3.407% 20/09/2025	10,445	0.35
USD 14,036,000	Baxter International 3.95% 01/04/2030	13,457	0.45
USD 17,360,000	Becton Dickinson 3.70% 06/06/2027	15,704	0.52
EUR 7,400,000	Booking 1.80% 03/03/2027	6,963	0.23
USD 6,530,000	Booking 3.60% 01/06/2026	5,800	0.19
USD 22,366,000	Booking 4.625% 13/04/2030	21,365	0.71
USD 2,890,000	Boston Scientific 4.00% 01/03/2029	2,676	0.09
USD 1,140,000	Boyd Gaming 4.75% 01/12/2027	793	0.03
USD 5,251,000	Boyd Gaming 6.375% 01/04/2026	4,037	0.13
USD 7,740,000	Boyd Gaming 8.625% 01/06/2025	6,546	0.22
USD 8,930,000	Broadcom 3.15% 15/11/2025	7,692	0.26
USD 8,930,000	Broadcom 4.11% 15/09/2028	7,874	0.26
USD 3,121,000	Campbell Soup 2.375% 24/04/2030	2,616	0.09
EUR 16,630,000	Catalent Pharma Solutions 2.375% 01/03/2028	14,315	0.48
USD 13,573,000	Catalent Pharma Solutions 4.875% 15/01/2026	11,152	0.37
USD 11,739,000	CCO 5.375% 01/06/2029	10,023	0.33
USD 6,995,000	CCO 5.875% 01/05/2027	5,907	0.20
USD 33,100,000	Charter Communications Operating Capital 4.20% 15/03/2028	30,048	1.00
USD 6,500,000	Charter Communications Operating Capital 5.05% 30/03/2029	6,210	0.21
USD 7,030,000	Cintas Corporation No.2 3.70% 01/04/2027	6,462	0.22
USD 8,554,000	Clorox 1.80% 15/05/2030	6,985	0.23
EUR 20,880,000	Coca-Cola 1.25% 08/03/2031	20,223	0.68
EUR 4,800,000	Coca-Cola 1.625% 09/03/2035	4,789	0.16
USD 13,000,000	Coca-Cola 2.125% 06/09/2029	11,239	0.38
GBP 6,290,000	Comcast 1.50% 20/02/2029	6,435	0.21
GBP 5,440,000	Comcast 1.875% 20/02/2036	5,623	0.19
USD 19,443,000	Comcast 4.15% 15/10/2028	18,864	0.63
USD 5,414,000	Constellation Brands 2.875% 01/05/2030	4,643	0.16
USD 16,330,000	Constellation Brands 3.15% 01/08/2029	14,171	0.47
USD 9,200,000	Constellation Brands 3.50% 09/05/2027	8,239	0.28
USD 5,979,000	Constellation Brands 4.75% 15/11/2024	5,570	0.19
USD 3,620,000	Crown Americas 4.75% 01/02/2026	2,986	0.10
USD 8,684,000	Crown Castle International 2.25% 15/01/2031	7,092	0.24
USD 13,750,000	Crown Castle International 3.10% 15/11/2029	11,929	0.40
USD 15,319,000	Crown Castle International 3.30% 01/07/2030	13,636	0.46
USD 14,394,000	Crown Castle International 3.65% 01/09/2027	13,019	0.43
USD 8,590,000	Crown Castle International 3.80% 15/02/2028	7,814	0.26
EUR 3,170,000	Crown European 2.875% 01/02/2026	2,912	0.10
EUR 3,170,000	Crown European 3.375% 15/05/2025	2,983	0.10
USD 9,340,000	CSC 6.50% 01/02/2029	8,268	0.28
EUR 11,620,000	Danaher 2.50% 30/03/2030	12,104	0.40
USD 18,191,000	DaVita 4.625% 01/06/2030	14,652	0.49
USD 5,985,000	Dell International 5.45% 15/06/2023	5,298	0.18
USD 21,560,000	Dell International 6.02% 15/06/2026	20,005	0.67

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
USD 12,000,000	Dell International 6.10% 15/07/2027	11,220	0.37
USD 3,417,000	DH Europe Finance II 2.60% 15/11/2029	2,943	0.10
EUR 11,220,000	DH Europe Finance 0.45% 18/03/2028	9,967	0.33
EUR 8,100,000	DH Europe Finance 0.75% 18/09/2031	7,088	0.24
USD 3,914,000	Diageo Capital 2.00% 29/04/2030	3,277	0.11
USD 3,140,000	Diageo Capital 2.125% 29/04/2032	2,635	0.09
USD 7,080,000	Digital Realty Trust 4.75% 01/10/2025	6,611	0.22
USD 20,100,000	Elanco Animal Health 4.90% 28/08/2028	18,037	0.60
EUR 8,200,000	Equinix 2.875% 01/10/2025	7,564	0.25
USD 19,141,000	Equinix 3.00% 15/07/2050	15,002	0.50
USD 37,686,000	Equinix 3.20% 18/11/2029	33,171	1.11
USD 19,826,000	Estée Lauder 2.60% 15/04/2030	17,457	0.58
USD 14,510,000	Estée Lauder 3.15% 15/03/2027	13,112	0.44
USD 17,060,000	Fidelity National Information Services 3.00% 15/08/2026	15,298	0.51
USD 11,830,000	Fidelity National Information Services 3.75% 21/05/2029	11,219	0.37
EUR 9,480,000	Fiserv 1.625% 01/07/2030	8,886	0.30
GBP 2,760,000	Fiserv 2.25% 01/07/2025	2,888	0.10
USD 18,513,000	Fiserv 3.50% 01/07/2029	16,843	0.56
USD 5,538,000	Global Payments 2.65% 15/02/2025	4,748	0.16
USD 14,716,000	Global Payments 2.90% 15/05/2030	12,498	0.42
USD 8,960,000	Global Payments 3.20% 15/08/2029	7,768	0.26
USD 4,230,000	GLP Capital 4.00% 15/01/2030	3,393	0.11
USD 8,210,000	GLP Capital 5.30% 15/01/2029	7,190	0.24
USD 3,422,000	GLP Capital 5.75% 01/06/2028	3,051	0.10
USD 6,159,000	Hasbro 3.55% 19/11/2026	5,267	0.18
USD 3,513,000	Hasbro 3.90% 19/11/2029	2,961	0.10
USD 3,620,000	HCA 3.50% 01/09/2030	2,822	0.09
USD 23,125,000	HCA 4.125% 15/06/2029	20,645	0.69
USD 3,433,000	HCA 5.00% 15/03/2024	3,088	0.10
USD 12,320,000	HCA 5.125% 15/06/2039	11,622	0.39
USD 7,834,000	HCA 5.25% 15/06/2026	7,325	0.24
USD 2,467,000	HCA 5.875% 01/02/2029	2,259	0.08
USD 3,323,000	IHS Markit 4.00% 01/03/2026	2,953	0.10
USD 8,960,000	IHS Markit 4.75% 15/02/2025	8,122	0.27
USD 5,660,000	IHS Markit 5.00% 01/11/2022	4,912	0.16
EUR 930,000	International Flavors & Fragrances 1.80% 25/09/2026	851	0.03
USD 2,867,000	International Flavors & Fragrances 4.45% 26/09/2028	2,640	0.09
EUR 3,200,000	IQVIA 2.25% 15/01/2028	2,789	0.09
EUR 3,200,000	IQVIA 3.25% 15/03/2025	2,929	0.10
AUD 5,070,000	JPMorgan Chase 4.50% 30/01/2026	3,214	0.11
USD 2,044,000	Keurig Dr Pepper 3.20% 01/05/2030	1,840	0.06
USD 8,580,000	Keurig Dr Pepper 4.597% 25/05/2028	8,329	0.28
USD 3,524,000	Kimberly-Clark 3.10% 26/03/2030	3,248	0.11
USD 4,605,000	Lamb Weston 4.875% 01/11/2026	3,857	0.13
USD 18,579,000	Levi Strauss 5.00% 01/05/2025	15,093	0.50
USD 2,466,000	Live Nation Entertainment 4.75% 15/10/2027	1,717	0.06
USD 16,093,000	Marriott International 5.75% 01/05/2025	14,149	0.47
USD 20,643,000	Mars 3.20% 01/04/2030	19,022	0.64
EUR 32,490,000	Mastercard 2.10% 01/12/2027	33,456	1.12
USD 18,576,000	Mastercard 3.85% 26/03/2050	18,702	0.62

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
USD 15,182,000	McCormick 3.40% 15/08/2027	13,683	0.46
EUR 18,700,000	McDonald's 2.625% 11/06/2029	19,238	0.64
CAD 17,820,000	McDonald's 3.125% 04/03/2025	11,349	0.38
AUD 28,850,000	McDonald's 3.45% 08/09/2026	17,686	0.59
EUR 10,000,000	Microsoft 3.125% 06/12/2028	11,347	0.38
USD 41,920,000	Microsoft 3.30% 06/02/2027	38,821	1.30
USD 6,450,000	Microsoft 3.45% 08/08/2036	6,308	0.21
USD 1,465,000	Mondelez International 2.75% 13/04/2030	1,276	0.04
EUR 13,560,000	Moody's 0.95% 25/02/2030	12,595	0.42
USD 9,855,000	MSCI 3.625% 01/09/2030	7,936	0.26
USD 4,326,000	MSCI 4.00% 15/11/2029	3,571	0.12
USD 9,800,000	Nike 2.85% 27/03/2030	8,820	0.29
USD 12,829,000	Nike 3.375% 27/03/2050	12,002	0.40
USD 12,590,000	Oracle 2.95% 01/04/2030	11,347	0.38
USD 11,706,000	Oracle 3.60% 01/04/2050	10,543	0.35
USD 5,450,000	Paypal 2.65% 01/10/2026	4,793	0.16
USD 5,450,000	Paypal 2.85% 01/10/2029	4,798	0.16
EUR 9,570,000	PepsiCo 1.125% 18/03/2031	9,193	0.31
USD 6,914,000	PepsiCo 2.625% 29/07/2029	6,186	0.21
USD 10,493,000	PepsiCo 3.375% 29/07/2049	9,741	0.33
USD 17,876,000	Pfizer 2.625% 01/04/2030	15,938	0.53
EUR 9,930,000	Procter & Gamble 1.20% 30/10/2028	9,867	0.33
USD 14,730,000	Procter & Gamble 3.00% 25/03/2030	13,649	0.46
USD 6,260,000	Procter & Gamble 3.55% 25/03/2040	6,091	0.20
USD 6,260,000	Procter & Gamble 3.60% 25/03/2050	6,366	0.21
USD 15,210,000	Public Storage 3.385% 01/05/2029	14,219	0.47
USD 34,921,000	salesforce.com 3.70% 11/04/2028	32,992	1.10
USD 16,068,000	Service International 4.625% 15/12/2027	13,557	0.45
USD 5,936,000	Service International 5.125% 01/06/2029	5,169	0.17
USD 11,370,000	Sirius XM Radio 4.125% 01/07/2030	9,100	0.30
USD 4,538,000	Sirius XM Radio 5.00% 01/08/2027	3,754	0.13
USD 12,045,000	Sirius XM Radio 5.375% 15/04/2025	10,012	0.33
USD 12,880,000	Sirius XM Radio 5.50% 01/07/2029	10,973	0.37
EUR 12,380,000	Stryker 1.00% 03/12/2031	11,108	0.37
USD 11,500,000	Sysco 3.55% 15/03/2025	10,000	0.33
USD 18,957,000	Sysco 5.95% 01/04/2030	19,272	0.64
USD 21,338,000	The Walt Disney Company 1.85% 30/07/2026	17,836	0.60
USD 20,535,000	The Walt Disney Company 2.00% 01/09/2029	16,935	0.57
EUR 3,660,000	Thermo Fisher Scientific 2.375% 15/04/2032	3,792	0.13
USD 2,748,000	Thermo Fisher Scientific 4.497% 25/03/2030	2,757	0.09
USD 17,475,000	T-Mobile USA 4.375% 15/04/2040	16,359	0.55
USD 2,534,000	T-Mobile USA 4.50% 01/02/2026	2,075	0.07
USD 3,997,000	T-Mobile USA 4.75% 01/02/2028	3,417	0.11
USD 10,020,000	T-Mobile USA 6.50% 15/01/2026	8,475	0.28
USD 8,210,000	TransDigm 6.25% 15/03/2026	6,628	0.22
USD 18,828,000	Upjohn 2.70% 22/06/2030	15,639	0.52
AUD 25,200,000	Verizon Communications 2.65% 06/05/2030	14,012	0.47
USD 13,683,000	Verizon Communications 4.016% 03/12/2029	13,207	0.44
AUD 16,640,000	Verizon Communications 4.50% 17/08/2027	10,781	0.36
USD 14,430,000	Verizon Communications 4.522% 15/09/2048	15,448	0.52

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
USD 1,593,000	VICI Properties 3.75% 15/02/2027	1,212	0.04
USD 7,323,000	VICI Properties 4.125% 15/08/2030	5,653	0.19
USD 5,430,000	VICI Properties 4.625% 01/12/2029	4,285	0.14
USD 6,966,000	Visa 2.05% 15/04/2030	5,908	0.20
USD 2,993,000	Visa 2.70% 15/04/2040	2,592	0.09
USD 39,000,000	Visa 2.75% 15/09/2027	34,802	1.16
USD 14,369,000	VMware 3.90% 21/08/2027	12,341	0.41
USD 15,600,000	VMware 4.70% 15/05/2030	13,925	0.46
EUR 8,000,000	Walmart 2.55% 08/04/2026	8,276	0.28
USD 13,610,000	Walmart 3.70% 26/06/2028	13,043	0.44
AUD 22,200,000	Wells Fargo 3.70% 27/07/2026	13,530	0.45
AUD 13,600,000	Wells Fargo 4.00% 27/04/2027	8,406	0.28
EUR 10,450,000	WMG Acquisition 2.75% 15/07/2028	9,642	0.32
USD 4,818,000	WMG Acquisition 3.875% 15/07/2020	3,939	0.13
USD 1,214,000	YUM! Brands 7.75% 01/04/2025	1,060	0.04
USD 15,949,000	Zayo Group 4.00% 01/03/2027	12,283	0.41
USD 10,812,000	Zoetis 2.00% 15/05/2030	8,997	0.30
USD 8,109,000	Zoetis 3.00% 15/05/2050	6,760	0.23
USD 6,018,000	Zoetis 3.90% 20/08/2028	5,736	0.19
		<u>1,985,359</u>	<u>66.29</u>
Index Linked Bond 0.43% (2019: 0.00%)			
USD 14,900,000	US Treasury 0.125% Index-Linked 15/01/2030	<u>12,985</u>	<u>0.43</u>
Secured Loans 0.76% (2019: 0.56%)²			
USD 10,820,029	McAfee FRN 30/09/2024 B	8,507	0.28
EUR 5,252,445	McAfee FRN 30/09/2024 B1	4,660	0.16
EUR 4,228,535	Refinitiv FRN 01/10/2025	3,761	0.13
USD 7,241,859	Refinitiv FRN 01/10/2025 B	5,719	0.19
		<u>22,647</u>	<u>0.76</u>
Derivatives (1.31%) (2019: (1.82%))			
Futures (0.07%) (2019: 0.08%)			
(98)	CBT US Long Bond September 2020	15	-
(1,920)	CBT US 10 Year Note September 2020	(1,230)	(0.04)
(470)	EUX Euro Bund September 2020	(880)	(0.03)
		<u>(2,095)</u>	<u>(0.07)</u>
Swaps 0.43% (2019: (0.07%))²			
Credit Default Index Swaps 0.43% (2019: 0.00%)²			
54,000,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	2,542	0.09
54,000,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	2,542	0.09
27,000,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	1,271	0.05
27,000,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	1,271	0.04
27,000,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	1,271	0.04
27,000,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	1,271	0.04
13,500,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	635	0.02

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Credit Default Index Swaps (continued)			
13,500,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	635	0.02
13,500,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	635	0.02
13,500,000	CDX 5.00% 20/06/2025 iTraxx-Crossover Receive EUR	635	0.02
		<u>12,708</u>	<u>0.43</u>
Credit Default Swaps 0.00% (2019: (0.07%))²			
10,750,000	CDS 1.00% 20/12/2020 Host Hotels Pay USD	(21)	-
10,750,000	CDS 1.00% 20/12/2020 Host Hotels Pay USD	(21)	-
9,000,000	CDS 1.00% 20/12/2021 Renault Pay EUR	89	-
		<u>47</u>	<u>-</u>
Forward Foreign Exchange Contracts (1.67%) (2019: (1.83%))²			
	Buy AUD 10,212,776 : Sell GBP 5,228,631 July 2020	462	0.02
	Buy AUD 162,111,392 : Sell GBP 89,243,492 September 2020	1,071	0.04
	Buy AUD 19,071,421 : Sell GBP 9,666,574 July 2020	960	0.03
	Buy AUD 19,176,956 : Sell GBP 9,623,082 July 2020	1,063	0.04
	Buy AUD 22,212,800 : Sell GBP 11,011,472 July 2020	1,366	0.05
	Buy AUD 22,973,347 : Sell GBP 11,923,203 July 2020	878	0.03
	Buy AUD 2,473,469 : Sell GBP 1,252,712 July 2020	126	-
	Buy AUD 272,000 : Sell GBP 141,850 July 2020	10	-
	Buy AUD 333,900 : Sell GBP 175,280 July 2020	11	-
	Buy AUD 345,100 : Sell GBP 185,102 August 2020	7	-
	Buy AUD 829,344 : Sell GBP 428,571 July 2020	34	-
	Buy AUD 832,352 : Sell GBP 431,994 July 2020	32	-
	Buy CAD 214,274,160 : Sell GBP 125,890,467 September 2020	1,396	0.05
	Buy CAD 23,161,431 : Sell GBP 13,278,048 July 2020	484	0.02
	Buy CAD 26,399,244 : Sell GBP 15,021,550 July 2020	664	0.02
	Buy CAD 308,593 : Sell GBP 177,384 July 2020	6	-
	Buy EUR 10,225,366 : Sell GBP 9,151,169 August 2020	151	0.01
	Buy EUR 11,083,979 : Sell GBP 9,750,993 July 2020	328	0.01
	Buy EUR 11,254,757 : Sell GBP 9,852,926 July 2020	381	0.01
	Buy EUR 11,329,967 : Sell GBP 10,105,014 August 2020	202	0.01
	Buy EUR 115,094 : Sell GBP 100,598 July 2020	4	-
	Buy EUR 123,476 : Sell GBP 110,582 September 2020	2	-
	Buy EUR 1,240,998 : Sell GBP 1,113,288 August 2020	16	-
	Buy EUR 1,258,664 : Sell GBP 1,100,219 July 2020	44	-
	Buy EUR 143,495 : Sell GBP 125,938 August 2020	5	-
	Buy EUR 14,539,696 : Sell GBP 12,684,161 July 2020	537	0.02
	Buy EUR 1,491,949 : Sell GBP 1,357,622 September 2020 ³	-	-
	Buy EUR 1,611,496 : Sell GBP 1,408,187 July 2020	57	-
	Buy EUR 1,980,373 : Sell GBP 1,727,256 July 2020	73	-
	Buy EUR 2,103,429 : Sell GBP 1,890,171 August 2020	23	-
	Buy EUR 218,296 : Sell GBP 197,567 September 2020	1	-
	Buy EUR 2,193,136 : Sell GBP 1,937,202 August 2020	58	-
	Buy EUR 2,282,880 : Sell GBP 2,051,478 September 2020	26	-
	Buy EUR 2,538,568 : Sell GBP 2,302,454 September 2020	8	-
	Buy EUR 2,648,863 : Sell GBP 2,313,121 July 2020	95	-
	Buy EUR 2,728,898 : Sell GBP 2,448,474 August 2020	34	-
	Buy EUR 309,980 : Sell GBP 275,916 August 2020	6	-
	Buy EUR 3,112,102 : Sell GBP 2,721,640 July 2020	108	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts <small>(continued)</small>			
	Buy EUR 3,481,439 : Sell GBP 3,061,037 July 2020	105	-
	Buy EUR 3,513,693 : Sell GBP 3,055,147 July 2020	140	-
	Buy EUR 3,522,514 : Sell GBP 3,096,813 July 2020	106	-
	Buy EUR 3,616,892 : Sell GBP 3,245,173 August 2020	45	-
	Buy EUR 369,001 : Sell GBP 327,688 August 2020	8	-
	Buy EUR 3,914,391 : Sell GBP 3,511,365 August 2020	50	-
	Buy EUR 402,331 : Sell GBP 359,877 August 2020	6	-
	Buy EUR 4,109,835 : Sell GBP 3,703,039 August 2020	36	-
	Buy EUR 4,505,332 : Sell GBP 3,954,323 July 2020	142	-
	Buy EUR 4,799,305 : Sell GBP 4,323,709 August 2020	42	-
	Buy EUR 52,000 : Sell GBP 45,720 July 2020	2	-
	Buy EUR 6,691,249 : Sell GBP 5,982,491 September 2020	108	-
	Buy EUR 6,758,383 : Sell GBP 5,990,480 July 2020	155	0.01
	Buy EUR 6,806,298 : Sell GBP 6,105,746 August 2020	86	-
	Buy EUR 692,875 : Sell GBP 616,741 August 2020	14	-
	Buy EUR 702,800 : Sell GBP 627,031 September 2020	13	-
	Buy EUR 837,176 : Sell GBP 754,197 August 2020	7	-
	Buy EUR 847,200 : Sell GBP 755,540 August 2020	15	-
	Buy EUR 8,498,075 : Sell GBP 7,617,036 September 2020	118	-
	Buy EUR 8,678,577 : Sell GBP 7,808,619 August 2020	87	-
	Buy GBP 1,005,899 : Sell USD 1,272,500 September 2020	(24)	-
	Buy GBP 10,146,424 : Sell USD 12,688,782 July 2020	(121)	-
	Buy GBP 10,497,678 : Sell EUR 11,844,674 July 2020	(273)	(0.01)
	Buy GBP 10,790,701 : Sell USD 13,437,195 September 2020	(80)	-
	Buy GBP 1,083,789 : Sell USD 1,343,124 July 2020	(3)	-
	Buy GBP 1,084,290 : Sell USD 1,360,455 September 2020	(16)	-
	Buy GBP 1,123,272 : Sell USD 1,401,973 July 2020	(11)	-
	Buy GBP 11,598,110 : Sell USD 14,372,108 July 2020	(32)	-
	Buy GBP 11,773,930 : Sell USD 14,667,879 July 2020	(95)	-
	Buy GBP 11,801,719 : Sell USD 14,781,937 July 2020	(160)	(0.01)
	Buy GBP 118,057,545 : Sell AUD 240,046,803 July 2020	(15,700)	(0.53)
	Buy GBP 1,189,445 : Sell EUR 1,347,388 July 2020	(36)	-
	Buy GBP 11,898,806 : Sell USD 14,817,630 September 2020	(88)	-
	Buy GBP 11,924,907 : Sell USD 14,961,789 July 2020	(182)	(0.01)
	Buy GBP 1,219,698 : Sell USD 1,503,110 August 2020	4	-
	Buy GBP 1,239,149 : Sell EUR 1,350,140 September 2020	10	-
	Buy GBP 1,250,031 : Sell EUR 1,410,290 July 2020	(32)	-
	Buy GBP 128,792,468 : Sell EUR 144,282,064 September 2020	(2,528)	(0.08)
	Buy GBP 12,981,102 : Sell USD 16,200,194 July 2020	(128)	-
	Buy GBP 13,201,084 : Sell USD 16,586,673 July 2020	(221)	(0.01)
	Buy GBP 13,207,443 : Sell EUR 15,047,101 July 2020	(475)	(0.02)
	Buy GBP 1,400,902 : Sell EUR 1,546,425 September 2020	(7)	-
	Buy GBP 14,391,679 : Sell USD 17,633,894 August 2020	124	-
	Buy GBP 14,494,153 : Sell USD 18,207,238 August 2020	(237)	(0.01)
	Buy GBP 146,637 : Sell USD 182,000 September 2020	(1)	-
	Buy GBP 14,958,831 : Sell USD 18,808,712 September 2020	(257)	(0.01)
	Buy GBP 150,452,610 : Sell EUR 171,716,815 August 2020	(5,763)	(0.20)
	Buy GBP 15,059,575 : Sell USD 18,761,172 July 2020	(122)	-
	Buy GBP 151,240 : Sell USD 184,800 August 2020	2	-
	Buy GBP 15,310,370 : Sell EUR 17,182,487 September 2020	(329)	(0.01)

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy GBP 154,781,395 : Sell EUR 175,407,396 July 2020	(4,717)	(0.17)
	Buy GBP 157,841 : Sell USD 193,851 July 2020	1	-
	Buy GBP 1,596,235 : Sell USD 1,961,645 July 2020	9	-
	Buy GBP 16,029,397 : Sell USD 20,210,075 July 2020	(325)	(0.01)
	Buy GBP 16,145,130 : Sell USD 20,149,914 July 2020	(160)	(0.01)
	Buy GBP 1,634,814 : Sell USD 2,020,854 September 2020 ³	-	-
	Buy GBP 1,655,555 : Sell EUR 1,826,961 September 2020	(7)	-
	Buy GBP 1,738,081 : Sell USD 2,121,188 August 2020	22	-
	Buy GBP 1,739,487 : Sell EUR 1,989,965 July 2020	(70)	-
	Buy GBP 17,512,971 : Sell USD 21,810,214 July 2020	(136)	-
	Buy GBP 17,814,784 : Sell EUR 20,309,409 July 2020	(653)	(0.02)
	Buy GBP 18,354,366 : Sell EUR 20,578,189 August 2020	(366)	(0.01)
	Buy GBP 183,863 : Sell USD 224,400 August 2020	2	-
	Buy GBP 18,596,177 : Sell USD 23,528,664 September 2020	(438)	(0.01)
	Buy GBP 1,937,966 : Sell USD 2,390,713 August 2020	4	-
	Buy GBP 19,642,311 : Sell EUR 22,005,381 August 2020	(377)	(0.01)
	Buy GBP 1,973,213 : Sell EUR 2,203,432 September 2020	(32)	-
	Buy GBP 1,981,376 : Sell USD 2,461,917 July 2020	(11)	-
	Buy GBP 1,993,289 : Sell EUR 2,202,233 September 2020	(11)	-
	Buy GBP 19,986,123 : Sell USD 24,670,804 July 2020	22	-
	Buy GBP 2,017,762 : Sell EUR 2,297,032 July 2020	(71)	-
	Buy GBP 2,091,487 : Sell USD 2,635,623 August 2020	(41)	-
	Buy GBP 21,053,079 : Sell USD 25,678,756 August 2020	277	0.01
	Buy GBP 21,062 : Sell EUR 23,500 September 2020 ³	-	-
	Buy GBP 21,220,966 : Sell USD 26,305,335 July 2020	(66)	-
	Buy GBP 21,252,809 : Sell USD 26,415,116 August 2020	(119)	-
	Buy GBP 2,270,955 : Sell EUR 2,603,501 July 2020	(96)	-
	Buy GBP 23,347,413 : Sell USD 29,197,481 July 2020	(279)	(0.01)
	Buy GBP 2,493,725 : Sell EUR 2,861,819 July 2020	(109)	-
	Buy GBP 250,935 : Sell USD 313,504 July 2020	(3)	-
	Buy GBP 2,522,112 : Sell USD 3,153,918 July 2020	(30)	-
	Buy GBP 2,538,264 : Sell USD 3,128,070 August 2020	7	-
	Buy GBP 2,698,160 : Sell EUR 3,083,768 July 2020	(106)	-
	Buy GBP 2,714,832 : Sell USD 3,455,759 September 2020	(81)	-
	Buy GBP 2,744,375 : Sell EUR 3,112,145 July 2020	(86)	-
	Buy GBP 275,908 : Sell USD 341,300 September 2020 ³	-	-
	Buy GBP 2,772,914 : Sell USD 3,405,717 July 2020	17	-
	Buy GBP 28,322 : Sell USD 34,763 September 2020 ³	-	-
	Buy GBP 284,316 : Sell EUR 325,227 July 2020	(11)	-
	Buy GBP 29,229,980 : Sell USD 35,642,523 August 2020	392	0.01
	Buy GBP 2,979,498 : Sell EUR 3,289,232 September 2020	(14)	-
	Buy GBP 3,057,083 : Sell USD 3,788,667 July 2020	(9)	-
	Buy GBP 30,723,412 : Sell USD 37,694,754 July 2020	220	0.01
	Buy GBP 312,630 : Sell USD 388,166 July 2020	(1)	-
	Buy GBP 3,213,649 : Sell EUR 3,655,253 July 2020	(110)	-
	Buy GBP 322,029,995 : Sell USD 400,000,000 July 2020	(1,654)	(0.06)
	Buy GBP 3,296,087 : Sell EUR 3,689,176 August 2020	(60)	-
	Buy GBP 3,302,687 : Sell EUR 3,695,508 August 2020	(59)	-
	Buy GBP 331,943 : Sell USD 414,501 August 2020	(3)	-
	Buy GBP 334,808 : Sell USD 426,200 September 2020	(10)	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy GBP 341,193 : Sell USD 435,440 September 2020	(11)	-
	Buy GBP 347,483 : Sell USD 421,500 August 2020	6	-
	Buy GBP 3,515,413 : Sell USD 4,387,615 July 2020	(35)	-
	Buy GBP 35,190 : Sell USD 43,505 September 2020 ³	-	-
	Buy GBP 3,622,081 : Sell EUR 4,079,599 August 2020	(89)	-
	Buy GBP 363,320,975 : Sell USD 450,000,000 August 2020	(766)	(0.03)
	Buy GBP 366,076,968 : Sell USD 455,037,823 July 2020	(2,144)	(0.07)
	Buy GBP 375,412,404 : Sell USD 476,102,484 September 2020	(9,737)	(0.34)
	Buy GBP 3,773,828 : Sell EUR 4,217,307 August 2020	(63)	-
	Buy GBP 380,772 : Sell EUR 426,941 August 2020	(8)	-
	Buy GBP 38,106 : Sell USD 46,774 August 2020 ³	-	-
	Buy GBP 3,869,125 : Sell USD 4,818,000 September 2020	(28)	-
	Buy GBP 3,917,519 : Sell EUR 4,394,265 September 2020	(82)	-
	Buy GBP 396,071 : Sell USD 499,400 July 2020	(8)	-
	Buy GBP 41,810,052 : Sell USD 51,704,640 July 2020	(30)	-
	Buy GBP 4,258,718 : Sell USD 5,290,613 September 2020	(21)	-
	Buy GBP 4,261,523 : Sell USD 5,206,203 August 2020	49	-
	Buy GBP 4,264,270 : Sell EUR 4,729,208 September 2020	(40)	-
	Buy GBP 4,331,778 : Sell USD 5,406,267 July 2020	(43)	-
	Buy GBP 44,745 : Sell USD 56,139 September 2020	(1)	-
	Buy GBP 4,479,968 : Sell USD 5,434,028 August 2020	83	-
	Buy GBP 4,503,353 : Sell EUR 5,051,739 September 2020	(95)	-
	Buy GBP 4,511,995 : Sell EUR 5,090,079 July 2020	(116)	-
	Buy GBP 4,596,939 : Sell USD 5,633,685 August 2020	39	-
	Buy GBP 4,685,877 : Sell USD 5,683,778 August 2020	87	-
	Buy GBP 4,903,646 : Sell USD 6,041,520 July 2020	15	-
	Buy GBP 4,906,911 : Sell USD 6,139,213 July 2020	(61)	-
	Buy GBP 49,239,476 : Sell USD 61,564,855 July 2020	(579)	(0.02)
	Buy GBP 5,060,243 : Sell USD 6,241,438 July 2020	10	-
	Buy GBP 516,605 : Sell USD 642,700 July 2020	(3)	-
	Buy GBP 521,785 : Sell EUR 598,192 July 2020	(22)	-
	Buy GBP 524,823 : Sell USD 652,156 July 2020	(3)	-
	Buy GBP 5,275,662 : Sell USD 6,584,596 July 2020	(53)	-
	Buy GBP 53,387 : Sell USD 66,000 August 2020 ³	-	-
	Buy GBP 542,490 : Sell EUR 617,302 July 2020	(19)	-
	Buy GBP 54,839 : Sell USD 68,300 September 2020 ³	-	-
	Buy GBP 5,633,239 : Sell USD 7,009,614 July 2020	(39)	-
	Buy GBP 564,587 : Sell USD 709,907 September 2020	(10)	-
	Buy GBP 5,721,837 : Sell EUR 6,369,003 September 2020	(75)	-
	Buy GBP 5,729,687 : Sell EUR 6,510,679 July 2020	(190)	(0.01)
	Buy GBP 587,971 : Sell USD 732,492 July 2020	(5)	-
	Buy GBP 6,026,410 : Sell USD 7,600,763 August 2020	(123)	-
	Buy GBP 618,640 : Sell EUR 709,217 July 2020	(26)	-
	Buy GBP 618,992 : Sell USD 762,800 August 2020	2	-
	Buy GBP 657,890 : Sell EUR 722,428 September 2020 ³	-	-
	Buy GBP 669,036 : Sell EUR 739,313 September 2020	(4)	-
	Buy GBP 6,698,128 : Sell USD 8,252,292 July 2020	20	-
	Buy GBP 6,810,537 : Sell USD 8,669,237 September 2020	(203)	(0.01)
	Buy GBP 68,160,458 : Sell USD 84,361,055 August 2020	(95)	-
	Buy GBP 7,089,654 : Sell EUR 7,827,083 September 2020	(34)	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy GBP 724,771 : Sell USD 894,000 July 2020	1	-
	Buy GBP 760,612 : Sell USD 958,991 July 2020	(15)	-
	Buy GBP 7,920,343 : Sell USD 9,959,294 September 2020	(136)	-
	Buy GBP 7,996,244 : Sell EUR 9,110,945 July 2020	(288)	(0.01)
	Buy GBP 80,433,509 : Sell CAD 140,993,183 July 2020	(3,339)	(0.12)
	Buy GBP 81,422,914 : Sell CAD 140,483,134 August 2020	(2,038)	(0.07)
	Buy GBP 8,154,193 : Sell EUR 9,200,000 July 2020	(211)	(0.01)
	Buy GBP 825,560 : Sell USD 1,024,615 September 2020	(3)	-
	Buy GBP 8,425,247 : Sell EUR 9,646,852 July 2020	(347)	(0.01)
	Buy GBP 8,493,903 : Sell EUR 9,365,876 September 2020	(31)	-
	Buy GBP 86,516,363 : Sell AUD 164,009,262 August 2020	(4,866)	(0.17)
	Buy GBP 8,804,969 : Sell USD 11,060,680 August 2020	(144)	-
	Buy GBP 8,816,498 : Sell USD 10,862,204 July 2020	27	-
	Buy GBP 9,209,878 : Sell EUR 10,527,326 July 2020	(363)	(0.01)
	Buy GBP 9,372,767 : Sell EUR 10,653,421 July 2020	(314)	(0.01)
	Buy GBP 9,456,716 : Sell EUR 10,450,000 September 2020	(55)	-
	Buy GBP 95,168 : Sell USD 116,400 August 2020	1	-
	Buy GBP 9,734,464 : Sell USD 12,214,300 September 2020	(146)	-
	Buy USD 1,060,200 : Sell GBP 843,188 September 2020	14	-
	Buy USD 1,101,955 : Sell GBP 873,704 August 2020	18	-
	Buy USD 113,700 : Sell GBP 90,750 September 2020	1	-
	Buy USD 11,777,574 : Sell GBP 9,503,215 July 2020	27	-
	Buy USD 1,223,476 : Sell GBP 998,398 August 2020	(9)	-
	Buy USD 12,466,266 : Sell GBP 9,793,321 August 2020	293	0.01
	Buy USD 1,406,152 : Sell GBP 1,119,382 August 2020	18	-
	Buy USD 14,068,129 : Sell GBP 11,537,555 August 2020	(155)	(0.01)
	Buy USD 15,705,425 : Sell GBP 12,490,318 September 2020	215	0.01
	Buy USD 16,199 : Sell GBP 12,910 July 2020 ³	-	-
	Buy USD 1,732,800 : Sell GBP 1,373,446 July 2020	29	-
	Buy USD 2,028,583 : Sell GBP 1,630,547 July 2020	11	-
	Buy USD 23,099,523 : Sell GBP 18,462,545 July 2020	230	0.01
	Buy USD 2,440,415 : Sell GBP 1,922,927 September 2020	51	-
	Buy USD 24,700,408 : Sell GBP 20,010,425 August 2020	(26)	-
	Buy USD 2,731,023 : Sell GBP 2,239,056 August 2020	(29)	-
	Buy USD 277,300 : Sell GBP 224,786 August 2020 ³	-	-
	Buy USD 2,860,586 : Sell GBP 2,267,208 July 2020	48	-
	Buy USD 3,031,337 : Sell GBP 2,452,343 September 2020 ³	-	-
	Buy USD 306,111 : Sell GBP 250,578 August 2020	(3)	-
	Buy USD 3,147,108 : Sell GBP 2,568,054 August 2020	(22)	-
	Buy USD 31,815,165 : Sell GBP 26,043,047 August 2020	(302)	(0.01)
	Buy USD 341,300 : Sell GBP 276,135 August 2020 ³	-	-
	Buy USD 343,425 : Sell GBP 272,523 August 2020	5	-
	Buy USD 442,975 : Sell GBP 358,194 August 2020 ³	-	-
	Buy USD 464,475 : Sell GBP 375,577 July 2020 ³	-	-
	Buy USD 476,238 : Sell GBP 379,590 September 2020	6	-
	Buy USD 496,650 : Sell GBP 404,713 July 2020	(3)	-
	Buy USD 49,973,505 : Sell GBP 40,126,627 July 2020	312	0.01
	Buy USD 512,361 : Sell GBP 408,389 September 2020	6	-
	Buy USD 523,500 : Sell GBP 411,239 August 2020	12	-
	Buy USD 559,722 : Sell GBP 459,021 August 2020	(6)	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy USD 5,750,664 : Sell GBP 4,662,512 July 2020	(9)	-
	Buy USD 6,248,969 : Sell GBP 5,040,824 July 2020	16	-
	Buy USD 698,500 : Sell GBP 561,404 July 2020	4	-
	Buy USD 704,055 : Sell GBP 566,732 September 2020	3	-
	Buy USD 759,062 : Sell GBP 609,233 July 2020	5	-
	Buy USD 760,686 : Sell GBP 597,585 August 2020	18	-
	Buy USD 89,950 : Sell GBP 73,244 July 2020 ³	-	-
	Buy USD 9,620,810 : Sell GBP 7,668,276 July 2020	117	-
	Buy USD 9,892,077 : Sell GBP 7,843,411 August 2020	160	0.01
		<u>(49,877)</u>	<u>(1.67)</u>
	Investment assets including investment liabilities	2,879,573	96.14
	Other net assets	115,615	3.86
	Total net assets	2,995,188	100.00

¹ Defaulted

² Unquoted securities

³ Due to rounding to nearest £1,000

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

Statement of total return for the year ended 30 June 2020

		2020		2019	
	Note	£000	£000	£000	£000
Income					
Net capital gains	2		99,117		109,202
Revenue	3	80,725		70,137	
Expenses	4	(19,260)		(15,689)	
Interest payable and similar charges	5	(92)		(42)	
Net revenue before taxation		61,373		54,406	
Taxation	6	19		(316)	
Net revenue after taxation			61,392		54,090
Total return before distributions			160,509		163,292
Distributions	7		(83,888)		(69,243)
Change in net assets attributable to shareholders from investment activities			76,621		94,049

Statement of change in net assets attributable to shareholders for the year ended 30 June 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		2,400,893		2,133,244
Amounts receivable on issue of shares	754,346		296,231	
Amounts payable on cancellation of shares	(275,159)		(150,165)	
		479,187		146,066
Dilution adjustment		493		-
Change in net assets attributable to shareholders from investment activities		76,621		94,049
Retained distributions on accumulation shares		37,988		27,529
Unclaimed distributions		6		5
Closing net assets attributable to shareholders		2,995,188		2,400,893

Balance sheet as at 30 June 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		2,946,688	2,322,700
Current assets:			
Debtors	8	51,376	47,853
Cash and bank balances	9	132,797	212,914
Total assets		3,130,861	2,583,467
Liabilities:			
Investment liabilities		67,115	49,083
Creditors:			
Amounts held at derivative clearing houses and brokers		11,977	2,087
Bank overdrafts		-	67,397
Distributions payable		14,973	10,365
Other creditors	10	41,608	53,642
Total liabilities		135,673	182,574
Net assets attributable to shareholders		2,995,188	2,400,893

Notes to the financial statements for the year ended 30 June 2020

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2020 £000	2019 £000
Derivative securities	5,978	15,256
Forward currency contracts	(51,256)	(76,142)
Non-derivative securities	143,868	170,776
Other currency gains/(losses)	540	(675)
Transaction costs	(13)	(13)
Net capital gains	99,117	109,202

3 Revenue

	2020 £000	2019 £000
Bank interest	651	891
Derivative revenue	5,710	(559)
Interest on debt securities	72,824	68,202
Interest on margin	15	37
Stock lending revenue	189	229
UK dividends	1,336	1,337
Total revenue	80,725	70,137

4 Expenses

	2020 £000	2019 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	16,867	13,807
GAC*	2,167	1,709
	19,034	15,516
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	105	82
Safe custody fees	121	91
	226	173
Total expenses	19,260	15,689

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £12,799 (2019: £12,799).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	92	42
Total interest payable and similar charges	92	42

6 Taxation

a) Analysis of charge in the year

The tax charge comprises

	2020 £000	2019 £000
Current tax		
Overseas withholding tax	(19)	316
Total tax (note 6b)	(19)	316

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	61,373	54,406
Corporation tax at 20% (2019: 20%)	12,275	10,881
Effects of:		
Overseas withholding tax	(19)	316
Revenue being paid as interest distributions	(12,008)	(10,551)
Tax effect of expensed double taxation relief	-	(63)
UK dividends*	(267)	(267)
Tax charge for the year (note 6a)	(19)	316

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

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2019: nil).

d) Factors that may affect future tax charges

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

Notes to the financial statements (continued)

7 Distributions

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

	2020 £000	2019 £000
Interim income	31,975	31,842
Interim accumulation	24,499	20,334
Final income	14,973	10,365
Final accumulation	13,489	7,195
	<u>84,936</u>	<u>69,736</u>
Amounts deducted on cancellation of shares	1,318	490
Amounts received on issue of shares	(2,366)	(983)
Total distributions	<u>83,888</u>	<u>69,243</u>
Net revenue after taxation	61,392	54,090
Annual management charge borne by the capital account	16,867	13,807
Effective yield coupon based adjustment	5,629	1,347
Undistributed revenue brought forward	1	-
Undistributed revenue carried forward	(1)	(1)
Total distributions	<u>83,888</u>	<u>69,243</u>

Details of the distribution per share are set out in the Distribution tables on pages 338 to 341.

8 Debtors

	2020 £000	2019 £000
Accrued revenue	27,662	21,211
Amounts receivable for issue of shares	6,204	6,106
Currency transactions awaiting settlement	12,602	20,526
Overseas withholding tax reclaimable	-	10
Sales awaiting settlement	4,908	-
Total debtors	<u>51,376</u>	<u>47,853</u>

9 Cash and bank balances

	2020 £000	2019 £000
Amounts held at derivative clearing houses and brokers	36,539	8,013
Cash and bank balances	95,998	203,321
Cash pledged as collateral	260	1,580
Total cash and bank balances	<u>132,797</u>	<u>212,914</u>

Notes to the financial statements (continued)

10 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	1,526	1,233
Accrued Depositary's fee	10	17
Accrued other expenses	247	172
Amounts payable for cancellation of shares	5,029	1,667
Derivative revenue payable	6	26
Currency transactions awaiting settlement	12,572	20,528
Purchases awaiting settlement	22,218	29,999
Total other creditors	41,608	53,642

11 Contingent liabilities and commitments

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

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 324 and 325 and notes 4, 7, 8 and 10 on pages 326 to 329 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

There were no material shareholders at the year end (2019: nil).

13 Shareholders' funds

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

	2020 %	2019 %
Class A	1.25	1.25
Class E ¹	0.75	n/a
Class G ²	0.50	n/a
Class I	0.60	0.60
Class ³	0.00	0.00

¹ Class E income launched on 8 July 2019.

² Class G accumulation and Class G income launched on 5 May 2020.

³ Charges for managing Z class shares are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 301 to 307. The distribution per share class is given in the Distribution tables on pages 338 to 341. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation as at 30 June 2020

	Class A income	Class E income	Class G accumulation	Class G income
Opening number of shares	95,504,454	-	-	-
Issues during the year	10,403,157	202,277	2,959,943	560
Cancellations during the year	(10,544,943)	(389,763)	(7)	(23)
Shares converted during the year	(6,402,522)	5,782,971	-	-
Closing shares in issue	88,960,146	5,595,485	2,959,936	537

	Class I accumulation	Class I income	Class Z accumulation
Opening number of shares	277,514,358	943,875,930	3,057,563
Issues during the year	135,931,412	171,610,254	41,680
Cancellations during the year	(37,664,429)	(91,324,381)	(509,634)
Shares converted during the year	189,703	80,184	(702)
Closing shares in issue	375,971,044	1,024,241,987	2,588,907

14 Financial derivatives

The fund may use financial derivatives for efficient portfolio management and for meeting the investment objectives including risk reduction and implementation of investment policies.

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

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

There was cash collateral pledged in respect of derivatives as at 30 June 2020 of £260,000 (2019: £1,580,000). There was no collateral held in respect of derivatives as at 30 June 2020 (2019: £1,307,777).

2020

At 30 June 2020 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Credit default swaps £000	Credit default index swaps £000	Forward foreign exchange contracts £000
BNP Paribas	-	-	15,086
Barclays	89	-	-
Citigroup	-	12,708	-
UBS	-	-	-
	89	12,708	15,086

Counterparty	Futures £000	Total by counterparty £000
BNP Paribas	-	15,086
Barclays	-	89
Citigroup	-	12,708
UBS	15	15
	15	27,898

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2019

At 30 June 2019 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	3,009	-	3,009
Credit Suisse	330	-	330
UBS	81	2,030	2,111
	3,420	2,030	5,450

15 Stock lending

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

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

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

2020 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of Nova Scotia	10,830	12,185	Equity
BNP Paribas	6,318	6,719	Corporate Bond
BNP Paribas	383	407	Government Bond
	6,701	7,126	
Credit Suisse	2,617	3,031	Corporate Bond
Credit Suisse	1,743	2,019	Government Bond
	4,360	5,050	
Deutsche Bank	7	8	Equity
JP Morgan	27,647	29,507	Government Bond
	49,545	53,876	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	222	33	189

Notes to the financial statements (continued)

15 Stock lending (continued)

2019 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Barclays	2,614	2,748	Government Bond
Deutsche Bank	2,061	2,290	Equity
Goldman Sachs	209	260	Government Bond
JP Morgan	2,116	2,294	Corporate Bond
JP Morgan	9,147	9,800	Government Bond
	<u>11,263</u>	<u>12,094</u>	
Morgan Stanley	17,904	18,742	Government Bond
Natixis	560	622	Equity
Société Générale	208,501	231,668	Equity
	<u>243,112</u>	<u>268,424</u>	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	269	40	229

16 Risk

Currency risk

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

Interest rate risk

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

2020	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
Australian dollar	-	81,740	6,791	88,531
Canadian dollar	-	21,795	2,750	24,545
Euro	42,763	510,855	16,216	569,834
UK sterling	195,361	265,487	16,412	477,260
US dollar	109,797	1,836,565	24,329	1,970,691
Total	<u>347,921</u>	<u>2,716,442</u>	<u>66,498</u>	<u>3,130,861</u>

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk (continued)

2019	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
Australian dollar	-	354,331	2,721	357,052
Canadian dollar	-	238,571	1,222	239,793
Euro	21,853	424,091	25,269	471,213
Japanese yen	-	-	411	411
UK sterling	277,033	198,713	33,360	509,106
US dollar	55,872	940,076	9,944	1,005,892
Total	354,758	2,155,782	72,927	2,583,467

2020	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
Euro	11,237	-	17,675	28,912
UK sterling	-	-	95,423	95,423
US dollar	740	42	10,556	11,338
Total	11,977	42	123,654	135,673

2019	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
Euro	1,297	113	20,560	21,970
UK sterling	67,453	1	80,790	148,244
US dollar	734	1,560	10,066	12,360
Total	69,484	1,674	111,416	182,574

Credit Ratings

	Market value £000	Percentage of total net assets %
2020		
Investments		
Investment grade (AAA - BBB)	2,135,070	71.28
Below investment grade (BB and below)	698,117	23.31
Unrated	65,274	2.18
Total debt securities	2,898,461	96.77
Derivatives	(39,217)	(1.31)
Equities	20,329	0.68
Investment assets including investment liabilities	2,879,573	96.14
Other net assets	115,615	3.86
Total net assets	2,995,188	100.00

Notes to the financial statements (continued)

16 Risk (continued)

Credit Ratings (continued)

	Market value £000	Percentage of total net assets %
2019		
Investments		
Investment grade (AAA - BBB)	1,848,763	77.00
Below investment grade (BB and below)	429,715	17.90
Unrated	19,148	0.80
Total debt securities	2,297,626	95.70
Derivatives	(43,633)	(1.82)
Equities	19,624	0.82
Investment assets including investment liabilities	2,273,617	94.70
Other net assets	127,276	5.30
Total net assets	2,400,893	100.00

Sensitivity analysis

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

VaR Results	Global Exposure Calculation Basis	Actual VaR in year			VaR limit	Utilisation of VaR limit		
		Minimum %	Maximum %	Average %		Minimum %	Maximum %	Average %
2020	Absolute VaR	0.93	6.10	2.63	20.00	4.64	30.51	13.16
2019	Absolute VaR	1.28	2.31	1.81	20.00	6.38	11.54	9.05

Leverage

	Minimum %	Maximum %	Average %
2020	98.37	263.14	149.95
2019	100.87	300.60	146.81

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Amounts held at derivatives clearing houses and brokers	11,977	-	-	-
Derivative financial liabilities	-	67,115	-	-
Distribution payable	-	14,973	-	-
Other creditors	-	41,608	-	-
Total	11,977	123,696	-	-

Notes to the financial statements (continued)

16 Risk (continued)

Liquidity risk (continued)

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2019				
Amounts held at derivatives clearing houses and brokers	2,087	-	-	-
Bank overdrafts	67,397	-	-	-
Derivative financial liabilities	-	47,409	1,674	-
Distribution payable	-	10,365	-	-
Other creditors	-	53,642	-	-
Total	69,484	111,416	1,674	-

17 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	13,019*	2,110	295,430*	68
Level 2	2,933,669	65,005	2,027,270	49,015
Level 3	-	-	-	-
	2,946,688	67,115	2,322,700	49,083

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £12,984,934 as at 30 June 2020 (2019: £293,400,184).

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trades in the year				
Debt securities	2,525,044	1,330,160	2,047,303	1,151,842
Equities	27,750	-	24,633	-
Trades in the year before transaction costs	2,552,794	1,330,160	2,071,936	1,151,842
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Equities	8	-	7	-
Total commissions	8	-	7	-
Taxes				
Debt securities	-	-	-	-
Equities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Equities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	8	-	7	-
Total net trades in the year after transaction costs	2,552,802	1,330,160	2,071,929	1,151,842

	Purchases		Sales	
	2020	2019	2020	2019
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Debt securities	-	-	-	-
Equities	0.03	-	0.03	-
Taxes				
Debt securities	-	-	-	-
Equities	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Equities	-	-	-	-
	2020	2019		
	%	%		

Total transaction costs expressed as a percentage of net asset value

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

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

There were no in specie transfers during the year (2019: nil). There were corporate actions during the year of £19,633,053 (2019: £11,595,566).

There were direct transaction costs associated with derivatives in the year of £46,276 (2019: £123,469) which is 0.00% of the average net asset value of the fund (2019: 0.01%).

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

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

The portfolio dealing spread as at 30 June 2020 was 0.50% (2019: 0.38%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 15 October 2020, the Net Asset Value of the fund had increased.

Distribution tables for the year ended 30 June 2020 (in pence per share)

Interim interest distribution (accounting date 30 September 2019, paid on 29 November 2019)

Group 1: shares purchased prior to 1 July 2019

Group 2: shares purchased on or after 1 July 2019

	Distribution per share	Equalisation	Total distribution per share 29/11/19	Total distribution per share 30/11/18
Class A income				
Group 1	0.8653	-	0.8653	0.9826
Group 2	0.4300	0.4353	0.8653	0.9826
Class E income¹				
Group 1	0.8679	-	0.8679	n/a
Group 2	0.3784	0.4895	0.8679	n/a
Class I accumulation				
Group 1	2.4882	-	2.4882	2.7070
Group 2	1.1733	1.3149	2.4882	2.7070
Class I income				
Group 1	0.9714	-	0.9714	1.0906
Group 2	0.5158	0.4556	0.9714	1.0906
Class Z accumulation				
Group 1	2.7744	-	2.7744	2.9902
Group 2	1.4654	1.3090	2.7744	2.9902

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2019, paid on 28 February 2020)

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased on or after 1 October 2019

	Distribution per share	Equalisation	Total distribution per share 28/02/20	Total distribution per share 28/02/19
Class A income				
Group 1	0.7755	-	0.7755	0.9888
Group 2	0.4521	0.3234	0.7755	0.9888
Class E income¹				
Group 1	0.7774	-	0.7774	n/a
Group 2	0.3951	0.3823	0.7774	n/a
Class I accumulation				
Group 1	2.2563	-	2.2563	2.7525
Group 2	1.2433	1.0130	2.2563	2.7525
Class I income				
Group 1	0.8743	-	0.8743	1.0998
Group 2	0.5566	0.3177	0.8743	1.0998
Class Z accumulation				
Group 1	2.5253	-	2.5253	3.0448
Group 2	0.9219	1.6034	2.5253	3.0448

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 March 2020, paid on 29 May 2020)

Group 1: shares purchased prior to 1 January 2020

Group 2: shares purchased on or after 1 January 2020

	Distribution per share	Equalisation	Total distribution per share 29/05/20	Total distribution per share 31/05/19
Class A income				
Group 1	0.9708	-	0.9708	0.9012
Group 2	0.5542	0.4166	0.9708	0.9012
Class E income¹				
Group 1	0.9738	-	0.9738	n/a
Group 2	0.4550	0.5188	0.9738	n/a
Class I accumulation				
Group 1	2.8304	-	2.8304	2.5382
Group 2	1.5184	1.3120	2.8304	2.5382
Class I income				
Group 1	1.0898	-	1.0898	1.0056
Group 2	0.6286	0.4612	1.0898	1.0056
Class Z accumulation				
Group 1	3.1592	-	3.1592	2.8161
Group 2	1.4589	1.7003	3.1592	2.8161

¹ Class E income launched on 8 July 2019.

Distribution tables (continued)

Final interest distribution (accounting date 30 June 2020, paid on 28 August 2020)

Group 1: shares purchased prior to 1 April 2020

Group 2: shares purchased on or after 1 April 2020

	Distribution per share	Equalisation	Total distribution per share 28/08/20	Total distribution per share 30/08/19
Class A income				.
Group 1	1.2030	-	1.2030	0.9002
Group 2	0.6875	0.5155	1.2030	0.9002
Class E income¹				
Group 1	1.2086	-	1.2086	n/a
Group 2	0.4051	0.8035	1.2086	n/a
Class G accumulation²				
Group 1	2.5479	-	2.5479	n/a
Group 2	1.1184	1.4295	2.5479	n/a
Class G income²				
Group 1	0.9711	-	0.9711	n/a
Group 2	0.2319	0.7392	0.9711	n/a
Class I accumulation				
Group 1	3.5404	-	3.5404	2.5613
Group 2	2.5121	1.0283	3.5404	2.5613
Class I income				
Group 1	1.3508	-	1.3508	1.0070
Group 2	0.8238	0.5270	1.3508	1.0070
Class Z accumulation				
Group 1	3.9473	-	3.9473	2.8468
Group 2	3.1881	0.7592	3.9473	2.8468

¹ Class E income launched on 8 July 2019.

² Class G accumulation and Class G income launched on 5 May 2020.

Janus Henderson UK Equity Income & Growth Fund

Authorised Corporate Director's report

Investment Fund Managers

James Henderson and Laura Foll

Investment objective and policy

The fund aims to provide a dividend income, with prospects for both income and capital growth over the long term (5 years or more).

The fund invests at least 80% of its assets in shares (also known as equities) of companies, in any industry, in the UK. The broad universe in which the fund may invest includes companies in the FTSE All Share Index and those listed on the London Stock Exchange AIM market. The fund will typically have a bias towards small and medium sized companies.

The fund is actively managed with reference to the FTSE All Share Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the fund's performance. The investment manager has discretion to choose investments for the fund with weightings different to the index or not in the index, but at times the fund may hold investments similar to the index.

Performance summary

	30 Jun 19 - 30 Jun 20 %	30 Jun 18 - 30 Jun 19 %	30 Jun 17 - 30 Jun 18 %	30 Jun 16 - 30 Jun 17 %	30 Jun 15 - 30 Jun 16 %
Class I income (Net)	(22.1)	(8.0)	3.3	23.2	(8.2)
FTSE All Share Index	(13.0)	0.6	9.0	18.1	2.2
IA UK Equity Income Sector	(13.7)	(2.5)	6.2	19.4	(1.7)

Source: Morningstar

Class I income (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Benchmark values are at close of business.

Class I income is disclosed as it is the representative share class.

Benchmark Usage

Index: FTSE All Share Index

Index usage: Comparator

Index description: The FTSE All Share Index is a measure of the combined performance of a large number of the companies listed on the London Stock Exchange and includes large, medium and smaller companies. It provides a useful comparison against which the fund's performance can be assessed over time.

Peer group: IA UK Equity Income Sector

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

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.

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 30 June 2020

Largest purchases	£000	Largest sales	£000
Royal Bank of Scotland	3,427	HSBC	7,143
GlaxoSmithKline	3,017	Greene King	5,054
Land Securities	2,307	Avon Rubber	4,902
Unilever	2,177	Castings	2,553
Lloyds Banking	2,103	Chesnara	2,370
M&G	2,071	Croda International	2,099
Mondi	1,939	Sabre Insurance	2,095
Aviva	1,846	Numis	2,077
Tesco	1,775	Phoenix	1,969
Hipgnosis Songs Fund	1,590	Royal Dutch Shell 'A'	1,900
Total purchases	33,570	Total sales	61,556

Investment review

The fund fell 22.1% based on Class I income (Net) over the year under review, compared with a fall of 13.0% in the FTSE All Share Index and a fall of 13.7% in the IA UK Equity Income Sector peer group benchmark.

It was a year of two halves. In the six months to the end of December, the market rose modestly, helped by a decisive outcome to the general election. In the following six months, the market fell sharply as the economic implications of the response to COVID-19 became increasingly evident. Within the six months since the end of December, the worst-performing sectors in the market were those most directly impacted by the response to the virus. This included oil and gas (where the oil price fell materially due to lower demand for fuel), financials (where the true impairment number on loans was difficult to judge, and interest rates were further reduced, hurting margins), and consumer services such as retailers (many of which had to close temporarily during the lockdown).

At the sector level, the two largest detractors from returns were the overweight positions in the industrial and financial sectors. Within the industrial sector, industrial activity had already been subdued in the second half of 2019 as a result of the trade war between the US and China. This was then exacerbated in the first half of 2020 by COVID-19, meaning that industrial activity reached very low levels from which it now seems to be tentatively recovering. In our view, when we see sales begin to recover, the substantial amount of costs that have recently been taken out could mean that the drop through from sales to earnings is higher than expected. Within financials, the portfolio held more in insurers than banks. In the non-life insurance sector, we held some writers of business interruption insurance such as Hiscox, where there has been uncertainty about what aspects of pandemic-related losses are covered under insurance policies. There should be greater clarity on this later this year as a test case is soon to reach the UK High Court. We continued to hold positions such as Hiscox as it has, historically, generated good returns and grown its retail business successfully in the US.

At the stock level, the largest contributor to returns was defence equipment producer Avon Rubber. The company completed an acquisition from 3M of a defence business that made helmets and body armour, fitting in well with its existing gas mask business. The position was reduced during the year as, following a strong share price performance, the valuation was high versus where it had traded historically.

Of the shares held in the portfolio, the largest detractor from performance was aerospace components supplier Senior. As a result of COVID-19, passenger miles flown in 2020 are expected to fall materially from 2019 levels. This has had a knock-on impact throughout the aerospace supply chain, with Airbus and Boeing reducing production rates and, therefore, Senior will likely need to produce fewer components.

During the year, a new position was added in the Hipgnosis Songs Fund. The FTSE 250 Index-listed investment trust owns a back catalogue of songs from which it collects royalties. These royalty streams come from a variety of different sources including streaming services like Spotify, songs playing on the radio or on television advertising. The music industry, having suffered from high levels of piracy historically, has returned to modest growth as a result of streaming services. We took the view that the value of these back catalogues would continue to grow (although this would come with a note of caution that streaming services are still relatively nascent and, therefore, it is difficult to forecast with any real accuracy future growth rates). Hipgnosis Songs Fund pays an over 4% dividend yield. A new position was also added in Tesco. The company has re-set pricing in the UK so that on many core lines it is now competitive with the discount supermarkets, and has maintained an attractive operating margin.

This year will be a very difficult one for dividend income, with UK dividends forecast to fall in the region of 40%. It is now clear which sectors will not be paying dividends in the short term – for example, the majority of retailers and industrial companies. The bigger question now that the short-term outlook is clearer is when and at what level dividend payments will resume. Our view is that UK dividends will grow in 2021 but will not recover to 2019 levels. The management teams of some companies held in the portfolio (such as RSA Insurance) have expressed their desire to return to paying a dividend. There could also be a return to paying from some of the banking sector such as HSBC, which has paid no dividends this year.

A positive that may result from this period of material dividend cuts is that income generation in the UK is likely to become more balanced. While historically UK income generation was heavily dependent on a few key income payers, including Royal Dutch Shell, this is likely to be different in future. This will mean starting from a lower dividend yield, although it could lead to better, diversified and more sustainable dividend payments from the UK market in future.

Comparative tables for the year ended 30 June 2020

	Class A accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	698.63	764.83	745.04
Return before operating charges*	(151.52)	(54.20)	32.51
Operating charges	(10.94)	(12.00)	(12.72)
Return after operating charges*	(162.46)	(66.20)	19.79
Distributions on accumulation shares	(22.09)	(30.35)	(26.86)
Retained distributions on accumulation shares	22.09	30.35	26.86
Closing net asset value per share	536.17	698.63	764.83
* after direct transaction costs of:	0.55	0.23	0.28

Performance

Return after charges	(23.25%)	(8.66%)	2.66%
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Other information

Closing net asset value (£000s)	119	499	611
Closing number of shares	22,199	71,392	79,918
Operating charges	1.70%	1.70%	1.69%
Direct transaction costs	0.09%	0.03%	0.04%

Prices

Highest share price (pence)	739.00	771.50	785.90
Lowest share price (pence)	442.00	644.90	715.80

	Class A income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	556.07	636.06	642.29
Return before operating charges*	(117.95)	(45.30)	27.47
Operating charges	(8.60)	(9.85)	(10.84)
Return after operating charges*	(126.55)	(55.15)	16.63
Distributions on income shares	(17.41)	(24.84)	(22.86)
Closing net asset value per share	412.11	556.07	636.06
* after direct transaction costs of:	0.43	0.18	0.24

Performance

Return after charges	(22.76%)	(8.67%)	2.59%
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Other information

Closing net asset value (£000s)	11,308	44,915	56,176
Closing number of shares	2,743,847	8,077,260	8,831,845
Operating charges	1.70%	1.70%	1.69%
Direct transaction costs	0.09%	0.03%	0.04%

Prices

Highest share price (pence)	577.00	641.60	664.10
Lowest share price (pence)	344.30	531.00	603.00

Comparative tables (continued)

	Class C income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	157.35	179.98	181.75
Return before operating charges*	(33.29)	(12.82)	7.77
Operating charges	(2.51)	(2.78)	(3.07)
Return after operating charges*	(35.80)	(15.60)	4.70
Distributions on income shares	(4.93)	(7.03)	(6.47)
Closing net asset value per share	116.62	157.35	179.98
* after direct transaction costs of:	0.13	0.05	0.07
Performance			
Return after charges	(22.75%)	(8.67%)	2.59%
Other information			
Closing net asset value (£000s)	4,176	112,933	134,198
Closing number of shares	3,581,272	71,771,287	74,561,211
Operating charges	1.70%	1.70%	1.69%
Direct transaction costs	0.09%	0.03%	0.04%
Prices			
Highest share price (pence)	163.30	181.60	187.90
Lowest share price (pence)	97.43	150.30	170.60

Class E accumulation 08/07/19 - 30/06/20 (pence per share)

Change in net assets per share	
Opening net asset value per share	707.70 ¹
Return before operating charges*	(161.39)
Operating charges	(7.48)
Return after operating charges*	(168.87)
Distributions on accumulation shares	(22.16)
Retained distributions on accumulation shares	22.16
Closing net asset value per share	538.83
* after direct transaction costs of:	0.55
Performance	
Return after charges	(23.86%) ²
Other information	
Closing net asset value (£000s)	260
Closing number of shares	48,300
Operating charges	1.20%
Direct transaction costs	0.09%
Prices	
Highest share price (pence)	741.00
Lowest share price (pence)	443.60

¹ Class E accumulation launched on 8 July 2019 and this is the first published price.

² Return after charges relates to the period 08/07/19 - 30/06/20 post conversion from the A accumulation share class. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

Comparative tables (continued)

Class E income 08/07/19 - 30/06/20 (pence per share)

Change in net assets per share

Opening net asset value per share	159.42 ³
Return before operating charges*	(35.63)
Operating charges	(1.66)
Return after operating charges*	(37.29)
Distributions on income shares	(4.94)
Closing net asset value per share	117.19
* after direct transaction costs of:	0.12

Performance

Return after charges	(23.39%) ⁴
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Other information

Closing net asset value (£000s)	97,129
Closing number of shares	82,882,125
Operating charges	1.20%
Direct transaction costs	0.09%

Prices

Highest share price (pence)	163.70
Lowest share price (pence)	97.77

³ Class E income launched on 8 July 2019 and this is the first published price.

⁴ Return after charges relates to the period 08/07/19 - 30/06/20 post conversion from the A income share class. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

Comparative tables (continued)

	Class G accumulation	
	2020	2019
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	101.47	100.00 ⁵
Return before operating charges*	(22.16)	1.73
Operating charges	(0.68)	(0.26)
Return after operating charges*	(22.84)	1.47
Distributions on accumulation shares	(2.91)	(2.32)
Retained distributions on accumulation shares	2.91	2.32
Closing net asset value per share	78.63	101.47
* after direct transaction costs of:	0.08	0.03
Performance		
Return after charges	(22.51%)	1.47%
Other information		
Closing net asset value (£000s)	142	1
Closing number of shares	180,037	542
Operating charges	0.74%	0.71%
Direct transaction costs	0.09%	0.03%
Prices		
Highest share price (pence)	107.90	103.50
Lowest share price (pence)	64.65	97.68

⁵ Class G accumulation launched on 14 February 2019 and this is the first published price.

	Class I accumulation		
	2020	2019	2018
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	1,306.42	1,418.06	1,369.70
Return before operating charges*	(285.00)	(100.58)	59.87
Operating charges	(10.14)	(11.06)	(11.51)
Return after operating charges*	(295.14)	(111.64)	48.36
Distributions on accumulation shares	(42.79)	(57.90)	(51.08)
Retained distributions on accumulation shares	42.79	57.90	51.08
Closing net asset value per share	1,011.28	1,306.42	1,418.06
* after direct transaction costs of:	1.03	0.42	0.51
Performance			
Return after charges	(22.59%)	(7.87%)	3.53%
Other information			
Closing net asset value (£000s)	16,254	26,502	38,334
Closing number of shares	1,607,301	2,028,561	2,703,243
Operating charges	0.84%	0.84%	0.83%
Direct transaction costs	0.09%	0.03%	0.04%
Prices			
Highest share price (pence)	1,388.00	1,431.00	1,456.00
Lowest share price (pence)	831.80	1,201.00	1,324.00

Comparative tables (continued)

	Class I income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	634.32	720.13	721.71
Return before operating charges*	(135.27)	(51.33)	30.97
Operating charges	(4.86)	(5.54)	(6.00)
Return after operating charges*	(140.13)	(56.87)	24.97
Distributions on income shares	(20.55)	(28.94)	(26.55)
Closing net asset value per share	473.64	634.32	720.13
* after direct transaction costs of:	0.49	0.21	0.27

Performance

Return after charges	(22.09%)	(7.90%)	3.46%
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Other information

Closing net asset value (£000s)	35,959	64,663	94,388
Closing number of shares	7,592,037	10,194,024	13,107,161
Operating charges	0.84%	0.84%	0.83%
Direct transaction costs	0.09%	0.03%	0.04%

Prices

Highest share price (pence)	660.80	726.60	749.20
Lowest share price (pence)	395.00	603.60	681.50

	Class Z accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	213.95	230.44	220.84
Return before operating charges*	(46.91)	(16.36)	9.71
Operating charges	(0.12)	(0.13)	(0.11)
Return after operating charges*	(47.03)	(16.49)	9.60
Distributions on accumulation shares	(7.07)	(9.51)	(8.32)
Retained distributions on accumulation shares	7.07	9.51	8.32
Closing net asset value per share	166.92	213.95	230.44
* after direct transaction costs of:	0.17	0.07	0.08

Performance

Return after charges	(21.98%)	(7.16%)	4.35%
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Other information

Closing net asset value (£000s)	9,808	19,312	21,807
Closing number of shares	5,876,066	9,026,198	9,463,157
Operating charges	0.06%	0.06%	0.05%
Direct transaction costs	0.09%	0.03%	0.04%

Prices

Highest share price (pence)	228.40	232.60	236.40
Lowest share price (pence)	137.00	195.90	214.80

Comparative tables (continued)

	Class Z income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	199.34	224.60	223.41
Return before operating charges*	(42.72)	(16.02)	9.62
Operating charges	(0.11)	(0.12)	(0.11)
Return after operating charges*	(42.83)	(16.14)	9.51
Distributions on income shares	(6.53)	(9.12)	(8.32)
Closing net asset value per share	149.98	199.34	224.60
* after direct transaction costs of:	0.15	0.07	0.08

Performance

Return after charges	(21.49%)	(7.19%)	4.26%
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Other information

Closing net asset value (£000s)	1,649	1,986	2,310
Closing number of shares	1,099,559	996,105	1,028,457
Operating charges	0.06%	0.06%	0.05%
Direct transaction costs	0.09%	0.03%	0.04%

Prices

Highest share price (pence)	208.40	226.70	223.40
Lowest share price (pence)	124.80	189.00	212.20

	Class A accumulation (EUR hedged)		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	980.17	1,075.69	1,051.55
Return before operating charges*	(202.34)	(78.38)	42.19
Operating charges	(15.10)	(17.14)	(18.05)
Return after operating charges*	(217.44)	(95.52)	24.14
Distributions on accumulation shares	(30.54)	(41.50)	(37.87)
Retained distributions on accumulation shares	30.54	41.50	37.87
Closing net asset value per share	762.73	980.17	1,075.69
* after direct transaction costs of:	0.76	0.32	0.40

Performance

Return after charges (Share class base currency)	(22.18%)	(8.88%)	2.30%
Return after charges (Share class currency hedged)	(23.40%)	(9.94%)	1.57%

Other information

Closing net asset value (£000s)	5	6	130
Closing number of shares	650	650	12,051
Operating charges	1.70%	1.70%	1.69%
Direct transaction costs	0.09%	0.03%	0.04%

Prices

Highest share price (Euro cents)	1,152.00	1,227.00	1,251.00
Lowest share price (Euro cents)	691.10	1,018.00	1,141.00

Comparative tables (continued)

	Class A accumulation (USD hedged)		
	2020	2019	2018
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	928.48	963.07	941.31
Return before operating charges*	(161.77)	(18.16)	37.36
Operating charges	(14.70)	(16.43)	(15.60)
Return after operating charges*	(176.47)	(34.59)	21.76
Distributions on accumulation shares	(30.44)	(34.38)	(33.10)
Retained distributions on accumulation shares	30.44	34.38	33.10
Closing net asset value per share	752.01	928.48	963.07
* after direct transaction costs of:	0.74	0.31	0.34
Performance			
Return after charges (Share class base currency)	(19.01%)	(3.59%)	2.31%
Return after charges (Share class currency hedged)	(21.37%)	(7.06%)	3.99%
Other information			
Closing net asset value (£000s)	2	2	258
Closing number of shares	250	250	26,811
Operating charges	1.70%	1.70%	1.69%
Direct transaction costs	0.09%	0.03%	0.04%
Prices			
Highest share price (USD cents)	1,260.00	1,283.00	1,304.00
Lowest share price (USD cents)	761.30	1,081.00	1,186.00

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

Operating charges

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

Share class launches and closures

The following share classes launched in the year:

Share class	Launch date
Class E accumulation	8 July 2019
Class E income	8 July 2019

There were no share classes closed in the year.

Share class conversion	Conversion date
Class A accumulation to Class E accumulation	8 July 2019
Class A income to Class E income	8 July 2019

The conversion of A share classes to the E share classes was performed to benefit investors who do not use a financial adviser as a lower management fee is charged because there are no commission payments bundled within it. The E share classes are available for direct investment.

Hedged share classes

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

Ongoing charge figure

The annualised 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.

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class A	1.70 ²	1.70	1.74
Class C	1.70 ²	1.70	1.74
Class E³	1.20 ²	n/a	1.24
Class G	0.74 ⁴	0.71	0.75
Class I	0.84 ⁵	0.84	0.86
Class Z	0.06 ⁴	0.06	0.08
Class A accumulation (EUR hedged)	1.70 ²	1.70	1.73
Class A accumulation (USD hedged)	1.70 ²	1.70	1.73

The OCF is calculated in accordance with guidelines issued by the ESMA.

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 30 June 2020.

² The GAC on Class A, Class C and Class E increased from 0.18% to 0.22% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

³ Class E accumulation and E income launched on 8 July 2019 so there are no prior year comparatives.

⁴ The GAC on Class G and Class Z increased from 0.045% to 0.06% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

⁵ The GAC on Class I increased from 0.075% to 0.09% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

Risk and reward profile

The fund currently has 12 types of share class in issue; A accumulation, A income, C income, E accumulation, E income, G accumulation, I accumulation, I income, Z accumulation, Z income, A accumulation (EUR hedged) and A accumulation (USD hedged).

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



The share classes appear at 5 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class G accumulation launched on 14 February 2019. Class E accumulation and Class E income launched on 8 July 2019. As these share classes do not have a 5 year history, a synthetic history has been created for Class G accumulation using the fund's relevant sector average and for Class E accumulation and Class E income using the A accumulation and A income share classes.

Portfolio statement as at 30 June 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 100.48% (2019: 99.50%)		
	Ireland 0.00% (2019: 0.29%)		
	Financials 0.00% (2019: 0.29%)		
	Netherlands 4.57% (2019: 7.40%)		
	Oil & Gas 4.57% (2019: 7.40%)		
340,000	Royal Dutch Shell 'A'	4,376	2.47
302,808	Royal Dutch Shell 'B'	3,706	2.10
		<u>8,082</u>	<u>4.57</u>
	Singapore 0.63% (2019: 0.47%)		
	Utilities 0.63% (2019: 0.47%)		
7,007,349	Simec Atlantis Energy	<u>1,121</u>	<u>0.63</u>
	United Kingdom 94.40% (2019: 90.58%)		
	Basic Materials 4.28% (2019: 2.20%)		
125,000	Anglo American	2,337	1.32
63,549	Croda International	3,340	1.89
125,000	Mondi	<u>1,888</u>	<u>1.07</u>
		<u>7,565</u>	<u>4.28</u>
	Consumer Goods 4.79% (2019: 1.67%)		
45,000	Bellway	1,146	0.65
50,000	British American Tobacco	1,552	0.88
600,000	Headlam	1,704	0.96
1,250,000	Taylor Wimpey	1,783	1.01
52,500	Unilever	<u>2,286</u>	<u>1.29</u>
		<u>8,471</u>	<u>4.79</u>
	Consumer Services 5.49% (2019: 7.55%)		
825,000	Cineworld	499	0.28
1,418,202	Conviviality ¹	-	-
85,356,657	Fastjet	128	0.07
3,931,657	FastJet (Warrants) ²	-	-
994,601	Halfords	1,512	0.86
2,481,634	Marston's	1,319	0.75
500,000	Mirriad Advertising	100	0.06
1,755,000	Shoe Zone	1,474	0.83
800,694	Studio Retail Group	1,778	1.00
695,559	Ten Entertainment	1,182	0.67
750,000	Tesco	<u>1,711</u>	<u>0.97</u>
		<u>9,703</u>	<u>5.49</u>
	Financials 36.67% (2019: 38.58%)		
3,591,500	ACHP ²	-	-
1,500,362	Appreciate	440	0.25
1,100,000	Aviva	3,010	1.70
1,541,947	Chesnara	4,456	2.52
32,905,500	Deltic Energy	247	0.14
1,763,199	Direct Line Insurance	4,778	2.70
300,860	EPE Special Opportunities	<u>519</u>	<u>0.29</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Financials (continued)			
1,050,000	Hammerson REIT	843	0.48
1,508,333	Hipgnosis Songs Fund	1,750	0.99
353,411	Hiscox	2,787	1.58
1,206,683	HSBC	4,569	2.58
203,500,000	Hume Capital Securities ¹	-	-
1,557,401	International Personal Finance	815	0.46
400,000	Land Securities	2,212	1.25
4,000,000	Lloyds Banking	1,247	0.71
1,661,949	M&G	2,785	1.57
1,049,976	Numis	3,328	1.88
1,739,500	Palace Capital	2,988	1.69
941,415	Phoenix	6,062	3.43
513,123	Provident Financial	904	0.51
511,949	Prudential	6,237	3.54
1,422,260	Royal Bank of Scotland	1,729	0.98
350,000	RSA Insurance	1,434	0.81
436,120	Sabre Insurance	1,151	0.65
801,661	St. Modwen Properties	2,770	1.57
1,000,000	Standard Chartered	4,401	2.49
1,256,250	Standard Life Aberdeen	3,362	1.90
		<u>64,824</u>	<u>36.67</u>
Health Care 5.55% (2019: 3.20%)			
600,000	GlaxoSmithKline	9,820	5.55
300,000	Oxford Pharmascience ¹	-	-
		<u>9,820</u>	<u>5.55</u>
Industrials 25.17% (2019: 27.70%)			
52,500	Avon Rubber	1,680	0.95
698,076	Babcock International	2,165	1.22
650,000	BAE Systems	3,142	1.78
1,203,531	Balfour Beatty	3,139	1.78
1,900,965	Carillion ¹	-	-
633,805	Castings	2,332	1.32
1,797,275	Epwin	1,215	0.69
327,425	Hill & Smith	4,073	2.30
650,000	Ibstock	1,169	0.66
3,800,400	iEnergizer	7,525	4.25
194,266	IMI	1,792	1.01
324,701	Interserve ¹	-	-
1,444,000	Johnson Service	1,669	0.94
736,411	Meggitt	2,167	1.23
1,350,000	Morgan Advanced Materials	3,254	1.84
1,277,655	Redde Northgate	2,121	1.20
755,035	Rolls-Royce	2,155	1.22
3,126,329	Senior	2,184	1.24
1,650,000	TT Electronics	2,714	1.54
		<u>44,496</u>	<u>25.17</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Oil & Gas 5.05% (2019: 4.27%)		
1,514,254	BP	4,652	2.64
7,250,000	Ilika	3,915	2.21
180,000	Indus Gas	359	0.20
		<u>8,926</u>	<u>5.05</u>
	Telecommunications 2.20% (2019: 1.44%)		
3,013,235	Vodafone	<u>3,883</u>	<u>2.20</u>
	Utilities 5.20% (2019: 3.97%)		
2,350,000	Centrica	906	0.51
400,000	National Grid	3,957	2.24
175,000	Severn Trent	<u>4,338</u>	<u>2.45</u>
		<u>9,201</u>	<u>5.20</u>
	United States 0.88% (2019: 0.76%)		
	Industrials 0.88% (2019: 0.76%)		
736,980	Somero Enterprises	<u>1,562</u>	<u>0.88</u>
	Derivatives 0.00% (2019: 0.00%)		
	Forward Foreign Exchange Contracts (Hedged share classes) 0.00% (2019: 0.00%)³		
	Buy EUR 146 : Sell GBP 131 July 2020 ⁴	-	-
	Buy EUR 43 : Sell GBP 39 July 2020 ⁴	-	-
	Buy EUR 5,404 : Sell GBP 4,849 July 2020 ⁴	-	-
	Buy EUR 57 : Sell GBP 52 July 2020 ⁴	-	-
	Buy EUR 79 : Sell GBP 72 July 2020 ⁴	-	-
	Buy GBP 107 : Sell EUR 119 July 2020 ⁴	-	-
	Buy GBP 24 : Sell USD 30 July 2020 ⁴	-	-
	Buy GBP 24 : Sell USD 30 July 2020 ⁴	-	-
	Buy GBP 41 : Sell USD 50 July 2020 ⁴	-	-
	Buy GBP 56 : Sell USD 70 July 2020 ⁴	-	-
	Buy GBP 63 : Sell EUR 70 July 2020 ⁴	-	-
	Buy GBP 64 : Sell EUR 70 July 2020 ⁴	-	-
	Buy USD 2,392 : Sell GBP 1,902 July 2020 ⁴	-	-
	Buy USD 25 : Sell GBP 20 July 2020 ⁴	-	-
	Buy USD 34 : Sell GBP 27 July 2020 ⁴	-	-
	Buy USD 62 : Sell GBP 50 July 2020 ⁴	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
	Investment assets	177,654	100.48
	Other net liabilities	(843)	(0.48)
	Total net assets	176,811	100.00

¹ Suspended or delisted securities

² Manually priced securities

³ Unquoted securities

⁴ Due to rounding to nearest £1,000

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

Statement of total return for the year ended 30 June 2020

		2020		2019	
	Note	£000	£000	£000	£000
Income					
Net capital losses	2		(61,543)		(37,849)
Revenue	3	8,452		13,402	
Expenses	4	(2,411)		(3,779)	
Interest payable and similar charges	5	-		(2)	
Net revenue before taxation		6,041		9,621	
Taxation	6	(62)		(92)	
Net revenue after taxation			5,979		9,529
Total return before distributions			(55,564)		(28,320)
Distributions	7		(8,042)		(12,879)
Change in net assets attributable to shareholders from investment activities			(63,606)		(41,199)

Statement of change in net assets attributable to shareholders for the year ended 30 June 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		270,819		348,212
Amounts receivable on issue of shares	9,412		7,127	
Amounts payable on cancellation of shares	(41,051)		(45,542)	
		(31,639)		(38,415)
Change in net assets attributable to shareholders from investment activities		(63,606)		(41,199)
Retained distributions on accumulation shares		1,194		2,187
Unclaimed distributions		43		34
Closing net assets attributable to shareholders		176,811		270,819

Balance sheet as at 30 June 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		177,654	269,478
Current assets:			
Debtors	8	579	1,679
Cash and bank balances	9	741	5,373
Total assets		178,974	276,530
Liabilities:			
Creditors:			
Bank overdrafts		240	-
Distributions payable		1,461	3,689
Other creditors	10	462	2,022
Total liabilities		2,163	5,711
Net assets attributable to shareholders		176,811	270,819

Notes to the financial statements for the year ended 30 June 2020

1 Accounting policies

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

2 Net capital losses

Net capital losses on investments during the year comprise:

	2020 £000	2019 £000
Forward currency contracts	-	(41)
Forward currency contracts on hedged share classes	1	(2)
Non-derivative securities	(61,527)	(37,806)
Other currency (losses)/gains	(4)	11
Transaction costs	(13)	(11)
Net capital losses	(61,543)	(37,849)

3 Revenue

	2020 £000	2019 £000
Bank interest	19	9
Overseas dividends	1,262	1,615
Stock lending revenue	23	78
UK dividends	6,997	11,585
UK REIT revenue - PID	89	78
UK REIT revenue - non PID	60	-
Underwriting commission	2	37
Total revenue	8,452	13,402

4 Expenses

	2020 £000	2019 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	2,063	3,350
GAC*	322	396
	2,385	3,746
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	20	26
Safe custody fees	6	7
	26	33
Total expenses	2,411	3,779

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £10,316 (2019: £10,316).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	-	2
Total interest payable and similar charges	-	2

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2020 £000	2019 £000
Current tax		
Overseas withholding tax	62	92
Total tax (note 6b)	62	92

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	6,041	9,621
Corporation tax at 20% (2019: 20%)	1,208	1,924
Effects of:		
Irrecoverable overseas tax	62	92
Overseas dividends	(252)	(323)
UK dividends*	(1,412)	(2,317)
Unused management expenses	456	716
Tax charge for the year (note 6a)	62	92

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

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2019: 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 £23,553,413 (2019: £23,097,728) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

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

	2020 £000	2019 £000
Interim income	5,222	6,806
Interim accumulation	930	1,430
Final income	1,461	3,689
Final accumulation	264	757
	<u>7,877</u>	<u>12,682</u>
Amounts deducted on cancellation of shares	231	248
Amounts received on issue of shares	(66)	(51)
Total distributions	<u>8,042</u>	<u>12,879</u>
Net revenue after taxation	5,979	9,529
Annual management charge borne by the capital account	2,063	3,350
Total distributions	<u>8,042</u>	<u>12,879</u>

Details of the distribution per share are set out in the Distribution tables on pages 369 to 372.

8 Debtors

	2020 £000	2019 £000
Accrued revenue	378	1,370
Amounts receivable for issue of shares	95	218
Income tax receivable	6	3
Overseas withholding tax reclaimable	100	88
Total debtors	<u>579</u>	<u>1,679</u>

9 Cash and bank balances

	2020 £000	2019 £000
Cash and bank balances	741	5,373
Total cash and bank balances	<u>741</u>	<u>5,373</u>

Notes to the financial statements (continued)

10 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	136	256
Accrued Depositary's fee	1	4
Accrued other expenses	29	33
Amounts payable for cancellation of shares	296	439
Purchases awaiting settlement	-	1,290
Total other creditors	462	2,022

11 Contingent liabilities and commitments

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

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 357 and 358 and notes 4, 7, 8 and 10 on pages 359 to 362 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

There were no material shareholders at the year end (2019: nil).

13 Shareholders' funds

The fund currently has 6 share classes available; Class A (Retail with front-end charges), Class C (Institutional), Class E (Retail), Class G (Institutional), Class I (Institutional) and Class Z (Institutional). The annual management charge on each share class is as follows:

	2020 %	2019 %
Class A	1.50	1.50
Class C	1.50	1.50
Class E ¹	1.00	n/a
Class G ²	0.675	0.675
Class I	0.75	0.75
Class Z ³	0.00	0.00

¹ Class E accumulation and Class E income launched on 8 July 2019.

² Class G accumulation launched on 14 February 2019.

³ Charges for managing Z class shares are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 345 to 351. The distribution per share class is given in the Distribution tables on pages 369 to 372. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation as at 30 June 2020

	Class A accumulation	Class A income	Class C income	Class E accumulation
Opening number of shares	71,392	8,077,260	71,771,287	-
Issues during the year	7,007	76,936	111,009	2,078
Cancellations during the year	(9,700)	(541,305)	(508,960)	(734)
Shares converted during the year	(46,500)	(4,869,044)	(67,792,064)	46,956
Closing shares in issue	22,199	2,743,847	3,581,272	48,300

	Class E income	Class G accumulation	Class I accumulation	Class I income
Opening number of shares	-	542	2,028,561	10,194,024
Issues during the year	2,970,047	188,070	65,742	479,692
Cancellations during the year	(4,918,268)	(8,575)	(487,526)	(3,122,332)
Shares converted during the year	84,830,346	-	524	40,653
Closing shares in issue	82,882,125	180,037	1,607,301	7,592,037

	Class Z accumulation	Class Z income	Class A accumulation (EUR hedged)	Class A accumulation (USD hedged)
Opening number of shares	9,026,198	996,105	650	250
Issues during the year	305,722	171,292	3,025	-
Cancellations during the year	(3,455,854)	(67,838)	(3,025)	-
Shares converted during the year	-	-	-	-
Closing shares in issue	5,876,066	1,099,559	650	250

14 Financial derivatives

The fund may use financial derivatives for efficient portfolio management and for meeting the investment objectives including risk reduction and implementation of investment policies.

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 30 June 2020 (2019: nil).

2020

The fund had no exposure to derivatives as at 30 June 2020 with a positive market value.

2019

The fund had no exposure to derivatives as at 30 June 2019 with a positive market value.

Notes to the financial statements (continued)

15 Stock lending

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

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

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

2020		Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Counterparty				
ABN Amro		10,877	12,086	Equity
Bank of Nova Scotia		2,044	2,296	Equity
Citigroup		37	43	Equity
Credit Suisse		1,451	1,657	Equity
Morgan Stanley		460	485	Government Bond
		14,869	16,567	
		Direct and indirect costs and fees deducted by securities lending agent £000		
Recipient	Relationship	Total gross amount of stock lending revenue £000		Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	27	4	23

Notes to the financial statements (continued)

15 Stock lending (continued)

2019 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
ABN Amro	12,374	13,818	Equity
Bank of Nova Scotia	2,932	3,258	Equity
Citigroup	52	59	Equity
Credit Suisse	761	884	Equity
Deutsche Bank	2,420	2,690	Equity
JP Morgan	99	110	Equity
Merrill Lynch	49	54	Government Bond
Natixis	17,636	19,604	Equity
Société Générale	3	3	Equity
	36,326	40,480	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	92	14	78

16 Risk

Currency risk

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

Interest rate risk

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

Other market price risk

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

Leverage

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

Notes to the financial statements (continued)

16 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Bank overdrafts	240	-	-	-
Distribution payable	-	1,461	-	-
Other creditors	-	462	-	-
Total	240	1,923	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2019				
Distribution payable	-	3,689	-	-
Other creditors	-	2,022	-	-
Total	-	5,711	-	-

17 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	177,654	-	269,478	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	177,654	-	269,478	-

Notes to the financial statements (continued)

18 Direct transactions costs

	Purchases		Sales	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trades in the year				
Equities	33,401	18,275	61,582	60,019
Trades in the year before transaction costs	33,401	18,275	61,582	60,019
Transaction costs				
Commissions				
Equities	12	6	26	26
Total commissions	12	6	26	26
Taxes				
Equities	157	63	-	-
Total taxes	157	63	-	-
Other expenses				
Equities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	169	69	26	26
Total net trades in the year after transaction costs	33,570	18,344	61,556	59,993

	Purchases		Sales	
	2020	2019	2020	2019
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.03	0.04	0.04
Taxes				
Equities	0.47	0.34	-	-
Other expenses				
Equities	-	-	-	-
	2020	2019		
	%	%		

Total transaction costs expressed as a percentage of net asset value

Commissions	0.02	0.01
Taxes	0.07	0.02
Other expenses	-	-
Total costs	0.09	0.03

There were no in specie transfers during the year (2019: nil). There were corporate actions during the year of £2,310,619 (2019: £390,885).

There were no direct transaction costs associated with derivatives in the year (2019: nil).

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

The portfolio dealing spread as at 30 June 2020 was 1.11% (2019: 0.99%). The portfolio dealing spread is calculated at a 12 noon valuation point.

Notes to the financial statements (continued)

19 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 15 October 2020, the Net Asset Value is £167,341,863 which is a drop of 5.4% from the balance sheet date. The fall in NAV is due to the fall in value of the underlying investments and net outflows from the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

Distribution tables for the year ended 30 June 2020 (in pence per share)

Interim dividend distribution (accounting date 30 September 2019, paid on 29 November 2019)

Group 1: shares purchased prior to 1 July 2019

Group 2: shares purchased on or after 1 July 2019

	Distribution per share	Equalisation	Total distribution per share 29/11/19	Total distribution per share 30/11/18
Class A accumulation				
Group 1	9.4446	-	9.4446	7.2936
Group 2	6.4611	2.9835	9.4446	7.2936
Class A income				
Group 1	7.5227	-	7.5227	6.0663
Group 2	1.3508	6.1719	7.5227	6.0663
Class C income				
Group 1	2.1292	-	2.1292	1.7164
Group 2	0.2876	1.8416	2.1292	1.7164
Class E accumulation¹				
Group 1	9.4454	-	9.4454	n/a
Group 2	4.7815	4.6639	9.4454	n/a
Class E income¹				
Group 1	2.1290	-	2.1290	n/a
Group 2	0.2889	1.8401	2.1290	n/a
Class G accumulation²				
Group 1	0.9653	-	0.9653	n/a
Group 2	0.9653	-	0.9653	n/a
Class I accumulation				
Group 1	18.0144	-	18.0144	13.9089
Group 2	7.7394	10.2750	18.0144	13.9089
Class I income				
Group 1	8.7479	-	8.7479	7.0632
Group 2	2.1140	6.6339	8.7479	7.0632
Class Z accumulation				
Group 1	2.9451	-	2.9451	2.2759
Group 2	2.9451	-	2.9451	2.2759
Class Z income				
Group 1	2.7658	-	2.7658	2.2206
Group 2	2.1693	0.5965	2.7658	2.2206
Class A accumulation (EUR hedged)³				
Group 1	15.7956	-	15.7956	11.6237
Group 2	1.6168	14.1788	15.7956	11.6237
Class A accumulation (USD hedged)⁴				
Group 1	16.3846	-	16.3846	5.0075
Group 2	16.3846	-	16.3846	5.0075

¹ Class E accumulation and Class E income launched on 8 July 2019.

² Class G accumulation launched on 14 February 2019.

³ in Euro cents per share

⁴ in USD cents per share

Distribution tables (continued)

Interim dividend distribution (accounting date 31 December 2019, paid on 28 February 2020)

Group 1: shares purchased prior to 1 October 2019

Group 2: shares purchased on or after 1 October 2019

	Distribution per share	Equalisation	Total distribution per share 28/02/20	Total distribution per share 28/02/19
Class A accumulation				
Group 1	5.8870	-	5.8870	5.8228
Group 2	3.2393	2.6477	5.8870	5.8228
Class A income				
Group 1	4.6214	-	4.6214	4.7957
Group 2	1.4582	3.1632	4.6214	4.7957
Class C income				
Group 1	1.3069	-	1.3069	1.3568
Group 2	0.3520	0.9549	1.3069	1.3568
Class E accumulation¹				
Group 1	5.8973	-	5.8973	n/a
Group 2	3.0215	2.8758	5.8973	n/a
Class E income¹				
Group 1	1.3100	-	1.3100	n/a
Group 2	0.3550	0.9550	1.3100	n/a
Class G accumulation²				
Group 1	0.8854	-	0.8854	n/a
Group 2	0.8854	-	0.8854	n/a
Class I accumulation				
Group 1	11.3857	-	11.3857	11.1594
Group 2	6.8016	4.5841	11.3857	11.1594
Class I income				
Group 1	5.4520	-	5.4520	5.6124
Group 2	1.2463	4.2057	5.4520	5.6124
Class Z accumulation				
Group 1	1.8894	-	1.8894	1.8335
Group 2	1.8894	-	1.8894	1.8335
Class Z income				
Group 1	1.7330	-	1.7330	1.7712
Group 2	0.3878	1.3452	1.7330	1.7712
Class A accumulation (EUR hedged)³				
Group 1	9.2444	-	9.2444	9.2368
Group 2	7.2157	2.0287	9.2444	9.2368
Class A accumulation (USD hedged)⁴				
Group 1	10.1264	-	10.1264	9.9137
Group 2	10.1264	-	10.1264	9.9137

¹ Class E accumulation and Class E income launched on 8 July 2019.

² Class G accumulation launched on 14 February 2019.

³ in Euro cents per share

⁴ in USD cents per share

Distribution tables (continued)

Interim dividend distribution (accounting date 31 March 2020, paid on 29 May 2020)

Group 1: shares purchased prior to 1 January 2020

Group 2: shares purchased on or after 1 January 2020

	Distribution per share	Equalisation	Total distribution per share 29/05/20	Total distribution per share 31/05/19
Class A accumulation				
Group 1	1.6235	-	1.6235	5.9871
Group 2	-	1.6235	1.6235	5.9871
Class A income				
Group 1	1.2944	-	1.2944	4.8848
Group 2	-	1.2944	1.2944	4.8848
Class C income				
Group 1	0.3656	-	0.3656	1.3824
Group 2	-	0.3656	0.3656	1.3824
Class E accumulation¹				
Group 1	1.6622	-	1.6622	n/a
Group 2	0.3321	1.3301	1.6622	n/a
Class E income¹				
Group 1	0.3669	-	0.3669	n/a
Group 2	-	0.3669	0.3669	n/a
Class G accumulation				
Group 1	0.2741	-	0.2741	0.7345
Group 2	0.2741	-	0.2741	0.7345
Class I accumulation				
Group 1	3.4361	-	3.4361	11.4914
Group 2	-	3.4361	3.4361	11.4914
Class I income				
Group 1	1.6330	-	1.6330	5.7240
Group 2	0.7497	0.8833	1.6330	5.7240
Class Z accumulation				
Group 1	0.5610	-	0.5610	1.8950
Group 2	0.5610	-	0.5610	1.8950
Class Z income				
Group 1	0.5285	-	0.5285	1.8092
Group 2	-	0.5285	0.5285	1.8092
Class A accumulation (EUR hedged)²				
Group 1	2.5549	-	2.5549	9.3918
Group 2	1.4416	1.1133	2.5549	9.3918
Class A accumulation (USD hedged)³				
Group 1	2.8370	-	2.8370	10.1325
Group 2	2.8370	-	2.8370	10.1325

¹ Class E accumulation and Class E income launched on 8 July 2019.

² in Euro cents per share

³ in USD cents per share

Distribution tables (continued)

Final dividend distribution (accounting date 30 June 2020, paid on 28 August 2020)

Group 1: shares purchased prior to 1 April 2020

Group 2: shares purchased on or after 1 April 2020

	Distribution per share	Equalisation	Total distribution per share 28/08/20	Total distribution per share 30/08/19
Class A accumulation				
Group 1	5.1346	-	5.1346	11.2446
Group 2	2.1059	3.0287	5.1346	11.2446
Class A income				
Group 1	3.9762	-	3.9762	9.0978
Group 2	1.2894	2.6868	3.9762	9.0978
Class C income				
Group 1	1.1268	-	1.1268	2.5742
Group 2	0.1301	0.9967	1.1268	2.5742
Class E accumulation¹				
Group 1	5.1597	-	5.1597	n/a
Group 2	2.3060	2.8537	5.1597	n/a
Class E income¹				
Group 1	1.1310	-	1.1310	n/a
Group 2	0.1464	0.9846	1.1310	n/a
Class G accumulation				
Group 1	0.7806	-	0.7806	1.5863
Group 2	0.7806	-	0.7806	1.5863
Class I accumulation				
Group 1	9.9527	-	9.9527	21.3416
Group 2	3.0067	6.9460	9.9527	21.3416
Class I income				
Group 1	4.7122	-	4.7122	10.5342
Group 2	1.9011	2.8111	4.7122	10.5342
Class Z accumulation				
Group 1	1.6774	-	1.6774	3.5029
Group 2	1.0313	0.6461	1.6774	3.5029
Class Z income				
Group 1	1.5019	-	1.5019	3.3217
Group 2	0.9159	0.5860	1.5019	3.3217
Class A accumulation (EUR hedged)²				
Group 1	7.1145	-	7.1145	17.4787
Group 2	7.1145	-	7.1145	17.4787
Class A accumulation (USD hedged)³				
Group 1	8.9055	-	8.9055	19.0701
Group 2	8.9055	-	8.9055	19.0701

¹ Class E accumulation and Class E income launched on 8 July 2019.

² in Euro cents per share

³ in USD cents per share

Janus Henderson UK Smaller Companies Fund

Authorised Corporate Director's report

Investment Fund Manager

Neil Hermon

Investment objective and policy

The fund aims to provide capital growth over the long term (5 years or more).

The fund invests at least 80% of its assets in shares (also known as equities) of smaller companies, in any industry, in the UK. Companies will be incorporated, headquartered, listed on an exchange in, or deriving significant revenue from, the UK.

The fund is actively managed with reference to the Numis Smaller Companies ex Investment Companies Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the fund's performance. The investment manager has discretion to choose investments for the fund with weightings different to the index or not in the index, but at times the fund may hold investments similar to the index.

Performance summary

	30 Jun 19 - 30 Jun 20 %	30 Jun 18 - 30 Jun 19 %	30 Jun 17 - 30 Jun 18 %	30 Jun 16 - 30 Jun 17 %	30 Jun 15 - 30 Jun 16 %
Class I accumulation (Net)	(7.7)	(4.8)	17.1	37.7	(8.9)
Numis Smaller Companies ex Investment Companies Index	(15.0)	(5.4)	7.6	29.1	(6.6)
IA UK Smaller Companies	(6.4)	(6.2)	16.9	36.6	(5.7)

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 12 noon valuation point.

Benchmark values are at close of business.

Class I accumulation is disclosed as it is the representative share class.

Benchmark Usage

Index: Numis Smaller Companies ex Investment Companies Index

Index usage: Comparator

Index description: The Numis Smaller Companies ex Investment Companies Index is a measure of the combined performance of smaller companies (the bottom 10%) listed on the London Stock Exchange excluding investment companies. It provides a useful comparison against which the fund's performance can be assessed over time.

Peer group: IA UK Smaller Companies

Peer group usage: Comparator

Peer group description: The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

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.

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 30 June 2020

Largest purchases	£000	Largest sales	£000
Bellway	2,278	Aveva	3,443
Chemring	2,181	Consort Medical	2,849
Intermediate Capital	2,160	Ibstock	2,516
Mitchells & Butlers	2,093	Jupiter Fund Management	2,140
Clinigen	1,879	Spirent Communications	1,715
Savills	1,855	Intermediate Capital	1,503
Ascential	1,746	Unite	1,446
Paragon Banking	1,709	Scapa	1,030
Cineworld	1,541	SIG	1,002
Future	1,480	John Laing	871
Total purchases	92,099	Total sales	33,989

Investment review

The fund fell 7.7% based on Class I accumulation (Net) over the year under review, compared with a fall of 15.0% in the Numis Smaller Companies ex Investment Trusts Index and a fall of 6.4% in the IA UK Smaller Companies peer group benchmark.

The year was a volatile but ultimately negative one for equity markets. Highlights included the Conservative Party's resounding election victory, which reduced political uncertainty. The market was also relieved by the US/China trade agreement after protracted negotiations.

The impact of COVID-19 had profoundly negative repercussions for markets. In order to contain the outbreak, strict controls were enforced, which resulted in a sharp drop in global economic activity. Fiscal and monetary measures were introduced in many countries including the UK, which, in conjunction with falling COVID-19 case numbers in Western Europe, helped markets rally from the low levels reached in March 2020.

Contributors to performance included Team17 and Avon Rubber. Team17, a computer gaming company, rose 87% as sales and profits exceeded expectations due to the successful launch of new titles and strong performance from its back catalogue. Avon Rubber, a defence and dairy products business, rose 136% after it delivered strong growth and made a highly synergistic defence acquisition.

Negative contributors to performance included Cineworld and Burford Capital. Cineworld, a cinema operator, fell 73%, as COVID-19 forced its operations to close for an indefinite period. The company has high leverage and was also in the process of buying Canadian rival Cineplex. Burford Capital, a provider of litigation finance, fell 71% after a short-selling attack in which it was alleged that the company was insolvent, facing potential liquidity issues and had undertaken aggressive accounting. Management provided a robust rebuttal to the allegations and purchased a material amount of stock.

In the first half of the year, we initiated a position in Liontrust Asset Management. The company has enjoyed strong asset flows and we took the view that it would continue to benefit from structural trends in socially responsible investing, where it has an established franchise. We bought a position in Chemring, a defence business specialising in the production of advanced countermeasure products, sensors and electronic equipment primarily sold to the US government. We expected Chemring to benefit from an expansion in US military spending and increases in underlying operating margins as new products moved to full-rate production.

To finance these purchases, we sold our position in Ibstock, a brick manufacturer, after the share price moved to a level that we felt was unjustifiable given likely future growth. We sold our position in Aveva, a software design business, as it had entered the FTSE 100 Index and no longer qualified for the portfolio.

In the second half of the year, we bought a position in Inspec, a manufacturer of optical and sunglasses frames. We took the view that the company was positioned strongly in a growing market and was well placed to expand. We initiated a position in Young & Co's Brewery, a pub chain. The company raised new equity to deleverage its balance sheet and provide funds for acquisitions and capital expenditure. This provided us with an opportunity to acquire a position in a high-quality managed house operator at a discount to net asset value.

To finance these purchases, we sold our position in Lookers, a car retailer, as we expected it to struggle because of a collapse in vehicle demand while it faced internal issues over a Financial Conduct Authority investigation and minor fraud at one of its operations. We sold our position in Consort Medical, a medical device manufacturer, after it received an agreed bid from a Swedish competitor.

The pandemic has dramatically changed global economic growth expectations. Lockdown measures have had a profound effect on growth and caused an unprecedented demand shock. Government actions to protect consumers and businesses will soften the blow but, ultimately, can only be short term in nature given the scale of the bailout required.

The virus will pass and the global economy will start to recover. However, the timing and magnitude of the recovery are uncertain. In the UK, there are encouraging signs that social distancing and lockdown measures have had a positive impact on infection and death rates.

There are a number of other issues for the UK and global economy. Brexit negotiations have made limited progress and the threat of a 'no deal' Brexit has risen. The US election outcome has become increasingly unclear and the US/China relationship has again deteriorated, raising the prospect of a new trade war.

In the corporate sector, conditions are intrinsically stronger than they were during the 2008-09 financial crisis. Balance sheets, in particular, are more robust. However, the scale of the economic shock means that this 'strength' will be severely tested.

In terms of valuations, the equity market has been trading well below long-term averages if we apply historical earnings. Corporate earnings will likely be sharply down in 2020 and the extent of recovery in 2021 and beyond is uncertain. Dividend support is illusory as the majority of corporates have suspended or cancelled dividends, preserving cash to shore up their balance sheets.

The equity market declines have thrown up some fantastic buying opportunities, and some companies will emerge stronger from the downturn. However, it is important to be selective as any recovery will be uneven, while franchise, market positioning and balance sheet strength will determine the winners and losers in a post-COVID-19 world.

Comparative tables for the year ended 30 June 2020

	Class A accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	786.86	834.01	718.31
Return before operating charges*	(54.95)	(34.01)	128.99
Operating charges	(13.16)	(13.14)	(13.29)
Return after operating charges*	(68.11)	(47.15)	115.70
Distributions on accumulation shares	-	(7.14)	(5.26)
Retained distributions on accumulation shares	-	7.14	5.26
Closing net asset value per share	718.75	786.86	834.01
* after direct transaction costs of:	-	0.87	0.75
Performance			
Return after charges	(8.66%)	(5.65%)	16.11%
Other information			
Closing net asset value (£000s)	11,179	55,933	63,227
Closing number of shares	1,555,378	7,108,397	7,581,071
Operating charges	1.70%	1.70%	1.70%
Direct transaction costs	0.00%	0.11%	0.10%
Prices			
Highest share price (pence)	909.30	842.20	856.10
Lowest share price (pence)	523.70	677.10	715.40

Class E accumulation 08/07/19 - 30/06/20 (pence per share)

Change in net assets per share	
Opening net asset value per share	780.29 ¹
Return before operating charges*	(48.94)
Operating charges	(9.07)
Return after operating charges*	(58.01)
Distributions on accumulation shares	(3.56)
Retained distributions on accumulation shares	3.56
Closing net asset value per share	722.28
* after direct transaction costs of:	-
Performance	
Return after charges	(7.43%) ²
Other information	
Closing net asset value (£000s)	37,646
Closing number of shares	5,212,073
Operating charges	1.20%
Direct transaction costs	0.00%
Prices	
Highest share price (pence)	911.80
Lowest share price (pence)	525.60

¹ Class E accumulation launched on 8 July 2019 and this is the first published price.

² Return after charges relates to the period 08/07/19 to 30/06/20 post conversion from the A accumulation share class. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire period under review.

Comparative tables (continued)

	Class I accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	930.05	977.37	834.60
Return before operating charges*	(65.46)	(39.69)	150.54
Operating charges	(7.70)	(7.63)	(7.77)
Return after operating charges*	(73.16)	(47.32)	142.77
Distributions on accumulation shares	(6.85)	(15.00)	(13.08)
Retained distributions on accumulation shares	6.85	15.00	13.08
Closing net asset value per share	856.89	930.05	977.37
* after direct transaction costs of:	-	1.02	0.88

Performance

Return after charges	(7.87%)	(4.84%)	17.11%
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Other information

Closing net asset value (£000s)	118,046	101,704	82,331
Closing number of shares	13,776,211	10,935,313	8,423,740
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.00%	0.11%	0.10%

Prices

Highest share price (pence)	1,080.00	988.30	1,003.00
Lowest share price (pence)	622.90	796.90	831.30

	Class Z accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	647.16	674.80	571.76
Return before operating charges*	(45.78)	(27.26)	103.42
Operating charges	(0.45)	(0.38)	(0.38)
Return after operating charges*	(46.23)	(27.64)	103.04
Distributions on accumulation shares	(6.34)	(16.10)	(13.85)
Retained distributions on accumulation shares	6.34	16.10	13.85
Closing net asset value per share	600.93	647.16	674.80
* after direct transaction costs of:	-	0.71	0.61

Performance

Return after charges	(7.14%)	(4.10%)	18.02%
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Other information

Closing net asset value (£000s)	40,969	26,064	26,664
Closing number of shares	6,817,598	4,027,517	3,951,443
Operating charges	0.07%	0.06%	0.06%
Direct transaction costs	0.00%	0.11%	0.10%

Prices

Highest share price (pence)	754.90	683.20	692.20
Lowest share price (pence)	435.90	552.30	569.50

Comparative tables (continued)

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

Performance values are at close of business on a bid basis, which will differ from those in the Performance summary.

Operating charges

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

Share class launches and closures

The following share class launched in the year:

Share class	Launch date
Class E accumulation	8 July 2019

There were no share classes closed in the year.

Share class conversion	Conversion date
Class A accumulation to Class E accumulation	8 July 2019

The conversion of A share classes to the E share classes was performed to benefit investors who do not use a financial adviser as a lower management fee is charged because there are no commission payments bundled within it. The E share classes are available for direct investment.

Ongoing charge figure

The annualised 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.

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class A	1.70 ²	1.70	1.74
Class E³	1.20 ²	n/a	1.24
Class I	0.84 ⁴	0.84	0.86
Class Z	0.07 ⁵	0.06	0.08

The OCF is calculated in accordance with guidelines issued by the ESMA.

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 30 June 2020.

² The GAC on Class A and Class E increased from 0.18% to 0.22% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

³ Class E accumulation launched on 8 July 2019 so there are no prior year comparatives.

⁴ The GAC on Class I increased from 0.075% to 0.09% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

⁵ The GAC on Class Z increased from 0.045% to 0.05% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

Risk and reward profile

The fund currently has 4 types of share class in issue; A accumulation, E accumulation, I accumulation and Z accumulation.

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



The share classes appear at 5 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

The value of an investment and any income from it can go up or down. When you sell your shares they may be worth less than you paid for them.

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events.

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

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

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

* Class E accumulation launched on 8 July 2019 and as it does not have a 5 year history, a synthetic history has been created using the A accumulation share class.

Portfolio statement as at 30 June 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 98.34% (2019: 96.99%)		
	Ireland 0.00% (2019: 0.68%)		
	Consumer Services 0.00% (2019: 0.68%)		
	Singapore 1.15% (2019: 0.61%)		
	Industrials 1.15% (2019: 0.61%)		
67,514	XP Power	2,397	1.15
	United Kingdom 95.06% (2019: 93.54%)		
	Basic Materials 3.06% (2019: 3.71%)		
1,020,000	Synthomer	2,840	1.37
146,000	Victrix	2,854	1.37
190,000	Zotefoams	665	0.32
		6,359	3.06
	Consumer Goods 10.15% (2019: 6.85%)		
237,500	Bellway	6,047	2.90
745,000	Codemasters	2,533	1.22
735,000	Countryside Properties	2,433	1.17
555,000	Crest Nicholson	1,097	0.53
75,924	Frontier Developments	1,405	0.68
592,773	Inspeks	1,227	0.59
859,675	Team17	4,642	2.23
613,225	Watches Of Switzerland	1,720	0.83
		21,104	10.15
	Consumer Services 11.33% (2019: 10.58%)		
1,105,000	Ascential	3,199	1.55
2,610,000	Cineworld	1,580	0.76
1,115,000	DFS Furniture	1,838	0.88
233,651	Euromoney Institutional Investor	1,834	0.88
220,000	Future	2,807	1.36
78,000	Go-Ahead	649	0.31
2,072,256	GoCo	1,998	0.96
835,000	Gym	1,269	0.61
805,568	Hollywood Bowl	1,249	0.60
1,261,262	Hyve	1,249	0.60
752,163	Joules	833	0.40
632,194	Marshall Motor	774	0.37
800,000	Mitchells & Butlers	1,504	0.72
235,000	Next Fifteen Communications	832	0.40
2,476,085	SafeStyle UK	654	0.31
70,000	Young & Co's Brewery 'A'	707	0.34
76,178	Young & Co's Brewery Non-Voting	573	0.28
		23,549	11.33
	Financials 20.82% (2019: 22.65%)		
875,000	Brewin Dolphin	2,279	1.10
208,000	Burford Capital	967	0.47
613,124	Capital & Regional	521	0.25
1,110,000	CLS	2,054	0.99

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Financials (continued)			
672,861	Grainger	1,924	0.93
439,119	Helical	1,357	0.65
860,000	Impax Asset Management	2,924	1.41
770,000	IntegraFin	3,527	1.70
479,527	Intermediate Capital	6,181	2.96
1,140,000	John Laing	3,972	1.90
3,600,000	Just	1,890	0.91
141,354	Liontrust Asset Management	1,845	0.89
1,020,000	OneSavings Bank	2,707	1.30
1,070,000	Paragon Banking	3,745	1.80
121,716	Safestore	884	0.43
320,704	Savills	2,646	1.27
1,550,000	Sherborne Investors 'A'	533	0.26
695,615	St. Modwen Properties	2,403	1.16
392,000	Urban & Civic	913	0.44
		<hr/> 43,272	<hr/> 20.82
Health Care 5.99% (2019: 5.91%)			
352,000	Advanced Medical Solutions	838	0.40
1,844,577	Alliance Pharma	1,374	0.66
1,915,192	Benchmark	709	0.34
661,210	Clinigen	5,359	2.59
128,000	Dechra Pharmaceuticals	3,643	1.75
615,000	Spire Healthcare	523	0.25
		<hr/> 12,446	<hr/> 5.99
Industrials 31.39% (2019: 30.34%)			
1,950,000	AA	446	0.21
56,057	AB Dynamics	897	0.43
120,568	Avon Rubber	3,858	1.86
1,485,000	Balfour Beatty	3,873	1.86
260,000	Bodycote	1,632	0.78
993,404	Chemring	2,404	1.16
3,375,000	Coats	1,890	0.91
650,696	Eurocell	1,041	0.50
24,584	Gooch & Housego	278	0.13
270,000	Howden Joinery	1,493	0.72
80,046	James Fisher & Sons	1,092	0.53
710,000	Johnson Service	821	0.39
205,000	Knights	793	0.38
3,245,000	Learning Technologies	3,995	1.92
1,195,000	Luceco	1,124	0.54
480,000	Midwich	1,891	0.91
298,000	Oxford Instruments	4,260	2.06
282,591	Polypipe	1,222	0.59
685,000	Redde Northgate	1,137	0.55
97,000	Renishaw	3,903	1.88
393,185	ReStore	1,345	0.65
606,029	Rotork	1,697	0.82
685,000	RWS	4,103	1.97

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials (continued)		
525,000	Sanne	3,308	1.59
1,028,412	Severfield	627	0.30
200,000	Smart Metering Systems	1,184	0.57
88,000	Spectris	2,222	1.07
460,582	SThree	1,244	0.60
1,792,629	Thruvision	452	0.22
785,124	Tyman	1,490	0.72
207,705	Ultra Electronics	4,150	2.00
746,435	Vesuvius	2,893	1.39
194,826	Vitec	1,317	0.63
613,207	Volution	1,141	0.55
		<u>65,223</u>	<u>31.39</u>
	Oil & Gas 3.19% (2019: 4.02%)		
1,789,400	Cairn Energy	2,108	1.02
631,854	Hunting	1,343	0.65
2,434,922	Premier Oil	1,255	0.60
1,094,618	Serica Energy	1,193	0.57
668,043	Tekmar	735	0.35
		<u>6,634</u>	<u>3.19</u>
	Technology 7.25% (2019: 8.04%)		
264,118	Aptitude Software	924	0.44
669,018	Blanco Technology	1,285	0.62
147,007	Computacenter	2,412	1.16
577,829	GBG	3,883	1.88
481,891	RM	1,147	0.55
299,187	SDL	1,496	0.72
271,197	Softcat	2,956	1.42
1,750,000	Tribal	963	0.46
		<u>15,066</u>	<u>7.25</u>
	Telecommunications 1.88% (2019: 1.44%)		
304,000	Gamma Communications	3,906	1.88
	United States 2.13% (2019: 2.16%)		
	Consumer Goods 1.44% (2019: 1.40%)		
1,618,104	TI Fluid Systems	3,000	1.44
	Industrials 0.69% (2019: 0.76%)		
797,889	Alpha Financial Markets Consulting	1,436	0.69
	Investment assets	204,392	98.34
	Other net assets	3,448	1.66
	Total net assets	207,840	100.00

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

The classification is based on the country of risk and a relevant industry classification standard.

Statement of total return for the year ended 30 June 2020

		2020		2019	
	Note	£000	£000	£000	£000
Income					
Net capital losses	2		(30,233)		(10,781)
Revenue	3	3,275		4,516	
Expenses	4	(1,714)		(1,720)	
Interest payable and similar charges	5	(5)		-	
Net revenue before taxation		1,556		2,796	
Taxation	6	-		-	
Net revenue after taxation			1,556		2,796
Total return before distributions			(28,677)		(7,985)
Distributions	7		(1,561)		(2,796)
Change in net assets attributable to shareholders from investment activities			(30,238)		(10,781)

Statement of change in net assets attributable to shareholders for the year ended 30 June 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		183,701		172,222
Amounts receivable on issue of shares	94,739		30,808	
Amounts payable on cancellation of shares	(42,375)		(11,344)	
		52,364		19,464
Dilution adjustment		452		-
Change in net assets attributable to shareholders from investment activities		(30,238)		(10,781)
Retained distributions on accumulation shares		1,561		2,796
Closing net assets attributable to shareholders		207,840		183,701

Balance sheet as at 30 June 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		204,392	178,176
Current assets:			
Debtors	8	685	1,229
Cash and bank balances	9	3,320	4,685
Total assets		208,397	184,090
Liabilities:			
Creditors:			
Other creditors	10	557	389
Total liabilities		557	389
Net assets attributable to shareholders		207,840	183,701

Notes to the financial statements for the year ended 30 June 2020

1 Accounting policies

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

2 Net capital losses

Net capital losses on investments during the year comprise:

	2020 £000	2019 £000
Non-derivative securities	(30,223)	(10,773)
Transaction costs	(10)	(8)
Net capital losses	(30,233)	(10,781)

3 Revenue

	2020 £000	2019 £000
Bank interest	24	37
Overseas dividends	95	162
UK dividends	2,997	4,197
UK REIT revenue - PID	148	94
UK REIT revenue - non PID	1	11
Underwriting commission	10	15
Total revenue	3,275	4,516

4 Expenses

	2020 £000	2019 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	1,484	1,520
GAC*	206	181
	1,690	1,701
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	18	15
Safe custody fees	6	4
	24	19
Total expenses	1,714	1,720

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £7,912 (2019: £7,912).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020 £000	2019 £000
Interest payable	5	-
Total interest payable and similar charges	5	-

6 Taxation

a) Analysis of charge in the year

There is no tax charge for the current year (2019: nil).

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2019: 20%). The differences are explained below:

	2020 £000	2019 £000
Net revenue before taxation	1,556	2,796
Corporation tax at 20% (2019: 20%)	311	559
Effects of:		
Overseas dividends	(19)	(32)
UK dividends*	(600)	(842)
Unused management expenses	308	315
Tax charge for the year (note 6a)	-	-

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

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2019: 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 £7,077,826 (2019: £6,770,141) 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.

7 Distributions

	2020 £000	2019 £000
Final accumulation	1,561	2,796
Net revenue after taxation	1,556	2,796
Revenue shortfall	5	-
Total distributions	1,561	2,796

Details of the distribution per share are set out in the Distribution table on page 392.

Notes to the financial statements (continued)

8 Debtors

	2020 £000	2019 £000
Accrued revenue	282	1,015
Amounts receivable for issue of shares	74	203
Income tax recoverable	-	7
Overseas withholding tax reclaimable	4	4
Sales awaiting settlement	325	-
Total debtors	685	1,229

9 Cash and bank balances

	2020 £000	2019 £000
Cash and bank balances	3,320	4,685
Total cash and bank balances	3,320	4,685

10 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	118	131
Accrued Depositary's fee	2	3
Accrued other expenses	22	17
Amounts payable for cancellation of shares	207	148
Purchases awaiting settlement	208	90
Total other creditors	557	389

11 Contingent liabilities and commitments

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

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 384 and 385 and notes 4, 8 and 10 on pages 386 to 388 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

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

There were no material shareholders at the year end (2019: nil).

Notes to the financial statements (continued)

13 Shareholders' funds

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

	2020	2019
	%	%
Class A	1.50	1.50
Class E ¹	1.00	n/a
Class I	0.75	0.75
Class Z ²	0.00	0.00

¹ Class E accumulation launched on 8 July 2019.

² Charges for managing Z class shares are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 376 to 378. The distribution per share class is given in the Distribution tables on page 392. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2020

	Class A accumulation	Class E accumulation	Class I accumulation	Class Z accumulation
Opening number of shares	7,108,397	-	10,935,313	4,027,517
Issues during the year	141,435	18,414	5,027,502	6,391,708
Cancellations during the year	(205,878)	(271,433)	(2,206,333)	(3,601,627)
Shares converted during the year	(5,488,576)	5,465,092	19,729	-
Closing shares in issue	1,555,378	5,212,073	13,776,211	6,817,598

14 Risk

Currency risk

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

Interest rate risk

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

Other market price risk

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

Leverage

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

Notes to the financial statements (continued)

14 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Other creditors	-	557	-	-
Total	-	557	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2019				
Other creditors	-	389	-	-
Total	-	389	-	-

15 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	204,392	-	178,176	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	204,392	-	178,176	-

Notes to the financial statements (continued)

16 Direct transaction costs

	Purchases		Sales	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trades in the year				
Equities	91,741	46,296	34,003	24,683
Trades in the year before transaction costs	91,741	46,296	34,003	24,683
Transaction costs				
Commissions				
Equities	37	20	14	11
Total commissions	37	20	14	11
Taxes				
Equities	321	160	-	-
Total taxes	321	160	-	-
Other expenses				
Equities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	358	180	14	11
Total net trades in the year after transaction costs	92,099	46,476	33,989	24,672

	Purchases		Sales	
	2020	2019	2020	2019
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.04	0.04	0.04
Taxes				
Equities	0.35	0.35	-	-
Other expenses				
Equities	-	-	-	-
	2020	2019		
	%	%		

Total transaction costs expressed as a percentage of net asset value

Commissions	0.02	0.02
Taxes	0.16	0.09
Other expenses	-	-
Total costs	0.18	0.11

There were no in specie transfers during the year (2019: nil). There were corporate actions during the year of £1,922,799 (2019: £73,875).

There were no direct transaction costs associated with derivatives in the year (2019: nil).

Notes to the financial statements (continued)

16 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 portfolio dealing spread as at 30 June 2020 was 1.07% (2019: 0.61%). The portfolio dealing spread is calculated at a 12 noon valuation point.

17 Events after the Balance sheet date

Due to COVID-19 and the resultant market volatility, we have assessed the effect on the Net Asset Value of the fund of this event. As at 15 October 2020, the Net Asset Value of the fund had increased.

Distribution table for the year ended 30 June 2020 (in pence per share)

Final dividend distribution (accounting date 30 June 2020, paid on 28 August 2020)

Group 1: shares purchased prior to 1 July 2019

Group 2: shares purchased on or after 1 July 2019

	Distribution per share	Total distribution per share 28/08/20	Total distribution per share 30/08/19
Class A accumulation			
Group 1	-	-	7.1360
Group 2	-	-	7.1360
Class E accumulation¹			
Group 1	3.5641	3.5641	n/a
Group 2	3.5641	3.5641	n/a
Class I accumulation			
Group 1	6.8500	6.8500	15.0037
Group 2	6.8500	6.8500	15.0037
Class Z accumulation			
Group 1	6.3360	6.3360	16.0963
Group 2	6.3360	6.3360	16.0963

¹ Class E accumulation launched on 8 July 2019.

Appendix - additional information (unaudited)

Securities financing transactions

The funds engage in securities financing transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the funds' involvement in and exposures related to securities lending for the year ended 30 June 2020 are detailed below.

Global data

The table lists the amount of securities on loan as a proportion of total lendable assets and the funds' assets under management (AUM) as at 30 June 2020:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson All Stocks Credit Fund	7,510	2.45%	2.39%
Janus Henderson Institutional Long Dated Credit Fund	13,578	6.52%	6.44%
Janus Henderson Preference & Bond Fund	587	0.08%	0.07%
Janus Henderson Strategic Bond Fund	49,545	1.70%	1.65%
Janus Henderson UK Equity Income & Growth Fund	14,869	8.37%	8.41%

Concentration data

The following tables list the ten largest collateral issuers by value of collateral received (across all SFTs) for each fund as at 30 June 2020:

Issuer	Market value of collateral received £000	Issuer	Market value of collateral received £000
Janus Henderson All Stocks Credit Fund*		Janus Henderson Institutional Long Dated Credit Fund*	
Kingdom of Spain	5,363	Kingdom of Spain	12,920
RATP	1,056	RATP	1,251
US Treasury	965	African Development Bank	129
Government of France	317	Bank Nederlandse Gemeenten	96
African Development Bank	109	Government of Ireland	89
Bank Nederlandse Gemeenten	81		
Government of Ireland	76		
UK Treasury	74		

* All collateral issuers have been included.

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Concentration data (continued)

Issuer	Market value of collateral received £000	Issuer	Market value of collateral received £000
Janus Henderson Preference & Bond Fund*		Janus Henderson Strategic Bond Fund	
European Investment Bank	247	Kingdom of Spain	29,507
Government of Canada	210	RATP	5,692
Kingdom of Spain	143	European Investment Bank	2,376
Inter-American Development Bank	64	Government of Canada	2,019
Vanguard International Credit Securities Index Fund	3	Royal Dutch Shell	1,207
African Development Bank	1	ConvaTec	1,059
		Meggitt	1,050
		Toronto-Dominion Bank	990
		Serco	796
		Games Workshop	648
Janus Henderson UK Equity Income & Growth Fund			
Reed Elsevier	1,231		
Iberdrola	1,209		
Pirelli	1,207		
Unilever	1,173		
Amadeus IT	1,126		
Royal Dutch Shell	1,009		
Telefonica	808		
Banco Bilbao Vizcaya Argentaria	641		
Safran	607		
US Treasury	480		

* All collateral issuers have been included.

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Concentration data (continued)

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for each fund as at 30 June 2020:

Counterparty	Market value of securities on loan £000	Settlement basis	Counterparty	Market value of securities on loan £000	Settlement basis
Janus Henderson All Stocks Credit Fund			Janus Henderson Institutional Long Dated Credit Fund		
JP Morgan	5,025	Triparty	JP Morgan	12,105	Triparty
BNP Paribas	1,243	Triparty	BNP Paribas	1,473	Triparty
Barclays	1,242	Triparty		13,578	
	7,510				
Janus Henderson Preference & Bond Fund			Janus Henderson Strategic Bond Fund		
Credit Suisse	453	Triparty	JP Morgan	27,647	Triparty
JP Morgan	134	Triparty	Bank of Nova Scotia	10,830	Triparty
	587		BNP Paribas	6,701	Triparty
			Credit Suisse	4,360	Triparty
			Deutsche Bank	7	Triparty
				49,545	
Janus Henderson UK Equity Income & Growth Fund					
ABN Amro	10,877	Triparty			
Bank of Nova Scotia	2,044	Triparty			
Credit Suisse	1,451	Triparty			
Morgan Stanley	460	Triparty			
Citigroup	37	Triparty			
	14,869				

All counterparties have been included.

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Aggregate transaction data

The following tables provide an analysis of the collateral received by each fund in respect of each type of SFTs as at 30 June 2020:

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £'000
Janus Henderson All Stocks Credit Fund							
Barclays	United Kingdom	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	317
Barclays	United Kingdom	Government Bond	Investment grade	GBP	Triparty	BNP Paribas	74
Barclays	United Kingdom	Government Bond	Investment grade	USD	Triparty	BNP Paribas	965
BNP Paribas	France	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	1,207
BNP Paribas	France	Corporate Bond	Investment grade	ZAR	Triparty	BNP Paribas	39
BNP Paribas	France	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	76
JP Morgan	United States	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	5,363
							8,041
Janus Henderson Institutional Long Dated Credit Fund							
BNP Paribas	France	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	1,430
BNP Paribas	France	Corporate Bond	Investment grade	ZAR	Triparty	BNP Paribas	46
BNP Paribas	France	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	89
JP Morgan	United States	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	12,920
							14,485
Janus Henderson Preference & Bond Fund							
Credit Suisse	Switzerland	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	250
Credit Suisse	Switzerland	Corporate Bond	Investment grade	USD	Triparty	BNP Paribas	65
Credit Suisse	Switzerland	Government Bond	Investment grade	CAD	Triparty	BNP Paribas	210
JP Morgan	United States	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	143
							668
Janus Henderson Strategic Bond Fund							
Bank of Nova Scotia	Canada	Equity	Main market listing	CAD	Triparty	BNP Paribas	1,563
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	BNP Paribas	936
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	BNP Paribas	7,952
Bank of Nova Scotia	Canada	Equity	Main market listing	JPY	Triparty	BNP Paribas	161
Bank of Nova Scotia	Canada	Equity	Main market listing	USD	Triparty	BNP Paribas	1,573
BNP Paribas	France	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	6,508
BNP Paribas	France	Corporate Bond	Investment grade	ZAR	Triparty	BNP Paribas	211
BNP Paribas	France	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	407
Credit Suisse	Switzerland	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	2,402
Credit Suisse	Switzerland	Corporate Bond	Investment grade	USD	Triparty	BNP Paribas	629
Credit Suisse	Switzerland	Government Bond	Investment grade	CAD	Triparty	BNP Paribas	2,019
Deutsche Bank	Germany	Equity	Main market listing	CHF	Triparty	BNP Paribas	4
Deutsche Bank	Germany	Equity	Main market listing	EUR	Triparty	BNP Paribas	3
Deutsche Bank	Germany	Equity	Main market listing	JPY	Triparty	BNP Paribas	1
JP Morgan	United States	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	29,507
							53,876

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Aggregate transaction data (continued)

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
Janus Henderson UK Equity Income & Growth Fund							
ABN Amro	Netherlands	Equity	Main market listing	EUR	Triparty	BNP Paribas	10,550
ABN Amro	Netherlands	Equity	Main market listing	GBP	Triparty	BNP Paribas	854
ABN Amro	Netherlands	Equity	Main market listing	JPY	Triparty	BNP Paribas	380
ABN Amro	Netherlands	Equity	Main market listing	USD	Triparty	BNP Paribas	302
Bank of Nova Scotia	Canada	Equity	Main market listing	CAD	Triparty	BNP Paribas	295
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	BNP Paribas	176
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	BNP Paribas	1,501
Bank of Nova Scotia	Canada	Equity	Main market listing	JPY	Triparty	BNP Paribas	30
Bank of Nova Scotia	Canada	Equity	Main market listing	USD	Triparty	BNP Paribas	294
Citigroup	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	26
Citigroup	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	4
Citigroup	United States	Equity	Main market listing	HKD	Triparty	BNP Paribas	12
Citigroup	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	1
Credit Suisse	Switzerland	Equity	Main market listing	CHF	Triparty	BNP Paribas	20
Credit Suisse	Switzerland	Equity	Main market listing	EUR	Triparty	BNP Paribas	725
Credit Suisse	Switzerland	Equity	Main market listing	GBP	Triparty	BNP Paribas	372
Credit Suisse	Switzerland	Equity	Main market listing	HKD	Triparty	BNP Paribas	367
Credit Suisse	Switzerland	Equity	Main market listing	JPY	Triparty	BNP Paribas	75
Credit Suisse	Switzerland	Equity	Main market listing	USD	Triparty	BNP Paribas	98
Morgan Stanley	United States	Government Bond	Investment grade	JPY	Triparty	BNP Paribas	5
Morgan Stanley	United States	Government Bond	Investment grade	USD	Triparty	BNP Paribas	480
							16,567

All collateral is held in segregated accounts.

The lending and collateral transactions are on an open basis and can be recalled on demand.

Re-use of collateral

The funds do not engage in any re-use of collateral.

Return and cost on securities lending activities

The following table details the funds' return and costs for each type of SFTs for the year ended 30 June 2020:

	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000	% return retained by the securities lending agent	% return retained by the fund
Janus Henderson All Stocks Credit Fund	59	9	50	15%	85%
Janus Henderson Institutional Long Dated Credit Fund	36	5	31	15%	85%
Janus Henderson Institutional UK Gilt Fund	21	3	18	15%	85%
Janus Henderson Preference & Bond Fund	25	4	21	15%	85%
Janus Henderson Strategic Bond Fund	222	33	189	15%	85%
Janus Henderson UK Equity Income & Growth Fund	27	4	23	15%	85%

Appendix - additional information (unaudited) (continued)

Remuneration policy

Following the implementation of the UCITS V in the UK from 18 March 2016, all authorised UCITS Management Companies are required to comply with the UCITS Remuneration Code. Under the Code, the Compensation Committee of Janus Henderson Group plc in its oversight of HIFL must make relevant remuneration disclosures.

The disclosures must split remuneration between fixed and variable remuneration and must break down remuneration for categories of UCITS Code Staff (defined as all staff whose professional activities have a material impact on the risk profiles of the funds it manages). The Janus Henderson Group plc Compensation Committee approves the list of UCITS Code Staff annually. In addition, identified UCITS Code Staff are notified of their status and the associated implications annually.

Janus Henderson UK & Europe Funds 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 ACD and the funds they manage. This policy applies to HIFL and Janus Henderson UK & Europe Funds.

Further information with respect to Janus Henderson Group plc's Remuneration Policy is available in Janus Henderson Group plc's annual report as at 31 December 2019.

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson Absolute Return Fixed Income Fund	2,012	58
of which		
Fixed Remuneration	2,012	27
Variable Remuneration	2,000	31
Janus Henderson Absolute Return Fixed Income Fund Remuneration Code Staff	50	14
of which		
Senior Management (4)	25	4
Other Code Staff (5)	25	10
Janus Henderson All Stocks Credit Fund	2,012	1,029
of which		
Fixed Remuneration	2,012	476
Variable Remuneration	2,000	553
Janus Henderson All Stocks Credit Fund Remuneration Code Staff	50	285
of which		
Senior Management (4)	25	68
Other Code Staff (5)	25	217
Janus Henderson European Smaller Companies Fund	2,012	327
of which		
Fixed Remuneration	2,012	154
Variable Remuneration	2,000	173
Janus Henderson European Smaller Companies Fund Remuneration Code Staff	50	102
of which		
Senior Management (4)	25	21
Other Code Staff (5)	25	81
Janus Henderson Index Linked Bond Fund	2,012	291
of which		
Fixed Remuneration	2,012	137
Variable Remuneration	2,000	154
Janus Henderson Index Linked Bond Fund Remuneration Code Staff	50	73
of which		
Senior Management (4)	25	20
Other Code Staff (5)	25	53
Janus Henderson Institutional Long Dated Credit Fund	2,012	381
of which		
Fixed Remuneration	2,012	176
Variable Remuneration	2,000	205

Appendix - additional information (unaudited) (continued)

Remuneration policy (continued)

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson Institutional Long Dated Credit Fund Remuneration Code Staff	50	105
of which		
Senior Management (4)	25	25
Other Code Staff (5)	25	80
Janus Henderson Institutional Long Dated Gilt Fund	2,012	75
of which		
Fixed Remuneration	2,012	35
Variable Remuneration	2,000	40
Janus Henderson Institutional Long Dated Gilt Fund Remuneration Code Staff	50	19
of which		
Senior Management (4)	25	5
Other Code Staff (5)	25	14
Janus Henderson Institutional Short Duration Bond Fund	2,012	1,793
of which		
Fixed Remuneration	2,012	799
Variable Remuneration	2,000	994
Janus Henderson Institutional Short Duration Bond Fund Remuneration Code Staff	50	560
of which		
Senior Management (4)	25	113
Other Code Staff (5)	25	447
Janus Henderson Institutional UK Gilt Fund	2,012	201
of which		
Fixed Remuneration	2,012	95
Variable Remuneration	2,000	106
Janus Henderson Institutional UK Gilt Fund Remuneration Code Staff	50	51
of which		
Senior Management (4)	25	14
Other Code Staff (5)	25	37
Janus Henderson Preference & Bond Fund	2,012	1,405
of which		
Fixed Remuneration	2,012	565
Variable Remuneration	2,000	840
Janus Henderson Preference & Bond Fund Remuneration Code Staff	50	496
of which		
Senior Management (4)	25	84
Other Code Staff (5)	25	412
Janus Henderson Strategic Bond Fund	2,012	4,568
of which		
Fixed Remuneration	2,012	1,837
Variable Remuneration	2,000	2,731
Janus Henderson Strategic Bond Fund Remuneration Code Staff	50	1,613
of which		
Senior Management (4)	25	272
Other Code Staff (5)	25	1,341
Janus Henderson UK Equity Income & Growth Fund	2,012	421
of which		
Fixed Remuneration	2,012	194
Variable Remuneration	2,000	227
Janus Henderson UK Equity Income & Growth Fund Remuneration Code Staff	50	148
of which		
Senior Management (4)	25	25
Other Code Staff (5)	25	123

Appendix - additional information (unaudited) (continued)

Remuneration policy (continued)

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson UK Smaller Companies Fund	2,012	390
of which		
Fixed Remuneration	2,012	156
Variable Remuneration	2,000	234
Janus Henderson UK Smaller Companies Fund Remuneration Code Staff	50	161
of which		
Senior Management (4)	25	21
Other Code Staff (5)	25	140

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

Further information

Shareholder enquiries

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

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

The following line is also available:

Client Services: **0800 832 832**

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

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

Important Information

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

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