



ANNUAL REPORT & ACCOUNTS

For the year ended
1 March 2019

Janus Henderson
— INVESTORS —

Janus Henderson Fixed Interest Monthly Income Fund

Who are Janus Henderson Investors?

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

Our active management offers clients the opportunity to outperform passive portfolios over the course of market cycles. With more than 360 investment professionals, we provide access to some of the industry's most talented and innovative thinkers, spanning equities, fixed income, multi-asset, and alternatives, globally. Our investment teams blend insight, originality, and precision with rigorous analysis, structured processes, and robust risk management. We build client partnerships on openness and trust, channelling expertise from across the business and communicating the views of our experts in a timely and relevant way. As at 31 December 2018, we had £257.9bn assets under management, more than 2,000 employees and 28 offices worldwide. Headquartered in London, we are an independent asset manager that is dual-listed on the New York Stock Exchange and the Australian Securities Exchange.

Contents

| | |
|---|---------|
| Authorised Fund Manager's report* | Page 1 |
| Authorised status* | Page 1 |
| Comparative tables | Page 4 |
| Ongoing charge figure | Page 8 |
| Risk and reward profile* | Page 9 |
| Portfolio statement* | Page 10 |
| Statement of Authorised Fund Manager's responsibilities of Janus Henderson Fixed Interest Monthly Income Fund | Page 18 |
| Statements of the Trustee's responsibilities and report of the Trustee to the unitholders of Janus Henderson Fixed Interest Monthly Income Fund | Page 18 |
| Independent Auditors' report to the unitholders of Janus Henderson Fixed Interest Monthly Income Fund | Page 19 |
| Financial statements | |
| Statement of total return | Page 21 |
| Statement of change in net assets attributable to unitholders | Page 21 |
| Balance sheet | Page 22 |
| Directors' statement | Page 22 |
| Notes to the financial statements | Page 23 |
| Distribution tables | Page 41 |
| Appendix - additional information (unaudited) | |
| Securities financing transactions | Page 49 |
| Remuneration policy | Page 51 |
| Further information | Page 52 |

* These collectively comprise the Authorised Fund Manager's report

Authorised Fund Manager's report as at 1 March 2019

We are pleased to present the Annual Report and Accounts for Janus Henderson Fixed Interest Monthly Income Fund ('the fund') for the year ended 1 March 2019.

Authorised status

This fund is an authorised unit trust scheme under section 243 of the Financial Services and Markets Act 2000. It is a UCITS scheme complying with Chapter 5 of the Collective Investment Schemes Sourcebook (COLL). The operation of the scheme is governed by the trust deed, COLL and prospectus.

The Scheme was established by a Trust Deed dated 28 March 1979 and authorised by the Financial Conduct Authority (FCA) on 5 April 1979.

Unitholders are not liable for the debts of the fund.

Brexit update

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

Service providers

| | Name | Address | Regulator |
|---|--|--|--|
| Authorised Fund Manager | Henderson Investment Funds Limited Member of the Investment Association The ultimate holding company is Janus Henderson Group plc | Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531 Telephone - 020 7818 1818 Dealing - 0845 608 8703 Enquiries - 0800 832 832 | Authorised and regulated by the Financial Conduct Authority |
| Directors of the Authorised Fund Manager | C Chaloner (to 28.09.18) R Chaudhuri (to 07.03.19) A Crooke G Foggin G Fogo (from 04.02.19) S Hillenbrand (from 04.01.19) H J de Sausmarez R Thompson (from 17.01.19) P Wagstaff (to 26.09.18) | | |
| Investment Adviser | 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 |
| Unitholder Administrator | DST Financial Services International Limited and DST Financial Services Europe Limited | DST House St Nicholas Lane Basildon Essex SS15 5FS | Authorised and regulated by the Financial Conduct Authority |
| Trustee | NatWest Trustee and Depositary Services Limited The ultimate holding company is the Royal Bank of Scotland Group plc | 250 Bishopsgate London EC2M 4AA | Regulated by the Prudential Regulation Authority and Financial Conduct Authority and authorised by the Prudential Regulation Authority |
| Independent Auditor | PricewaterhouseCoopers LLP | 141 Bothwell Street Glasgow G2 7EQ | Institute of Chartered Accountants in England and Wales |
| Legal Adviser | Eversheds Sutherland (International) LLP | One Wood Street London EC2V 7WS | The Law Society |

Authorised Fund Manager's report (continued)

Investment Fund Managers

John Pattullo, Jenna Barnard and Nicholas Ware

Investment objective and policy

To achieve a high yield. The fund will invest principally in fixed interest securities including preference shares. The fund may also invest in securities acquired on the conversion of convertible securities held within the portfolio (or pursuant to schemes of reconstruction), derivatives and forward transactions, warrants, money-market instruments and deposits. Derivatives may be used for meeting the investment objective of the fund and for efficient portfolio management.

Performance summary

| | 1 Mar 18 - 1 Mar 19 | 1 Mar 17 - 1 Mar 18 | 1 Mar 16 - 1 Mar 17 | 1 Mar 15 - 1 Mar 16 | 1 Mar 14 - 1 Mar 15 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| | % | % | % | % | % |
| Class I income | 2.0 | 4.7 | 11.5 | (1.6) | 7.2 |
| IA £ Strategic Bond Sector Average | 0.5 | 2.7 | 9.5 | (2.8) | 6.3 |

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

Class I income is disclosed as it is the primary retail share class.

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 1 March 2019

| Largest purchases | £000 | Largest sales/maturities | £000 |
|--|----------------|--|----------------|
| Germany (Federal Republic of) 1.25% 15/08/2048 | 35,541 | Germany (Federal Republic of) 1.25% 15/08/2048 | 35,699 |
| Australia (Commonwealth of) 2.75% 21/11/2028 | 32,747 | Standard Life 6.75% Perpetual | 18,419 |
| Australia (Commonwealth of) 3.25% 21/04/2025 | 25,272 | UK Treasury 0.75% 22/07/2023 | 17,148 |
| Australia (Commonwealth of) 3.75% 21/04/2037 | 18,304 | Canada (Government of) 1.00% 01/06/2027 | 16,968 |
| UK Treasury 0.75% 22/07/2023 | 17,065 | US Treasury 2.75% 15/11/2023 | 15,242 |
| Canada (Government of) 1.00% 01/06/2027 | 16,611 | Credit Suisse 6.25% Perpetual | 13,958 |
| Germany (Federal Republic of) 3.25% 04/07/2042 | 15,633 | UBS 6.875% Perpetual | 13,414 |
| US Treasury 2.75% 15/11/2023 | 15,470 | Australia (Commonwealth of) 2.75% 21/04/2024 | 10,971 |
| SIG Combibloc 7.75% 15/02/2023 | 8,997 | Wachovia Capital Trust III 5.56975% Perpetual | 10,918 |
| Bacardi 4.45% 15/05/2025 | 8,895 | SIG Combibloc 7.75% 15/02/2023 | 8,964 |
| Total purchases | 519,922 | Total sales/maturities | 601,839 |

Authorised Fund Manager's report (continued)

Investment review

The fund generated a return of 2.0% based on Class I Income during the year under review, against the IA £ Strategic Bond benchmark's return of 0.5%.

The year under review provided plenty of bouts of volatility for bond investors, but in aggregate, it remained a very similar backdrop to recent years. Specifically, the twin underpinnings of low inflation globally and low default rates continued to serve up a relatively benign environment for bond investors. Perhaps the key feature of the year was the remarkable divergence in economic performance between the US (boosted by fiscal stimulus) and the rest of the world. The Asian-driven global slowdown had dramatic impacts on the performance of the eurozone and Japanese economies (which lack any domestic demand impulse), while economies like Australia and Canada suffered from specific housing market downturns and over-indebted consumers retrenching (reducing costs). Needless to say, the UK had its own issues relating to Brexit, which manifested in a slump in business investment.

On a relative basis, the fund's performance was a top quartile performance. As an income-targeting fund paying out a healthy level of yield, the primary driver of return was this income. Capital was more difficult to generate in a credit-focused fund in 2018-19, as there was a general trend of widening credit spreads, which is common in a late cycle economic environment. One unusual allocation for the fund (as it involved lower yielding assets) was a meaningful allocation to Australian government bonds and a small allocation to long dated German government bonds. This reflected a desire for some level of defensiveness in the portfolio and a non-consensus belief that global government bond yields would fall along with global growth. The allocation provided a strong positive return and helped to dampen the volatility of the fund in the fourth quarter of 2018, when credit markets (and risk assets more generally) slumped. Fund activity was focused on strengthening the credit quality somewhat, with sales of some financial (primarily banking) bonds being notable. Given the income requirement, the fund maintained a heavy high yield corporate bond focus, but one in line with our 'sensible income' mantra – we avoided heavily cyclical industries and companies.

Derivatives were used for two reasons: firstly, to hedge away any foreign currency risk when buying a bond not denominated in sterling. The second was the active use of interest rate futures in order to manage duration (interest rate risk). This proved a positive source of return for the fund, generating approximately 0.29% in additional return, which was primarily generated during the sell off in risk assets in late 2018, and the resultant rally in government bond prices.

The current global economic downturn is primarily being driven by industrial and inventory cycles. We expect this downturn to persist through to the summer of 2019 but do not expect a sharp recovery in growth in the second half based on our favoured lead indicators (real narrow money growth). Hence, we remain cautious about riskier areas of the bond markets and continue to favour a higher than normal interest rate (government bond) sensitivity. Whether there will be a hard or soft landing will vary from economy to economy. The risks for countries like Australia that are simultaneously experiencing a consumer downturn are tilted towards the former.

Comparative tables for the year ended 1 March 2019

| | 2019 (pence per unit) | Accumulation 2018 (pence per unit) | 2017 (pence per unit) |
|---|-----------------------------|---|-----------------------------|
| Change in net assets per unit | | | |
| Opening net asset value per unit | 28.76 | 27.67 | 25.07 |
| Return before operating charges* | 0.72 | 1.49 | 3.27 |
| Operating charges | (0.40) | (0.40) | (0.38) |
| Return after operating charges* | 0.32 | 1.09 | 2.89 |
| Distributions on accumulation units | (1.28) | (1.29) | (1.44) |
| Retained distributions on accumulation units [^] | 1.28 | 1.29 | 1.15 |
| Closing net asset value per unit | 29.08 | 28.76 | 27.67 |
| * after direct transaction costs of: | - | - | - |
| Performance | | | |
| Return after charges | 1.11% | 3.94% | 11.53% |
| Other information | | | |
| Closing net asset value (£000s) | 24,580 | 34,508 | 30,708 |
| Closing number of units | 84,536,474 | 119,984,846 | 110,986,979 |
| Operating charges | 1.41% | 1.40% | 1.41% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest unit price (pence) | 29.85 | 30.78 | 29.04 |
| Lowest unit price (pence) | 28.06 | 27.43 | 25.15 |

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

| | 2019 (pence per unit) | Income 2018 (pence per unit) | 2017 (pence per unit) |
|--------------------------------------|-----------------------------|---------------------------------------|-----------------------------|
| Change in net assets per unit | | | |
| Opening net asset value per unit | 21.91 | 22.08 | 20.89 |
| Return before operating charges* | 0.52 | 1.18 | 2.45 |
| Operating charges | (0.30) | (0.31) | (0.31) |
| Return after operating charges* | 0.22 | 0.87 | 2.14 |
| Distributions on income units | (0.96) | (1.04) | (0.95) |
| Closing net asset value per unit | 21.17 | 21.91 | 22.08 |
| * after direct transaction costs of: | - | - | - |
| Performance | | | |
| Return after charges | 1.00% | 3.94% | 10.24% |
| Other information | | | |
| Closing net asset value (£000s) | 351,628 | 386,216 | 397,089 |
| Closing number of units | 1,661,258,039 | 1,762,645,380 | 1,798,560,148 |
| Operating charges | 1.41% | 1.40% | 1.41% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest unit price (pence) | 22.49 | 23.74 | 23.58 |
| Lowest unit price (pence) | 20.67 | 21.89 | 20.96 |

Comparative tables (continued)

| | Class I accumulation | | |
|---|-----------------------------|-----------------------------|-----------------------------|
| | 2019 (pence per unit) | 2018 (pence per unit) | 2017 (pence per unit) |
| Change in net assets per unit | | | |
| Opening net asset value per unit | 114.32 | 109.20 | 98.21 |
| Return before operating charges* | 2.92 | 5.90 | 12.87 |
| Operating charges | (0.79) | (0.78) | (0.73) |
| Return after operating charges* | 2.13 | 5.12 | 12.14 |
| Distributions on accumulation units | (5.19) | (5.20) | (5.73) |
| Retained distributions on accumulation units [^] | 5.19 | 5.20 | 4.58 |
| Closing net asset value per unit | 116.45 | 114.32 | 109.20 |
| * after direct transaction costs of: | - | - | - |
| Performance | | | |
| Return after charges | 1.86% | 4.69% | 12.36% |
| Other information | | | |
| Closing net asset value (£000s) | 119,635 | 122,415 | 87,660 |
| Closing number of units | 102,732,878 | 107,077,493 | 80,277,876 |
| Operating charges | 0.69% | 0.69% | 0.69% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest unit price (pence) | 116.99 | 117.25 | 109.94 |
| Lowest unit price (pence) | 112.19 | 108.25 | 98.54 |

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

| | Class I income | | |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2019 (pence per unit) | 2018 (pence per unit) | 2017 (pence per unit) |
| Change in net assets per unit | | | |
| Opening net asset value per unit | 107.74 | 107.89 | 101.46 |
| Return before operating charges* | 2.53 | 5.82 | 11.86 |
| Operating charges | (0.72) | (0.76) | (0.73) |
| Return after operating charges* | 1.81 | 5.06 | 11.13 |
| Distributions on income units | (4.81) | (5.21) | (4.70) |
| Closing net asset value per unit | 104.74 | 107.74 | 107.89 |
| * after direct transaction costs of: | - | - | - |
| Performance | | | |
| Return after charges | 1.68% | 4.69% | 10.97% |
| Other information | | | |
| Closing net asset value (£000s) | 261,363 | 303,832 | 283,998 |
| Closing number of units | 249,528,623 | 281,997,561 | 263,228,896 |
| Operating charges | 0.69% | 0.69% | 0.69% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest unit price (pence) | 106.27 | 111.79 | 110.22 |
| Lowest unit price (pence) | 102.07 | 106.96 | 101.79 |

Comparative tables (continued)

| | Class Z accumulation | | |
|---|-----------------------------|-----------------------------|-----------------------------|
| | 2019 (pence per unit) | 2018 (pence per unit) | 2017 (pence per unit) |
| Change in net assets per unit | | | |
| Opening net asset value per unit | 152.23 | 144.44 | 129.12 |
| Return before operating charges* | 3.92 | 7.85 | 16.91 |
| Operating charges | (0.05) | (0.06) | (0.04) |
| Return after operating charges* | 3.87 | 7.79 | 16.87 |
| Distributions on accumulation units | (7.07) | (7.18) | (7.74) |
| Retained distributions on accumulation units [^] | 7.07 | 7.18 | 6.19 |
| Closing net asset value per unit | 156.10 | 152.23 | 144.44 |
| * after direct transaction costs of: | - | - | - |
| Performance | | | |
| Return after charges | 2.54% | 5.39% | 13.07% |
| Other information | | | |
| Closing net asset value (£000s) | 2 | 2 | 2 |
| Closing number of units | 1,500 | 1,500 | 1,500 |
| Operating charges | 0.03% | 0.04% | 0.03% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest unit price (pence) | 156.81 | 156.00 | 145.42 |
| Lowest unit price (pence) | 150.16 | 143.22 | 129.55 |

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

| | Class A income Euro hedged | | |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2019 (pence per unit) | 2018 (pence per unit) | 2017 (pence per unit) |
| Change in net assets per unit | | | |
| Opening net asset value per unit | 273.07 | 268.02 | 232.82 |
| Return before operating charges* | (4.95) | 22.03 | 52.71 |
| Operating charges | (3.66) | (3.85) | (3.62) |
| Return after operating charges* | (8.61) | 18.18 | 49.09 |
| Distributions on income units | (11.93) | (13.13) | (13.89) |
| Closing net asset value per unit | 252.53 | 273.07 | 268.02 |
| * after direct transaction costs of: | - | - | - |
| Performance | | | |
| Return after charges | (3.15%) | 6.78% | 21.08% |
| Other information | | | |
| Closing net asset value (£000s) | 20,226 | 21,858 | 21,032 |
| Closing number of units | 8,009,361 | 8,004,360 | 7,847,251 |
| Operating charges | 1.39% | 1.38% | 1.39% |
| Direct transaction costs | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest unit price (Euro cents) | 314.53 | 336.93 | 338.78 |
| Lowest unit price (Euro cents) | 286.94 | 309.87 | 299.35 |

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.

Comparative tables (continued)

Operating charges

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

Unit class launches and closures

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

Hedged unit classes

Class A income Euro hedged is a hedged unit class. Hedged unit classes allow the Authorised Fund Manager to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of units in those classes and Sterling which is the base currency of the fund.

Ongoing charge figure

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

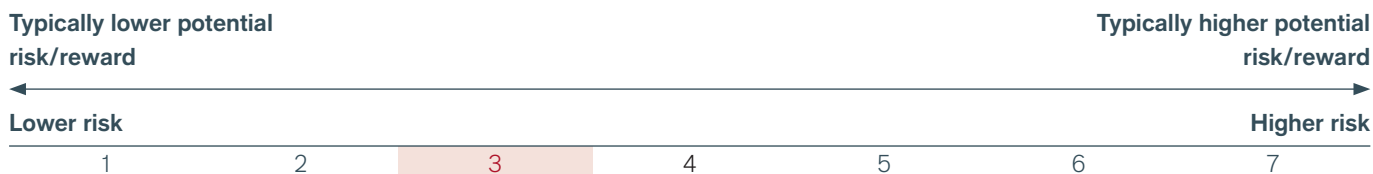
| | 2019 % | 2018 % |
|-----------------------------------|------------------|------------------|
| Income and Accumulation | 1.41 | 1.40 |
| Class I | 0.69 | 0.69 |
| Class Z | 0.03 | 0.04 |
| Class A income Euro hedged | 1.39 | 1.38 |

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

Risk and reward profile

The fund currently has 6 unit classes in issue: income, accumulation, I income, I accumulation, Z accumulation and A income Euro hedged.

The risk and reward profile is the same for each type of unit class and is as follows:



The synthetic risk and reward indicator (SRRI) is calculated based on historical volatility over a rolling 5 year period¹; it is reviewed monthly and updated if volatility has changed materially to cause a movement in the SRRI level. The SRRI is an indicator and may not accurately reflect future volatility and market conditions. The value of an investment in the fund can go up or down. When you sell your units, they may be worth less than you paid for them. The risk/reward rating above is based on medium-term volatility. In the future, the fund's actual volatility could be higher or lower and its rated risk/reward level could change.

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

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

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

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

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

¹ As the Class I accumulation class does not have a 5 year history, a synthetic history has been created using the fund's relevant sector average.

Portfolio statement as at 1 March 2019

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|----------------|--|----------------------|---|
| | Equities 1.96% (2018: 1.91%) | | |
| 252,875 | Avery Weightronics ¹ | - | - |
| 78,027 | Avery Weightronics (Warrants) ¹ | - | - |
| 9,784 | Eagle Geophysical ¹ | - | - |
| 104,841 | Nationwide Building Society CDDS | 15,245 | 1.96 |
| 250,000 | Provincia De Misiones Cemis ¹ | - | - |
| 19,861 | Ventenlo Preference Shares ¹ | - | - |
| | | <u>15,245</u> | <u>1.96</u> |
| | Bonds 91.94% (2018: 94.83%) | | |
| | Asset Backed 0.42% (2018: 0.38%) | | |
| | Iceland 0.00% (2018: 0.00%) | | |
| GBP 5,650,000 | Kaupthing Singer & Friedlander 7.50% 13/11/2019 ² | - | - |
| | Luxembourg 0.00% (2018: 0.00%) | | |
| EUR 6,767,120 | Hellas Telecommunications 8.50% Perpetual ² | - | - |
| | United Kingdom 0.41% (2018: 0.37%) | | |
| GBP 2,715,265 | Tesco Property Finance 5.744% 13/04/2040 | 3,184 | 0.41 |
| | United States 0.01% (2018: 0.01%) | | |
| GBP 2,504,555 | Lehman Brothers 7.875% 08/05/2018 ² | 66 | 0.01 |
| | Fixed Rate Bond 79.42% (2018: 69.41%) | | |
| | Argentina 0.00% (2018: 0.00%) | | |
| USD 250,000 | Provincia De Misiones Cemis 6.00% 01/08/2006 ² | - | - |
| | Australia 9.71% (2018: 1.25%) | | |
| AUD 57,100,000 | Australia (Commonwealth of) 2.75% 21/11/2028 | 32,186 | 4.14 |
| AUD 43,000,000 | Australia (Commonwealth of) 3.25% 21/04/2025 | 24,860 | 3.20 |
| AUD 29,000,000 | Australia (Commonwealth of) 3.75% 21/04/2037 | 18,426 | 2.37 |
| | | <u>75,472</u> | <u>9.71</u> |
| | Belgium 1.03% (2018: 1.51%) | | |
| USD 10,150,000 | Anheuser-Busch InBev Worldwide 4.75% 23/01/2029 | 7,993 | 1.03 |
| | Canada 0.75% (2018: 1.95%) | | |
| USD 7,749,000 | Cott 5.50% 01/04/2025 | 5,806 | 0.75 |
| | France 0.00% (2018: 0.73%) | | |
| | Germany 1.37% (2018: 0.85%) | | |
| EUR 8,000,000 | Germany (Federal Republic of) 3.25% 04/07/2042 | 10,663 | 1.37 |
| | Ireland 2.92% (2018: 3.04%) | | |
| USD 18,330,000 | Ardagh Packaging Finance 6.00% 15/02/2025 | 13,668 | 1.76 |
| USD 5,855,000 | Ardagh Packaging Finance 7.25% 15/05/2024 | 4,609 | 0.59 |
| GBP 3,325,000 | Lambay Capital Securities 6.25% Perpetual ³ | 33 | - |
| GBP 4,350,000 | Virgin Media Receivables Financing Notes 5.75% 15/04/2023 | 4,419 | 0.57 |
| EUR 8,825,000 | Waterford Wedgewood 9.875% Perpetual ² | - | - |
| | | <u>22,729</u> | <u>2.92</u> |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|---|--|----------------------|---|
| Italy 0.00% (2018: 0.00%) | | | |
| GBP 19,680,000 | Parmalat Capital Finance 9.375% Perpetual ² | - | - |
| Luxembourg 0.00% (2018: 0.00%) | | | |
| EUR 7,113,000 | Teksid Aluminium Luxembourg 11.375% Perpetual ² | - | - |
| Netherlands 0.94% (2018: 2.02%) | | | |
| USD 5,000,000 | Heineken 4.00% 01/10/2042 | 3,436 | 0.44 |
| EUR 4,280,000 | InterXion 4.75% 15/06/2025 | 3,888 | 0.50 |
| | | 7,324 | 0.94 |
| United Kingdom 14.77% (2018: 16.78%) | | | |
| GBP 3,900,000 | Arqiva Broadcast Finance 6.75% 30/09/2023 | 4,096 | 0.53 |
| USD 12,435,000 | Bacardi 4.45% 15/05/2025 | 9,274 | 1.19 |
| GBP 13,500,000 | Barclays VAR Perpetual | 14,077 | 1.81 |
| GBP 5,100,000 | BUPA Finance 5.00% 08/12/2026 | 5,518 | 0.71 |
| GBP 15,016,000 | Cattles 6.875% Perpetual ² | - | - |
| GBP 6,618,000 | Cattles 7.125% 05/07/2017 ² | - | - |
| GBP 1,078,000 | City Site Estates 10.50% 31/03/2017 ² | - | - |
| GBP 6,200,000 | CPUK Finance 4.25% 28/08/2022 | 6,146 | 0.79 |
| GBP 8,600,000 | CPUK Finance 4.875% 28/08/2025 | 8,383 | 1.08 |
| GBP 13,575,000 | Energis 9.50% 15/06/2009 ² | - | - |
| GBP 12,230,000 | PGH Capital 6.625% 18/12/2025 | 12,885 | 1.66 |
| USD 5,000,000 | Prudential 4.875% Perpetual | 3,462 | 0.45 |
| USD 1,496,000 | Royal Bank of Scotland 7.648% Perpetual | 1,412 | 0.18 |
| GBP 1,950,000 | Scottish Widows 5.50% 16/06/2023 | 2,135 | 0.27 |
| GBP 9,250,000 | Scottish Widows 7.00% 16/06/2043 | 11,491 | 1.48 |
| GBP 4,450,000 | Tesco 5.20% 05/03/2057 | 5,101 | 0.66 |
| GBP 10,600,000 | Tesco 5.50% 13/01/2033 | 12,248 | 1.58 |
| GBP 2,075,000 | Virgin Media Finance 6.375% 15/10/2024 | 2,155 | 0.28 |
| GBP 2,300,000 | Virgin Media Secured Finance 5.00% 15/04/2027 | 2,287 | 0.29 |
| GBP 4,394,000 | Virgin Media Secured Finance 6.25% 28/03/2029 | 4,595 | 0.59 |
| USD 2,566,000 | Vodafone 2.95% 19/02/2023 | 1,894 | 0.24 |
| AUD 4,520,000 | Vodafone 3.25% 13/12/2022 | 2,443 | 0.31 |
| GBP 5,000,000 | WM Morrison Supermarkets 3.50% 27/07/2026 | 5,236 | 0.67 |
| | | 114,838 | 14.77 |
| United States 47.93% (2018: 41.28%) | | | |
| USD 530,000 | ABC Rail Products 10.50% 15/01/2004 ² | - | - |
| USD 892,000 | Adobe 3.25% 01/02/2025 | 676 | 0.09 |
| USD 5,010,000 | Alphabet 1.998% 15/08/2026 | 3,495 | 0.45 |
| USD 5,010,000 | Amazon.com 3.15% 22/08/2027 | 3,727 | 0.48 |
| USD 5,300,000 | American Tower 3.375% 15/10/2026 | 3,818 | 0.49 |
| USD 5,180,000 | American Tower 3.60% 15/01/2028 | 3,753 | 0.48 |
| USD 11,621,000 | Aramark 4.75% 01/06/2026 | 8,731 | 1.12 |
| USD 5,300,000 | Aramark 5.00% 01/02/2028 | 3,952 | 0.51 |
| USD 850,000 | Aramark 5.00% 01/04/2025 | 655 | 0.08 |
| USD 2,115,000 | Aramark 5.125% 15/01/2024 | 1,635 | 0.21 |
| USD 6,150,000 | AT&T 3.60% 17/02/2023 | 4,673 | 0.60 |
| USD 946,000 | Ball 5.25% 01/07/2025 | 750 | 0.10 |
| USD 6,220,000 | Becton Dickinson 3.70% 06/06/2027 | 4,551 | 0.59 |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|----------------------------------|--|----------------------|---|
| United States (continued) | | | |
| USD 2,157,000 | Berry Global 5.125% 15/07/2023 | 1,637 | 0.21 |
| USD 6,100,000 | Berry Global 5.50% 15/05/2022 | 4,652 | 0.60 |
| USD 2,428,000 | Booking 3.55% 15/03/2028 | 1,761 | 0.23 |
| USD 8,498,000 | Booking 3.60% 01/06/2026 | 6,255 | 0.80 |
| USD 7,695,000 | Boston Scientific 4.00% 01/03/2029 | 5,787 | 0.74 |
| USD 6,440,000 | Boyd Gaming 6.375% 01/04/2026 | 5,063 | 0.65 |
| USD 10,596,000 | Catalent Pharma Solutions 4.875% 15/01/2026 | 7,881 | 1.01 |
| USD 3,780,000 | CCO Capital 5.00% 01/02/2028 | 2,750 | 0.35 |
| USD 2,365,000 | CCO Capital 5.875% 01/05/2027 | 1,830 | 0.24 |
| USD 5,000,000 | Charter Communications Operating Capital 4.908% 23/07/2025 | 3,916 | 0.50 |
| USD 2,860,000 | Comcast 3.95% 15/10/2025 | 2,225 | 0.29 |
| USD 2,030,000 | Comcast 4.15% 15/10/2028 | 1,583 | 0.20 |
| USD 4,620,000 | Constellation Brands 3.70% 06/12/2026 | 3,381 | 0.43 |
| USD 2,289,000 | Constellation Brands 4.75% 15/11/2024 | 1,811 | 0.23 |
| USD 12,990,000 | Crown Americas 4.75% 01/02/2026 | 9,833 | 1.26 |
| USD 10,220,000 | Crown Castle International 3.65% 01/09/2027 | 7,382 | 0.95 |
| USD 4,200,000 | Crown Castle International 3.80% 15/02/2028 | 3,061 | 0.39 |
| USD 6,671,000 | CyrusOne 5.375% 15/03/2027 | 5,125 | 0.66 |
| USD 11,180,000 | Diamond 1 & 2 Finance 6.02% 15/06/2026 | 8,981 | 1.16 |
| USD 5,266,000 | Diamond 1 & 2 Finance 7.125% 15/06/2024 | 4,219 | 0.54 |
| USD 2,710,000 | Digital Realty Trust 4.75% 01/10/2025 | 2,124 | 0.27 |
| USD 1,850,000 | Drypers 10.25% Perpetual ² | - | - |
| USD 2,419,000 | Elanco Animal Health 4.272% 28/08/2023 | 1,856 | 0.24 |
| USD 9,672,000 | Elanco Animal Health 4.90% 28/08/2028 | 7,551 | 0.97 |
| USD 3,759,000 | EMC 3.375% 01/06/2023 | 2,736 | 0.35 |
| EUR 3,100,000 | Equinix 2.875% 01/10/2025 | 2,736 | 0.35 |
| USD 5,200,000 | Equinix 5.375% 01/04/2023 | 3,995 | 0.51 |
| USD 7,510,000 | First Data 5.75% 15/01/2024 | 5,853 | 0.75 |
| USD 5,000,000 | GLP Capital 5.375% 15/04/2026 | 3,875 | 0.50 |
| USD 1,914,000 | HCA 5.00% 15/03/2024 | 1,509 | 0.19 |
| USD 5,300,000 | HCA 5.25% 15/06/2026 | 4,211 | 0.54 |
| USD 3,070,000 | HCA 5.50% 15/06/2047 | 2,401 | 0.31 |
| USD 7,560,000 | HCA 5.875% 15/02/2026 | 6,030 | 0.78 |
| USD 3,000,000 | Hilton Worldwide Finance 4.625% 01/04/2025 | 2,265 | 0.29 |
| USD 5,884,000 | Hilton Worldwide Finance 4.875% 01/04/2027 | 4,432 | 0.57 |
| USD 1,370,000 | HSBC Bank USA 5.875% 01/11/2034 | 1,195 | 0.15 |
| USD 5,000,000 | IHS Markit 4.75% 15/02/2025 | 3,854 | 0.50 |
| USD 3,640,000 | IHS Markit 5.00% 01/11/2022 | 2,835 | 0.36 |
| USD 9,980,000 | Infor US 6.50% 15/05/2022 | 7,677 | 0.99 |
| USD 12,900,000 | IQVIA 5.00% 15/10/2026 | 9,948 | 1.29 |
| USD 3,337,000 | Iron Mountain 5.375% 01/06/2026 | 2,444 | 0.31 |
| USD 5,470,000 | Iron Mountain 6.00% 15/08/2023 | 4,244 | 0.55 |
| USD 3,066,000 | Lamb Weston 4.625% 01/11/2024 | 2,324 | 0.30 |
| USD 10,315,000 | Lamb Weston 4.875% 01/11/2026 | 7,818 | 1.01 |
| USD 6,278,000 | Lions Gate Capital 5.875% 01/11/2024 | 4,788 | 0.62 |
| USD 5,000,000 | Lions Gate Capital 6.375% 01/02/2024 | 3,889 | 0.50 |
| USD 5,010,000 | Lockheed Martin 3.55% 15/01/2026 | 3,838 | 0.49 |
| EUR 4,410,000 | Mastercard 2.10% 01/12/2027 | 4,145 | 0.53 |
| USD 10,955,000 | Match 5.00% 15/12/2027 | 8,189 | 1.05 |
| USD 5,670,000 | McCormick 3.25% 15/11/2025 | 4,100 | 0.53 |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|--|--|----------------------|---|
| United States (continued) | | | |
| USD 9,000,000 | McCormick 3.40% 15/08/2027 | 6,497 | 0.84 |
| EUR 5,000,000 | Microsoft 3.125% 06/12/2028 | 5,175 | 0.67 |
| USD 15,050,000 | Post Holdings 5.50% 01/03/2025 | 11,456 | 1.48 |
| USD 17,330,000 | Reynolds 7.00% 15/07/2024 | 13,381 | 1.73 |
| USD 9,208,000 | salesforce.com 3.70% 11/04/2028 | 7,104 | 0.91 |
| USD 14,804,000 | Service International 4.625% 15/12/2027 | 11,039 | 1.43 |
| USD 5,360,000 | Silgan 4.75% 15/03/2025 | 3,956 | 0.51 |
| USD 7,205,000 | Sirius XM Radio 5.00% 01/08/2027 | 5,318 | 0.68 |
| USD 5,383,000 | Sirius XM Radio 5.375% 15/04/2025 | 4,146 | 0.53 |
| USD 7,100,000 | Sirius XM Radio 6.00% 15/07/2024 | 5,554 | 0.71 |
| USD 4,405,000 | Sysco 3.55% 15/03/2025 | 3,307 | 0.43 |
| USD 904,000 | The Walt Disney Company 1.85% 30/07/2026 | 622 | 0.08 |
| USD 11,973,000 | T-Mobile USA 4.50% 01/02/2026 | 8,905 | 1.15 |
| USD 2,875,000 | T-Mobile USA 4.75% 01/02/2028 | 2,108 | 0.27 |
| USD 4,145,000 | Total System Services 4.00% 01/06/2023 | 3,150 | 0.41 |
| USD 9,784,000 | TransDigm 6.25% 15/03/2026 | 7,572 | 0.97 |
| USD 5,000,000 | Verisk Analytics 4.00% 15/06/2025 | 3,827 | 0.49 |
| USD 6,077,000 | Verizon Communications 4.016% 03/12/2029 | 4,586 | 0.59 |
| AUD 6,400,000 | Verizon Communications 4.50% 17/08/2027 | 3,598 | 0.46 |
| USD 2,854,000 | VMware 3.90% 21/08/2027 | 2,017 | 0.26 |
| USD 5,010,000 | Walmart 3.70% 26/06/2028 | 3,883 | 0.50 |
| GBP 1,400,000 | Washington Mutual Bank 5.50% 10/06/2019 ² | - | - |
| USD 1,040,000 | Zayo 5.75% 15/01/2027 | 762 | 0.10 |
| USD 2,100,000 | Zayo 6.00% 01/04/2023 | 1,605 | 0.21 |
| USD 855,000 | Zoetis 3.90% 20/08/2028 | 640 | 0.08 |
| | | 372,619 | 47.93 |
| Secured Loans 4.67% (2018: 8.08%)⁴ | | | |
| Canada 1.07% (2018: 0.00%) | | | |
| USD 10,971,054 | The Stars FRN 10/07/2025 B | 8,285 | 1.07 |
| Ireland 0.00% (2018: 0.36%) | | | |
| Luxembourg 0.00% (2018: 0.99%) | | | |
| Netherlands 0.00% (2018: 0.72%) | | | |
| United Kingdom 1.52% (2018: 1.00%) | | | |
| GBP 3,786,446 | Froneri International FRN 31/01/2025 | 3,745 | 0.48 |
| USD 6,090,000 | Warner Music FRN 01/11/2023 F | 4,543 | 0.58 |
| GBP 3,600,000 | ZPG FRN 23/07/2025 A1 | 3,561 | 0.46 |
| | | 11,849 | 1.52 |
| United States 2.08% (2018: 5.01%) | | | |
| USD 5,485,000 | First Data FRN 26/04/2024 | 4,137 | 0.53 |
| USD 13,021,725 | McAfee FRN 30/09/2024 B | 9,851 | 1.28 |
| EUR 2,468,813 | McAfee FRN 30/09/2024 B1 | 2,124 | 0.27 |
| USD 36,399 | SS&C Technologies FRN 16/04/2025 B3 | 27 | - |
| USD 11,775 | SS&C Technologies FRN 16/04/2025 B4 | 9 | - |
| | | 16,148 | 2.08 |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|----------------|---|----------------------|---|
| | Stepped Rate Bond 2.04% (2018: 3.94%) | | |
| | United Kingdom 2.04% (2018: 3.94%) | | |
| GBP 14,322,000 | Co-Operative Bank 7.50% 08/07/2026 | 15,897 | 2.04 |
| | Variable Rate Bond 5.39% (2018: 13.02%) | | |
| | France 0.00% (2018: 0.91%) | | |
| | Germany 0.00% (2018: 0.00%) | | |
| EUR 18,650,000 | Pfleiderer Finance 7.125% Perpetual ² | - | - |
| | Iceland 0.00% (2018: 0.00%) | | |
| EUR 1,700,000 | Landsbanki Islands 4.652% Perpetual ² | - | - |
| | Switzerland 0.57% (2018: 3.65%) | | |
| USD 5,500,000 | UBS 7.00% Perpetual | 4,413 | 0.57 |
| | United Kingdom 4.57% (2018: 7.01%) | | |
| GBP 8,000,000 | Aviva 6.125% Perpetual | 8,533 | 1.10 |
| USD 6,310,000 | Barclays Bank 6.278% Perpetual | 4,777 | 0.61 |
| GBP 7,575,000 | HBOS Sterling Finance Jersey 7.881% Perpetual | 10,838 | 1.40 |
| USD 7,950,000 | Lloyds Banking 6.657% Perpetual | 6,078 | 0.78 |
| USD 5,760,000 | RBS Capital Trust II FRN Perpetual | 5,322 | 0.68 |
| GBP 6,895,000 | Scotia Holdings 8.50% Perpetual ² | - | - |
| | | 35,548 | 4.57 |
| | United States 0.25% (2018: 1.45%) | | |
| USD 2,677,000 | Wachovia Capital Trust III 5.56975% Perpetual | 1,961 | 0.25 |
| | Derivatives 2.21% (2018: (0.65%)) | | |
| | Futures 0.01% (2018: 0.04%) | | |
| 345 | CBT US 10 Year Note June 2019 | (206) | (0.03) |
| 843 | CBT US 5 Year Note June 2019 | (249) | (0.03) |
| 365 | EUX Euro-Bund March 2019 | 512 | 0.07 |
| | | 57 | 0.01 |
| | Forward Foreign Exchange Contracts 2.25% (2018: (0.69%))⁴ | | |
| | Buy AUD 1,086,741 : Sell GBP 611,329 March 2019 | (30) | - |
| | Buy AUD 1,087,068 : Sell GBP 625,933 March 2019 | (44) | (0.01) |
| | Buy AUD 138,300 : Sell GBP 75,590 April 2019 | (2) | - |
| | Buy AUD 1,395,700 : Sell GBP 778,444 April 2019 | (32) | - |
| | Buy AUD 144,000 : Sell GBP 77,896 May 2019 | (1) | - |
| | Buy AUD 147,900 : Sell GBP 80,820 April 2019 | (2) | - |
| | Buy AUD 256,549 : Sell GBP 139,787 May 2019 | (3) | - |
| | Buy AUD 470,300 : Sell GBP 263,876 March 2019 | (12) | - |
| | Buy AUD 512,600 : Sell GBP 278,525 April 2019 | (4) | - |
| | Buy AUD 540,000 : Sell GBP 299,281 March 2019 | (10) | - |
| | Buy AUD 670,200 : Sell GBP 377,885 March 2019 | (19) | - |
| | Buy AUD 775,500 : Sell GBP 441,046 March 2019 | (26) | - |
| | Buy AUD 973,900 : Sell GBP 542,530 March 2019 | (21) | - |
| | Buy EUR 14,479 : Sell GBP 13,081 March 2019 | (1) | - |
| | Buy EUR 15,874 : Sell GBP 14,275 March 2019 | (1) | - |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|--|--|----------------------|---|
| Forward Foreign Exchange Contracts <small>(continued)</small> | | | |
| | Buy EUR 198,113 : Sell GBP 177,425 April 2019 | (7) | - |
| | Buy EUR 200,226 : Sell GBP 179,012 March 2019 | (7) | - |
| | Buy EUR 22,295 : Sell GBP 19,076 March 2019 ⁵ | - | - |
| | Buy EUR 2,872,606 : Sell GBP 2,503,058 May 2019 | (26) | - |
| | Buy EUR 394,400 : Sell GBP 357,510 March 2019 | (18) | - |
| | Buy EUR 4,143 : Sell GBP 3,729 March 2019 ⁵ | - | - |
| | Buy EUR 4,704 : Sell GBP 4,037 March 2019 ⁵ | - | - |
| | Buy EUR 519,601 : Sell GBP 455,793 April 2019 | (8) | - |
| | Buy EUR 8,530 : Sell GBP 7,676 March 2019 ⁵ | - | - |
| | Buy GBP 0 : Sell USD 0 May 2019 ⁵ | - | - |
| | Buy GBP 10,453,189 : Sell USD 13,737,656 April 2019 | 105 | 0.01 |
| | Buy GBP 10,472,351 : Sell USD 13,924,714 May 2019 | 1 | - |
| | Buy GBP 10,691,276 : Sell EUR 11,961,000 March 2019 | 401 | 0.05 |
| | Buy GBP 129,819,270 : Sell USD 168,524,054 May 2019 | 3,095 | 0.40 |
| | Buy GBP 1,318,984 : Sell USD 1,713,056 April 2019 | 29 | - |
| | Buy GBP 1,474,216 : Sell AUD 2,716,619 April 2019 | 21 | - |
| | Buy GBP 1,504,703 : Sell AUD 2,719,836 April 2019 | 50 | 0.01 |
| | Buy GBP 150,541,292 : Sell USD 193,926,144 April 2019 | 4,462 | 0.57 |
| | Buy GBP 15,444,502 : Sell AUD 27,289,435 March 2019 | 835 | 0.11 |
| | Buy GBP 1,562,632 : Sell USD 2,029,410 April 2019 | 34 | - |
| | Buy GBP 160,349,920 : Sell USD 206,152,000 March 2019 | 4,830 | 0.62 |
| | Buy GBP 16,369,934 : Sell USD 20,839,815 March 2019 | 648 | 0.08 |
| | Buy GBP 1,809,107 : Sell USD 2,373,956 April 2019 | 21 | - |
| | Buy GBP 181 : Sell AUD 334 April 2019 ⁵ | - | - |
| | Buy GBP 185,249 : Sell USD 241,029 April 2019 | 4 | - |
| | Buy GBP 19,310,344 : Sell AUD 35,305,830 May 2019 | 452 | 0.06 |
| | Buy GBP 1,940,256 : Sell USD 2,598,228 May 2019 | (14) | - |
| | Buy GBP 195,014 : Sell EUR 215,374 March 2019 | 10 | - |
| | Buy GBP 2,229,240 : Sell USD 2,925,898 May 2019 | 29 | - |
| | Buy GBP 23,124,293 : Sell AUD 41,346,000 April 2019 | 1,012 | 0.13 |
| | Buy GBP 236,146 : Sell USD 303,300 May 2019 | 8 | - |
| | Buy GBP 23,796,990 : Sell AUD 41,346,000 March 2019 | 1,663 | 0.21 |
| | Buy GBP 262,330 : Sell USD 332,600 March 2019 | 11 | - |
| | Buy GBP 273,125 : Sell EUR 313,736 April 2019 | 3 | - |
| | Buy GBP 3,214,930 : Sell USD 4,293,290 May 2019 | (14) | - |
| | Buy GBP 324,633 : Sell EUR 376,546 May 2019 ⁵ | - | - |
| | Buy GBP 3,335,509 : Sell USD 4,309,387 April 2019 | 89 | 0.01 |
| | Buy GBP 361,704 : Sell AUD 647,500 March 2019 | 15 | - |
| | Buy GBP 3,861,730 : Sell USD 4,986,981 March 2019 | 100 | 0.01 |
| | Buy GBP 3,875,783 : Sell USD 4,960,910 March 2019 | 133 | 0.02 |
| | Buy GBP 3,916,529 : Sell USD 5,171,319 April 2019 | 21 | - |
| | Buy GBP 3,920,561 : Sell USD 5,076,431 April 2019 | 97 | 0.01 |
| | Buy GBP 3,924,746 : Sell USD 5,049,769 April 2019 | 121 | 0.02 |
| | Buy GBP 4,002,651 : Sell USD 5,175,771 May 2019 | 111 | 0.01 |
| | Buy GBP 4,031,905 : Sell USD 5,187,645 April 2019 | 124 | 0.02 |
| | Buy GBP 4,134,546 : Sell USD 5,443,432 April 2019 | 34 | - |
| | Buy GBP 4,155,719 : Sell USD 5,309,483 March 2019 | 150 | 0.02 |
| | Buy GBP 4,390,822 : Sell USD 5,618,088 March 2019 | 153 | 0.02 |
| | Buy GBP 4,540,174 : Sell AUD 8,208,099 March 2019 | 146 | 0.02 |
| | Buy GBP 4,566,663 : Sell USD 5,942,767 April 2019 | 90 | 0.01 |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|---|--|----------------------|---|
| Forward Foreign Exchange Contracts (continued) | | | |
| | Buy GBP 504,147 : Sell USD 645,325 March 2019 | 17 | - |
| | Buy GBP 5,371,129 : Sell EUR 6,027,951 April 2019 | 180 | 0.02 |
| | Buy GBP 615,577 : Sell USD 797,100 April 2019 | 15 | - |
| | Buy GBP 6,402,986 : Sell USD 8,330,611 April 2019 | 128 | 0.02 |
| | Buy GBP 643,331 : Sell USD 855,372 May 2019 ⁵ | - | - |
| | Buy GBP 6,701,590 : Sell USD 8,794,893 May 2019 | 88 | 0.01 |
| | Buy GBP 694,608 : Sell USD 888,100 March 2019 | 25 | - |
| | Buy GBP 725,127 : Sell USD 957,821 April 2019 | 4 | - |
| | Buy GBP 733,552 : Sell JPY 104,203,245 April 2019 | 29 | - |
| | Buy GBP 734,496 : Sell USD 963,785 April 2019 | 8 | - |
| | Buy GBP 740,446 : Sell AUD 1,320,755 April 2019 | 34 | - |
| | Buy GBP 7,584,728 : Sell USD 9,865,250 April 2019 | 153 | 0.02 |
| | Buy GBP 786,552 : Sell USD 1,031,522 May 2019 | 11 | - |
| | Buy GBP 8,030,228 : Sell EUR 9,136,753 May 2019 | 153 | 0.02 |
| | Buy GBP 9,407,191 : Sell EUR 10,473,503 April 2019 | 388 | 0.05 |
| | Buy GBP 949,461 : Sell USD 1,214,600 March 2019 | 33 | - |
| | Buy JPY 104,203,245 : Sell GBP 732,870 April 2019 | (29) | - |
| | Buy JPY 2,193,834,460 : Sell AUD 27,700,000 March 2019 | (24) | - |
| | Buy USD 1,054,530 : Sell GBP 802,316 April 2019 | (8) | - |
| | Buy USD 110,700 : Sell GBP 84,342 May 2019 | (1) | - |
| | Buy USD 1,159,300 : Sell GBP 904,066 March 2019 | (29) | - |
| | Buy USD 1,178,528 : Sell GBP 920,411 March 2019 | (31) | - |
| | Buy USD 118,750 : Sell GBP 90,708 May 2019 | (1) | - |
| | Buy USD 1,644,423 : Sell GBP 1,297,112 March 2019 | (57) | (0.01) |
| | Buy USD 1,677,511 : Sell GBP 1,314,185 March 2019 | (49) | (0.01) |
| | Buy USD 1,691,645 : Sell GBP 1,328,706 March 2019 | (53) | (0.01) |
| | Buy USD 1,744,977 : Sell GBP 1,361,144 March 2019 | (45) | (0.01) |
| | Buy USD 17,517 : Sell GBP 13,702 March 2019 ⁵ | - | - |
| | Buy USD 1,952,291 : Sell GBP 1,519,436 March 2019 | (47) | (0.01) |
| | Buy USD 2,004,989 : Sell GBP 1,575,761 March 2019 | (63) | (0.01) |
| | Buy USD 2,164,244 : Sell GBP 1,649,181 May 2019 | (22) | - |
| | Buy USD 233,214 : Sell GBP 175,415 May 2019 ⁵ | - | - |
| | Buy USD 2,398,470 : Sell GBP 1,849,777 April 2019 | (43) | (0.01) |
| | Buy USD 24,217,361 : Sell GBP 18,763,282 May 2019 | (553) | (0.07) |
| | Buy USD 2,486,647 : Sell GBP 1,917,782 April 2019 | (45) | (0.01) |
| | Buy USD 254,912 : Sell GBP 191,729 May 2019 ⁵ | - | - |
| | Buy USD 26,075 : Sell GBP 19,719 April 2019 ⁵ | - | - |
| | Buy USD 2,776,151 : Sell GBP 2,169,140 March 2019 | (75) | (0.01) |
| | Buy USD 291,200 : Sell GBP 231,206 March 2019 | (12) | - |
| | Buy USD 306,700 : Sell GBP 236,120 April 2019 | (5) | - |
| | Buy USD 307,314 : Sell GBP 237,382 May 2019 | (6) | - |
| | Buy USD 3,251,106 : Sell GBP 2,554,143 March 2019 | (102) | (0.01) |
| | Buy USD 337,600 : Sell GBP 266,071 March 2019 | (11) | - |
| | Buy USD 343,100 : Sell GBP 270,310 March 2019 | (11) | - |
| | Buy USD 36,818 : Sell GBP 29,027 March 2019 | (1) | - |
| | Buy USD 3,777,750 : Sell GBP 2,950,361 March 2019 | (100) | (0.01) |
| | Buy USD 3,789,070 : Sell GBP 2,968,410 March 2019 | (110) | (0.01) |
| | Buy USD 383,262 : Sell GBP 288,206 May 2019 ⁵ | - | - |
| | Buy USD 398,091 : Sell GBP 303,334 May 2019 | (4) | - |
| | Buy USD 422,849 : Sell GBP 322,199 May 2019 | (4) | - |

Portfolio statement (continued)

| Holding | Investment | Market value £000 | Percentage of total net assets % |
|---|---|----------------------|---|
| Forward Foreign Exchange Contracts (continued) | | | |
| | Buy USD 4,395,056 : Sell GBP 3,324,099 April 2019 | (13) | - |
| | Buy USD 4,422,202 : Sell GBP 3,405,264 May 2019 | (80) | (0.01) |
| | Buy USD 516,762 : Sell GBP 391,317 April 2019 | (2) | - |
| | Buy USD 53,054 : Sell GBP 41,953 March 2019 | (2) | - |
| | Buy USD 5,402,674 : Sell GBP 4,221,368 March 2019 | (146) | (0.02) |
| | Buy USD 55,653 : Sell GBP 42,432 May 2019 | (1) | - |
| | Buy USD 567,100 : Sell GBP 432,340 April 2019 | (5) | - |
| | Buy USD 568,615 : Sell GBP 450,579 March 2019 | (22) | - |
| | Buy USD 5,756,577 : Sell GBP 4,525,351 March 2019 | (183) | (0.02) |
| | Buy USD 63,704 : Sell GBP 49,865 March 2019 | (2) | - |
| | Buy USD 638,585 : Sell GBP 507,020 March 2019 | (25) | - |
| | Buy USD 660,825 : Sell GBP 508,840 May 2019 | (12) | - |
| | Buy USD 716,671 : Sell GBP 545,787 April 2019 | (6) | - |
| | Buy USD 719,787 : Sell GBP 569,104 March 2019 | (26) | - |
| | Buy USD 754,900 : Sell GBP 592,938 March 2019 | (23) | - |
| | Buy USD 9,915,642 : Sell GBP 7,720,813 May 2019 | (265) | (0.03) |
| | Buy USD 9,922,180 : Sell GBP 7,662,748 May 2019 | (202) | (0.03) |
| | | <u>17,516</u> | <u>2.25</u> |
| Forward Foreign Exchange Contracts (Hedged share classes) (0.05%) (2018: 0.00%)* | | | |
| | Buy EUR 24,374,294 : Sell GBP 21,371,649 March 2019 | (401) | (0.05) |
| | Buy EUR 3,997 : Sell GBP 3,493 March 2019 ⁵ | - | - |
| | Buy GBP 112,899 : Sell EUR 129,918 March 2019 | 1 | - |
| | Buy GBP 19,076 : Sell EUR 22,284 March 2019 ⁵ | - | - |
| | Buy GBP 4,037 : Sell EUR 4,701 March 2019 ⁵ | - | - |
| | Buy GBP 416,898 : Sell EUR 475,471 March 2019 | 8 | - |
| | | <u>(392)</u> | <u>(0.05)</u> |
| | Investment assets including investment liabilities | 747,221 | 96.11 |
| | Other net assets | 30,213 | 3.89 |
| | Total net assets | 777,434 | 100.00 |

¹ Suspended or delisted securities

² Defaulted

³ Manually priced securities

⁴ Unquoted securities

⁵ Due to rounding to nearest £1,000

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

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

Statement of Authorised Fund Manager's responsibilities of Janus Henderson Fixed Interest Monthly Income Fund for the year ended 1 March 2019

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

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

The Authorised Fund Manager is responsible for the management of the Trust in accordance with its Trust Deed, Prospectus and the Regulations. The Authorised Fund Manager is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of Janus Henderson Fixed Interest Monthly Income Fund ('the Scheme')

for the year ended 1 March 2019

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

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

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

The Trustee must ensure that:

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

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

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

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

NatWest Trustee and Depository Services Limited
London
14 May 2019

Independent Auditors' report to the unitholders of Janus Henderson Fixed Interest Monthly Income Fund for the year ended 1 March 2019

Report on the audit of the financial statements

Opinion

In our opinion, Janus Henderson Fixed Interest Monthly Income Fund's financial statements:

- give a true and fair view of the financial position of the Trust as at 1 March 2019 and of the net revenue the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law, the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report & Accounts (the 'Annual Report'), which comprise: the balance sheet as at 1 March 2019; the statement of total return and the statement of change in net assets attributable to unitholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the fund's business and the wider economy.

Reporting on other information

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

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

Authorised Fund Manager's Report

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

Independent Auditors' report to the unitholders of Janus Henderson Fixed Interest Monthly Income Fund (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Statement of Authorised Fund Manager's responsibilities set out on page 18, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

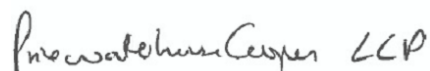
In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
14 May 2019

Statement of total return for the year ended 1 March 2019

| | Note | 2019 | | 2018 | |
|--|------|---------|-----------------|---------|----------------|
| | | £000 | £000 | £000 | £000 |
| Income | | | | | |
| Net capital (losses)/gains | 4 | | (19,715) | | 3,670 |
| Revenue | 5 | 37,385 | | 41,435 | |
| Expenses | 6 | (8,442) | | (9,210) | |
| Interest payable and similar charges | 7 | (8) | | (2) | |
| Net revenue before taxation | | 28,935 | | 32,223 | |
| Taxation | 8 | (200) | | 11 | |
| Net revenue after taxation | | | 28,735 | | 32,234 |
| Total return before distributions | | | 9,020 | | 35,904 |
| Distributions | 9 | | (36,206) | | (40,391) |
| Change in net assets attributable to unitholders from investment activities | | | (27,186) | | (4,487) |

Statement of change in net assets attributable to unitholders

for the year ended 1 March 2019

| | 2019 | | 2018 | |
|---|-----------|----------------|----------|----------------|
| | £000 | £000 | £000 | £000 |
| Opening net assets attributable to unitholders | | 868,831 | | 820,489 |
| Amounts receivable on issue of units | 96,505 | | 93,210 | |
| Amounts payable on cancellation of units | (167,325) | | (47,129) | |
| | | (70,820) | | 46,081 |
| Dilution adjustment | | 428 | | 359 |
| Change in net assets attributable to unitholders from investment activities | | (27,186) | | (4,487) |
| Retained distributions on accumulation units | | 6,133 | | 6,324 |
| Unclaimed distributions | | 48 | | 65 |
| Closing net assets attributable to unitholders | | 777,434 | | 868,831 |

Balance sheet as at 1 March 2019

| | Note | 2019 £000 | 2018 £000 |
|---|------|----------------|----------------|
| Assets: | | | |
| Investments | | 750,935 | 840,937 |
| Current assets: | | | |
| Debtors | 10 | 34,049 | 24,284 |
| Cash and bank balances | 11 | 42,604 | 61,100 |
| Total assets | | 827,588 | 926,321 |
| Liabilities: | | | |
| Investment liabilities | | 3,714 | 6,112 |
| Creditors: | | | |
| Amounts held at derivatives clearing houses and brokers | | 635 | 327 |
| Bank overdrafts | | 13,100 | 7,446 |
| Distribution payable | | 2,407 | 2,980 |
| Other creditors | 12 | 30,298 | 40,625 |
| Total liabilities | | 50,154 | 57,490 |
| Net assets attributable to unitholders | | 777,434 | 868,831 |

Directors' statement

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



G Foggin
(Director)



A Crooke
(Director)

14 May 2019

1 Accounting Policies

(a) Basis of accounting

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

(b) Basis of valuation of investments

The valuation of listed investments has been at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of debt securities, at close of business on the last valuation day of the accounting year (1 March 2019) in accordance with the provisions of the scheme particulars.

Secured loans are valued by the Authorised Fund Manager taking into account latest dealing prices, broker quotes and valuations from reliable sources.

The AFM has assigned the responsibility to review and approve fair value pricing decisions on a regular basis to the EMEA 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.

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

(c) Revenue recognition

Dividends from quoted equity and non equity shares are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends on unquoted stocks are credited to revenue when the dividend is announced.

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

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

Bank interest is recognised on an accruals basis.

Interest on margin and revenue earned on derivatives are accounted for on an accruals basis.

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 unit class based upon the prior day capital/revenue split.

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.

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

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

All expenses (with the exception of the annual management charge and those relating to the purchase and sale of investments) are charged against revenue on an accruals basis.

Annual Management Charge ('AMC')

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

The investment objective of the fund concentrates on the generation of income as a higher priority than capital growth. The Authorised Fund Manager and Trustee have agreed that 100% of the AMC for this fund is to be taken to capital for the purpose of calculating the distribution in accordance with the Trust Deed and the Prospectus. The distribution currently payable reflects this treatment together with any associated tax effect.

Notes to the financial statements (continued)

1 Accounting Policies (continued)

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

General Administration Charge

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

Allocation of revenue and expenses to multiple unit classes

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

(e) Exchange rates

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

(f) Taxation

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

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

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

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

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

(g) Cash flow statement

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

(h) Hedged unit class

Class A income Euro hedged is a hedged unit class. For this unit class the Authorised Fund Manager uses currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of units in the class and sterling which is the base currency of the fund.

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

The currency transactions will not cause the Euro hedged class units to be leveraged. The value of the unit class to be hedged will be made up of both capital and income elements and the Authorised Fund Manager intends to hedge between 95-105% of the value of each hedged unit 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 hedged class units will not be completely protected from all currency fluctuations.

(i) Treatment of derivatives

In pursuing its investment objectives, the fund may hold a number of financial instruments.

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.

Notes to the financial statements (continued)

1 Accounting Policies (continued)

(j) Treatment of derivatives (continued)

Forward foreign currency contracts on hedged unit classes

Open forward currency contracts on hedged unit classes are shown in the portfolio statement at fair value. The net gains/(losses) on forward currency contracts on hedged unit 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 unit classes.

Bond 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.

For bond futures, the net gains/(losses) are apportioned between the revenue account and derivative securities in net capital gains/(losses) on investments, reflecting the nature of the total return. The basis of the apportionment is typically made by reference to the yield on the underlying security or index or other appropriate source.

Credit default swaps

Open credit default swaps (CDS) 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 CDSs are included in the revenue account on an accruals basis.

2 Distribution Policy

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

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

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

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 policy of the fund is to make annual (accounting date being 1 March) and interim distributions (accounting date being 1 September and last calendar day of January, March, April, May, June, July, September, October, November and December) for all unit classes except for Class A income Euro hedged. Class A income Euro hedged makes annual (accounting date being 1 March) and quarterly distributions (accounting date being 1 June, 1 September and 1 December) to unitholders.

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

The manager reserves the right not to distribute or accumulate income if the amount available is less than 1% of the value of the fund's property.

Equalisation

Equalisation applies to the fund.

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

3 Risk

In pursuing its investment objective the fund holds a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors arising from the fund's operations. The fund may also enter into derivative and forward transactions for the purposes of efficient portfolio management and in order to meet the investment objective of the fund.

The risk management policy and process for the fund is designed to satisfy the regulatory requirements for a UCITS; the associated regulatory technical standards and guidelines; and local regulations. The framework for risk controls and limits for the fund is documented within the Authorised Fund Manager'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.

Notes to the financial statements (continued)

3 Risk (continued)

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

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

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

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

(a) Market risk

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

The fund will invest principally in fixed interest securities including preference shares. The fund may also invest in securities acquired on the conversion of convertible securities held within the portfolio (or pursuant to schemes of reconstruction), derivatives and forward transactions, warrants, money-market instruments and deposits.

The investments of the fund are subject to normal market fluctuations, which are monitored by the Authorised Fund Manager in pursuance of the investment objective and policies as set out in the Prospectus. There can be no assurance that any appreciation in the value of investments will occur. There is no certainty that the investment objective of the fund will actually be achieved and no warranty or representation is given to this effect.

The fund may use derivatives and forward transactions for the purposes of efficient portfolio management and in order to meet its investment objective. As a result, the net asset value of the fund may at times be volatile, but it is not intended that the use of derivatives will alter the risk profile of the fund.

Unlike income from an individual bond, the level of income from the fund is not fixed and may fluctuate. The fund will invest in high yielding corporate bonds. The underlying investments of fixed interest and bond funds are subject to two types of risk, market (interest) risk and credit risk. The value of these bonds, and therefore the value of the units in the fund, will be impacted by fluctuations in interest rates and the perceived credit risk of an issuer. An increase in long-term interest rates is likely to reduce the unit price of the fund and vice versa. In addition, the unit price is likely to be reduced by the default or perceived increase in credit risk of an issuer of an underlying investment.

In general, the higher the rate of interest, the higher the perceived credit risk of the issuer. The fund will invest in sub-investment grade bonds. These bonds have a lower credit rating and carry a higher degree of risk of default on repayment. Further details on the nature of the fund's investment in bonds and associated risks is set out in the prospectus.

Currency risk

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

As a proportion of the net assets of the fund are denominated in currencies other than sterling, the balance sheet can be affected by movements in exchange rates. The Investment Fund Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies.

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

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 fund invests in debt securities. The revenue of the fund may be affected by changes to the interest rates relevant to particular securities or as a result of the Authorised Fund Manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of debt securities may be affected by interest rate movements or the expectation of such movements in the future. The fund can invest in interest rate swaps and credit default swaps to adjust the interest rate risk profile of the fund across the entire yield curve quickly and efficiently.

Notes to the financial statements (continued)

3 Risk (continued)

(a) Market risk (continued)

Interest rate risk (continued)

The exposure at the Balance sheet date of financial assets and liabilities to interest rate risk is shown by reference to:

- floating interest rates: when the interest rate is due to be re-set; and
- fixed interest rates; when the financial instrument is due for repayment. These dates are shown in the Portfolio statement.

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:

| 2019 | Floating rate financial assets £000 | Fixed rate financial assets £000 | Non-interest bearing assets £000 | Total £000 |
|-------------------|---|--|--|----------------|
| Australian dollar | - | 81,513 | 734 | 82,247 |
| Euro | 4,726 | 26,607 | 791 | 32,124 |
| UK sterling | 92,216 | 104,053 | 29,732 | 226,001 |
| US dollar | 55,007 | 408,521 | 23,688 | 487,216 |
| Total | 151,949 | 620,694 | 54,945 | 827,588 |

| 2018 | Floating rate financial assets £000 | Fixed rate financial assets £000 | Non-interest bearing assets £000 | Total £000 |
|-------------------|---|--|--|----------------|
| Australian dollar | 1,037 | 17,546 | 451 | 19,034 |
| Euro | 8,905 | 17,720 | 8,456 | 35,081 |
| UK sterling | 154,993 | 134,968 | 6,581 | 296,542 |
| US dollar | 130,360 | 436,017 | 9,287 | 575,664 |
| Total | 295,295 | 606,251 | 24,775 | 926,321 |

| 2019 | Floating rate financial liabilities £000 | Fixed rate financial liabilities £000 | Non-interest bearing liabilities £000 | Total £000 |
|-------------------|--|---|---|---------------|
| Australian dollar | - | - | 206 | 206 |
| Euro | 511 | - | 676 | 1,187 |
| Japanese yen | - | - | 53 | 53 |
| UK sterling | 13,100 | - | 18,111 | 31,211 |
| US dollar | 124 | - | 17,373 | 17,497 |
| Total | 13,735 | - | 36,419 | 50,154 |

| 2018 | Floating rate financial liabilities £000 | Fixed rate financial liabilities £000 | Non-interest bearing liabilities £000 | Total £000 |
|-------------------|--|---|---|---------------|
| Australian dollar | 327 | - | - | 327 |
| Euro | - | - | 3,412 | 3,412 |
| UK sterling | 7,446 | - | 9,761 | 17,207 |
| US dollar | - | - | 36,544 | 36,544 |
| Total | 7,773 | - | 49,717 | 57,490 |

Notes to the financial statements (continued)

3 Risk (continued)

(a) Market risk (continued)

Other price risk

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

Bond yields (and, as a consequence bond prices) are determined mainly by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, the government's fiscal position, short-term interest rates and international market comparisons.

Returns from bonds are fixed – at the time of purchase the fixed coupon payment is known as are the final redemption proceeds. This means that if a bond is held until its redemption date, the total return achieved is unaltered from its purchase date. However, over the life of a bond, the yield (and hence market price) at any given time will depend on the market environment at that time. Therefore, a bond sold before its redemption date is likely to have a different price to its purchase level and a profit or loss may be incurred.

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.

Sensitivity analysis

The global risk exposure of the fund is calculated by using the value-at-risk approach by reference to its risk profile. Value-at-Risk ('VaR') is a mathematical-statistical concept and is commonly used as a standard measure of risk in the financial sector.

The VaR approach is used, in general, for funds using derivative instruments or techniques within their investment strategies to generate additional leverage or market risk exposure.

The maximum potential loss that the fund 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 investment portfolio are taken into consideration including those undertaken for efficient portfolio management purposes. For the purpose of calculating global exposure by VaR either a relative VaR approach or absolute VaR approach can be used; the selection of relative or absolute VaR methodology is determined by the availability of a reference portfolio appropriate for a fund in meeting its investment objective. As there is no appropriate reference portfolio for the fund an absolute VaR is calculated on all of the investment portfolio's positions. Absolute monthly VaR on the fund is not to exceed a regulatory maximum threshold of 20%.

VaR has been calculated 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.

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

| | Actual VaR in year | | | VaR limit | Utilisation of VaR limit | | |
|------|--------------------|---------|---------|-----------|--------------------------|---------|---------|
| | Minimum | Maximum | Average | | Minimum | Maximum | Average |
| | % | % | % | % | % | % | % |
| 2019 | 1.48 | 2.71 | 1.93 | 20.00 | 7.38 | 13.56 | 9.76 |
| 2018 | 1.69 | 3.19 | 2.46 | 20.00 | 8.44 | 15.95 | 12.31 |

Notes to the financial statements (continued)

3 Risk (continued)

(a) Market risk (continued)

Leverage

The level of leverage arising from the use of derivative instruments is disclosed in the table below as a percentage of the 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 the fund meets its investment objective.

| | Minimum | Maximum | Average |
|------|---------|---------|---------|
| | % | % | % |
| 2019 | 74.64 | 277.06 | 145.03 |
| 2018 | 65.60 | 233.49 | 118.02 |

(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 transactions cashflow.

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

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

The fund will invest in what are considered riskier bonds (below investment grade). This brings the potential for increased risk of default and could affect both the revenue and the capital value of the fund. Further details can be found in the fund's Portfolio statement.

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

Notes to the financial statements (continued)

(b) Credit and counterparty risk (continued)

Credit ratings

| | Market value £000 | Percentage of total net assets % |
|---|-------------------------|---|
| 2019 | | |
| Investments | | |
| Investment grade (AAA - BBB) | 310,326 | 39.92 |
| Below investment grade (BB and below) | 391,111 | 50.30 |
| Unrated | 13,358 | 1.72 |
| Total debt securities | 714,795 | 91.94 |
| Derivatives | 17,181 | 2.21 |
| Equities | 15,245 | 1.96 |
| Investment assets including investment liabilities | 747,221 | 96.11 |
| Other net assets | 30,213 | 3.89 |
| Total net assets | 777,434 | 100.00 |
| | | |
| | Market value £000 | Percentage of total net assets % |
| 2018 | | |
| Investments | | |
| Investment grade (AAA - BBB) | 272,811 | 31.40 |
| Below investment grade (BB and below) | 549,345 | 63.23 |
| Unrated | 18,290 | 2.11 |
| Total debt securities | 840,446 | 96.74 |
| Derivatives | (5,621) | (0.65) |
| Investment assets including investment liabilities | 834,825 | 96.09 |
| Other net assets | 34,006 | 3.91 |
| Total net assets | 868,831 | 100.00 |

Notes to the financial statements (continued)

3 Risk (continued)

(c) Liquidity risk

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

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

The Authorised Fund Manager manages the fund's cash position to ensure it can meet its liabilities. The Authorised Fund Manager receives daily reports of subscriptions and redemptions enabling the Investment Fund Manager to raise cash from the fund's portfolio in order to meet redemption requests. In addition the Fund Manager monitors the market liquidity of all securities, seeking to ensure the fund maintains sufficient liquidity to meet known and potential redemption activity. The fund's cash balances are monitored daily by the Authorised Fund Manager and the administrator. Where investments cannot be realised in time to meet any potential liability, the fund may borrow up to 10% of the value of its property to ensure settlement.

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 |
|---|-------------------|-------------------------|--|-------------------------|
| 2019 | | | | |
| Amounts held at derivatives clearing houses and brokers | 635 | - | - | - |
| Bank overdrafts | 13,100 | - | - | - |
| Derivative financial liabilities | - | 3,714 | - | - |
| Distribution payable | - | 2,407 | - | - |
| Other creditors | - | 30,298 | - | - |
| Total | 13,735 | 36,419 | - | - |
| | | | | |
| | On demand £000 | Within one year £000 | Over one year but not more than five years £000 | Over five years £000 |
| 2018 | | | | |
| Amounts held at derivatives clearing houses and brokers | 327 | - | - | - |
| Bank overdrafts | 7,446 | - | - | - |
| Derivative financial liabilities | - | 6,112 | - | - |
| Distribution payable | - | 2,980 | - | - |
| Other creditors | - | 40,625 | - | - |
| Total | 7,773 | 49,717 | - | - |

(d) Brexit Risk

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

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

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

Notes to the financial statements (continued)

4 Net capital (losses)/gains

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

| | 2019 | 2018 |
|--|-----------------|--------------|
| | £000 | £000 |
| Derivative securities | 1,339 | 1,772 |
| Forward currency contracts | (24,989) | 43,401 |
| Forward currency contracts on hedged share classes | (916) | 569 |
| Non-derivative securities | 4,782 | (41,105) |
| Other currency gains/(losses) | 78 | (956) |
| Transaction costs | (9) | (11) |
| Net capital (losses)/gains | (19,715) | 3,670 |

5 Revenue

| | 2019 | 2018* |
|--|---------------|---------------|
| | £000 | £000 |
| Bank interest | 257 | 79 |
| Derivative revenue | 389 | 101 |
| Hedged (loss)/income on forward currency contracts | (1) | 10 |
| Interest on debt securities | 34,293 | 39,071 |
| Interest on margin | 14 | - |
| Overseas dividends | 1,335 | 1,060 |
| Stock lending revenue | 23 | 39 |
| UK dividends | 1,075 | 1,075 |
| Total revenue | 37,385 | 41,435 |

* Restated

6 Expenses

| | 2019 | 2018 |
|--|--------------|--------------|
| | £000 | £000 |
| Payable to the Authorised Fund Manager, associates of the Authorised Fund Manager and agents of either of them: | | |
| Annual management charge | 7,471 | 8,157 |
| GAC* | 863 | 941 |
| | <u>8,334</u> | <u>9,098</u> |
| Payable to the Trustee, associates of the Trustee and agents of either of them: | | |
| Trustee fees | 56 | 60 |
| Safe custody fees | 52 | 52 |
| | <u>108</u> | <u>112</u> |
| Total expenses | 8,442 | 9,210 |

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £12,426 (2018: £12,064).

Notes to the financial statements (continued)

7 Interest payable and similar charges

The interest payable and similar charges comprise:

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| Interest payable | 8 | 2 |
| Total interest payable and similar charges | 8 | 2 |

8 Taxation

a) Analysis of charge in the year

The tax charge comprises:

| | 2019 £000 | 2018 £000 |
|----------------------------|--------------|--------------|
| Current tax | | |
| Overseas withholding tax | 200 | (11) |
| Total tax (note 8b) | 200 | (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 an authorised unit trust of 20% (2018: 20%). The differences are explained below:

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Net revenue before taxation | 28,935 | 32,223 |
| Corporation tax at 20% (2018: 20%) | 5,787 | 6,445 |
| Effects of: | | |
| Irrecoverable overseas tax | 200 | (11) |
| Revenue being paid as interest distributions | (5,572) | (6,230) |
| UK dividends* | (215) | (215) |
| Tax charge for the year (note 8a) | 200 | (11) |

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

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2018: 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)

9 Distributions

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

| | 2019 | 2018 |
|---|----------------------|----------------------|
| | £000 | £000 |
| Interim income | 27,506 | 31,216 |
| Interim accumulation | 5,502 | 5,711 |
| Final income | 2,407 | 2,980 |
| Final accumulation | 631 | 613 |
| | <u>36,046</u> | <u>40,520</u> |
| Amounts deducted on cancellation of units | 443 | 104 |
| Amounts received on issue of units | (283) | (233) |
| Total distributions | <u>36,206</u> | <u>40,391</u> |
| Net revenue after taxation | 28,735 | 32,234 |
| Annual management charge borne by the capital account | 7,471 | 8,157 |
| Total distributions | <u>36,206</u> | <u>40,391</u> |

Details of the distribution per unit are set out in the distribution tables on pages 41 to 48.

10 Debtors

| | 2019 | 2018 |
|---|----------------------|----------------------|
| | £000 | £000 |
| Accrued revenue | 7,957 | 10,938 |
| Amounts receivable for issue of units | 4,288 | 1,597 |
| Currency transactions awaiting settlement | 14,402 | 53 |
| Income tax receivable | 8 | 8 |
| Sales awaiting settlement | 7,394 | 11,688 |
| Total debtors | <u>34,049</u> | <u>24,284</u> |

11 Cash and bank balances

| | 2019 | 2018 |
|--|----------------------|----------------------|
| | £000 | £000 |
| Amounts held at derivative clearing houses and brokers | 2,957 | 1,037 |
| Cash and bank balances | 39,647 | 60,063 |
| Total cash and bank balances | <u>42,604</u> | <u>61,100</u> |

Notes to the financial statements (continued)

12 Other creditors

| | 2019 | 2018 |
|---|---------------|---------------|
| | £000 | £000 |
| Accrued annual management charge | 577 | 648 |
| Accrued Trustee's fee | 5 | 5 |
| Accrued other expenses | 122 | 85 |
| Amounts payable for cancellation of units | 791 | 148 |
| Currency transactions awaiting settlement | 14,388 | 53 |
| Purchases awaiting settlement | 14,415 | 39,686 |
| Total other creditors | 30,298 | 40,625 |

13 Contingent assets, liabilities and commitments

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

14 Related party transactions

Henderson Investment Funds Limited as Authorised Fund Manager to the fund is deemed to be a related party because it provides key management personnel services to the fund. All transactions and balances associated with the Authorised Fund Manager are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to unitholders' and the 'Balance sheet' on pages 21 and 22 and notes 6, 9, 10 and 12 on pages 32 to 35 including all issues and cancellations where the Authorised Fund Manager acted as principal.

Transactions with the Authorised Fund Manager are as follows:

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

There were no material unitholders at the year end (2018: nil).

15 Unitholders' funds

The fund currently has 6 unit classes available; Accumulation and Income, Class I accumulation, Class I income, Class Z accumulation and Class A income Euro hedged. The annual management charge on each unit class is as follows:

| | 2019 | 2018 |
|-----------------------------|-------------|-------------|
| | % | % |
| Income and Accumulation | 1.25 | 1.25 |
| Class I | 0.60 | 0.60 |
| Class Z* | 0.00 | 0.00 |
| Class A income Euro hedged. | 1.25 | 1.25 |

* Charges for managing Class Z are levied outside the Fund and are agreed between the Authorised Fund Manager and investors.

The net asset value of each unit class, the net asset value per unit and the number of units in each unit class are given in the comparative tables on pages 4 to 7. The distribution per unit class is given in the distribution tables on pages 41 to 48. All unit classes have the same rights on winding up.

Notes to the financial statements (continued)

15 Unitholders' funds (continued)

Units reconciliation as at 1 March 2019

| | Accumulation | Income | Class I accumulation | Class I income |
|---------------------------------|-------------------|----------------------|-------------------------|--------------------|
| Opening number of units | 119,984,846 | 1,762,645,380 | 107,077,493 | 281,997,561 |
| Issues during the year | 7,124,505 | 91,309,333 | 33,685,745 | 85,692,468 |
| Cancellations during the year | (42,401,174) | (187,571,461) | (38,169,684) | (119,096,986) |
| Units converted during the year | (171,703) | (5,125,213) | 139,324 | 935,580 |
| Closing units in issue | 84,536,474 | 1,661,258,039 | 102,732,878 | 249,528,623 |

| | Class Z accumulation | Class A income Euro hedged |
|---------------------------------|-------------------------|-------------------------------|
| Opening number of units | 1,500 | 8,004,360 |
| Issues during the year | - | 422,007 |
| Cancellations during the year | - | (417,006) |
| Units converted during the year | - | - |
| Closing units in issue | 1,500 | 8,009,361 |

16 Financial derivatives

The fund may use financial derivatives for the purposes of efficient portfolio management and for meeting the investment objectives of the fund.

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 1 March 2019 (2018: nil).

2019

At 1 March 2019 the underlying exposure for each category of derivatives held was as follows:

| Counterparty | Forward foreign exchange contracts £000 | Forward foreign exchange contracts (hedged unit class) £000 | Futures £000 | Total by counterparty £000 |
|--------------|--|--|---------------------|--------------------------------------|
| BNP Paribas | 20,374 | - | - | 20,374 |
| JP Morgan | - | 9 | - | 9 |
| UBS | - | - | 512 | 512 |
| | 20,374 | 9 | 512 | 20,895 |

Notes to the financial statements (continued)

16 Financial derivatives (continued) 2018

At 1 March 2018 the underlying exposure for each category of derivatives held was as follows:

| Counterparty | Forward foreign exchange contracts £000 | Forward foreign exchange contracts (hedged unit class) £000 | Futures £000 | Total by counterparty £000 |
|--------------|--|--|---------------------|--------------------------------------|
| BNP Paribas | 155 | - | - | 155 |
| JP Morgan | - | 9 | - | 9 |
| UBS | - | - | 327 | 327 |
| | <u>155</u> | <u>9</u> | <u>327</u> | <u>491</u> |

17 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 income.

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

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

2019

| Counterparty | Total market value of stock on loan £000 | Amount of collateral received £000 | Type of collateral category |
|---------------------|---|---|--------------------------------|
| Bank of Nova Scotia | 8,654 | 9,645 | Equity |
| BNP Paribas | 396 | 430 | Corporate Bond |
| Credit Suisse | 1,324 | 1,396 | Corporate Bond |
| JP Morgan | 193 | 208 | Corporate Bond |
| JP Morgan | 1,680 | 1,814 | Government Bond |
| | <u>1,873</u> | <u>2,022</u> | |
| | <u>12,247</u> | <u>13,493</u> | |

| Recipient | Relationship | Gross income £000 | Direct and indirect expenses £000 | Net income £000 |
|-------------|---------------------|-----------------------------|--|------------------------|
| BNP Paribas | Stock lending agent | 27 | 4 | 23 |

Notes to the financial statements (continued)

17 Stock lending (continued)

2018

| Counterparty | Total market value of stock on loan £000 | Amount of collateral received £000 | Type of collateral category |
|--------------|---|---------------------------------------|-----------------------------|
| BNP Paribas | 192 | 232 | Certificate of deposit |
| BNP Paribas | 411 | 496 | Corporate Bond |
| | <u>603</u> | <u>728</u> | |
| JP Morgan | 695 | 737 | Corporate Bond |
| JP Morgan | 6,812 | 7,224 | Government Bond |
| | <u>7,507</u> | <u>7,961</u> | |
| | <u>8,110</u> | <u>8,689</u> | |

| Recipient | Relationship | Gross income £000 | Direct and indirect expenses £000 | Net income £000 |
|-------------|---------------------|----------------------|--------------------------------------|--------------------|
| BNP Paribas | Stock lending agent | 46 | 7 | 39 |

18 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

| | 2019 | | 2018 | |
|---------|----------------|---------------------|----------------|---------------------|
| | Assets £000 | Liabilities £000 | Assets £000 | Liabilities £000 |
| Level 1 | 11,175* | 455 | 327 | - |
| Level 2 | 739,727 | 3,259 | 839,124 | 6,112 |
| Level 3 | 33 | - | 1,486 | - |
| | <u>750,935</u> | <u>3,714</u> | <u>840,937</u> | <u>6,112</u> |

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined to be sufficiently close to a binding quoted price, amount to £10,662,675 for assets as at 1 March 2019 (2018 : nil).

Notes to the financial statements (continued)

18 Fair value disclosure (continued)

Fair value hierarchy (continued)

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Investment Manager, at its discretion, may permit some other method of valuation to be used if they consider that it better reflects value and is in accordance with good accounting practice. The EMEA Fair Value Pricing Committee (FVPC) of the Investment Manager is responsible for determining or approving unquoted prices. Where deemed necessary, the FVPC will seek ratification of decisions from the Janus Henderson Investment Performance and Risk Committee. The FVPC meets on a monthly basis and consists of representatives from various parts of the Investment manager who act as an independent party, segregated from the fund management function, to review and approve fair value pricing decisions and pricing models on a regular basis. The asset included within level 3 is a defaulted bond which has been valued by the FVPC at their best estimate of fair value. The Lambay Capital Securities 6.25% perpetual holding has been valued using broker quotes.

19 Direct transaction costs

| | Purchases | | Sales | |
|---|----------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £000 | £000 | £000 | £000 |
| Trades in the year | | | | |
| Debt securities | 519,909 | 661,199 | 601,845 | 598,300 |
| Trades in the year before transaction costs | 519,909 | 661,199 | 601,845 | 599,384 |
| Transaction costs | | | | |
| Commissions | | | | |
| Debt securities | - | - | - | - |
| Total commissions | - | - | - | - |
| Taxes | | | | |
| Debt securities | - | - | - | - |
| Total taxes | - | - | - | - |
| Other expenses | | | | |
| Debt securities | 13 | 17 | 6 | 17 |
| Total other expenses | 13 | 17 | 6 | 17 |
| Total transaction costs | 13 | 17 | 6 | 17 |
| Total net trades in the year after transaction costs | 519,922 | 661,216 | 601,839 | 599,367 |

| | Purchases | | Sales | |
|---|-------------|-------------|-------|------|
| | 2019 | 2018 | 2019 | 2018 |
| | % | % | % | % |
| Total transaction costs expressed as a percentage of asset type cost | | | | |
| Commissions | | | | |
| Debt securities | - | - | - | - |
| Taxes | | | | |
| Debt securities | - | - | - | - |
| Equities | - | - | - | - |
| Other expenses | | | | |
| Debt securities | - | - | - | - |
| | 2019 | 2018 | | |
| | % | % | | |
| Total transaction costs expressed as a percentage of net asset value | | | | |
| Commissions | - | - | | |
| Taxes | - | - | | |
| Other expenses | - | - | | |
| Total costs | - | - | | |

Notes to the financial statements (continued)

19 Direct transaction costs (continued)

There were no in specie transfers during the year (2018: nil). There were corporate actions during the year of £1,736,252 (2018: £3,006,741).

There were direct transaction costs associated with derivatives in the year of £42,677 (2018: £25,883) which is 0.01% of the average net asset value of the fund (2018: 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 1 March 2019 was 0.58% (2018: 0.62%). The portfolio dealing spread is calculated at the fund's 12 noon valuation point.

20 Events after the Balance sheet date

The fund moved from a dual pricing basis to a single pricing basis on 18 March 2019.

Distribution tables for the year ended 1 March 2019 (in pence per unit)

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

Group 1: units purchased prior to 2 March 2018

Group 2: units purchased on or after 2 March 2018

| | Distribution per unit | Equalisation | Total distribution per unit 30/04/18 | Total distribution per unit 28/04/17 |
|-----------------------------|--------------------------|--------------|---|---|
| Accumulation | | | | |
| Group 1 | 0.1029 | - | 0.1029 | 0.0922 |
| Group 2 | 0.0558 | 0.0471 | 0.1029 | 0.0922 |
| Income | | | | |
| Group 1 | 0.0796 | - | 0.0796 | 0.0766 |
| Group 2 | 0.0261 | 0.0535 | 0.0796 | 0.0766 |
| Class I accumulation | | | | |
| Group 1 | 0.4272 | - | 0.4272 | 0.3658 |
| Group 2 | 0.1877 | 0.2395 | 0.4272 | 0.3658 |
| Class I income | | | | |
| Group 1 | 0.4087 | - | 0.4087 | 0.3766 |
| Group 2 | 0.2103 | 0.1984 | 0.4087 | 0.3766 |
| Class Z accumulation | | | | |
| Group 1 | 0.5840 | - | 0.5840 | 0.4886 |
| Group 2 | 0.5840 | - | 0.5840 | 0.4886 |

Interim interest distribution (accounting date 30 April 2018, paid on 31 May 2018)

Group 1: units purchased prior to 1 April 2018

Group 2: units purchased on or after 1 April 2018

| | Distribution per unit | Equalisation | Total distribution per unit 31/05/18 | Total distribution per unit 31/05/17 |
|-----------------------------|--------------------------|--------------|---|---|
| Accumulation | | | | |
| Group 1 | 0.1029 | - | 0.1029 | 0.0922 |
| Group 2 | 0.0489 | 0.0540 | 0.1029 | 0.0922 |
| Income | | | | |
| Group 1 | 0.0796 | - | 0.0796 | 0.0766 |
| Group 2 | 0.0266 | 0.0530 | 0.0796 | 0.0766 |
| Class I accumulation | | | | |
| Group 1 | 0.4272 | - | 0.4272 | 0.3658 |
| Group 2 | 0.2212 | 0.2060 | 0.4272 | 0.3658 |
| Class I income | | | | |
| Group 1 | 0.4087 | - | 0.4087 | 0.3766 |
| Group 2 | 0.1855 | 0.2232 | 0.4087 | 0.3766 |
| Class Z accumulation | | | | |
| Group 1 | 0.5840 | - | 0.5840 | 0.4886 |
| Group 2 | 0.5840 | - | 0.5840 | 0.4886 |

Distribution tables (continued)

Interim interest distribution (accounting date 31 May 2018, paid on 29 June 2018)

Group 1: units purchased prior to 1 May 2018

Group 2: units purchased on or after 1 May 2018

| | Distribution per unit | Equalisation | Total distribution per unit 29/06/18 | Total distribution per unit 30/06/17 |
|-----------------------------|--------------------------|--------------|---|---|
| Accumulation | | | | |
| Group 1 | 0.1029 | - | 0.1029 | 0.1153 |
| Group 2 | 0.0360 | 0.0669 | 0.1029 | 0.1153 |
| Income | | | | |
| Group 1 | 0.0796 | - | 0.0796 | 0.0958 |
| Group 2 | 0.0219 | 0.0577 | 0.0796 | 0.0958 |
| Class I accumulation | | | | |
| Group 1 | 0.4272 | - | 0.4272 | 0.4573 |
| Group 2 | 0.1734 | 0.2538 | 0.4272 | 0.4573 |
| Class I income | | | | |
| Group 1 | 0.4087 | - | 0.4087 | 0.4708 |
| Group 2 | 0.1584 | 0.2503 | 0.4087 | 0.4708 |
| Class Z accumulation | | | | |
| Group 1 | 0.5840 | - | 0.5840 | 0.6108 |
| Group 2 | 0.5840 | - | 0.5840 | 0.6108 |

Interim interest distribution (accounting date 31 May 2018, paid on 29 June 2018)

Group 1: units purchased prior to 2 March 2018

Group 2: units purchased on or after 2 March 2018

| | Distribution per unit | Equalisation | Total distribution per unit 29/06/18 | Total distribution per unit 30/06/17 |
|---|--------------------------|--------------|---|---|
| Class A income Euro hedged¹ | | | | |
| Group 1 | 3.6029 | - | 3.6029 | 3.8607 |
| Group 2 | 1.6713 | 1.9316 | 3.6029 | 3.8607 |

¹ in Euro cents per unit

Distribution tables (continued)

Interim interest distribution (accounting date 30 June 2018, paid on 31 July 2018)

Group 1: units purchased prior to 1 June 2018

Group 2: units purchased on or after 1 June 2018

| | Distribution per unit | Equalisation | Total distribution per unit 31/07/18 | Total distribution per unit 31/07/17 |
|-----------------------------|--------------------------|--------------|---|---|
| Accumulation | | | | |
| Group 1 | 0.1029 | - | 0.1029 | 0.1153 |
| Group 2 | 0.0267 | 0.0762 | 0.1029 | 0.1153 |
| Income | | | | |
| Group 1 | 0.0796 | - | 0.0796 | 0.0958 |
| Group 2 | 0.0130 | 0.0666 | 0.0796 | 0.0958 |
| Class I accumulation | | | | |
| Group 1 | 0.4272 | - | 0.4272 | 0.4573 |
| Group 2 | 0.1664 | 0.2608 | 0.4272 | 0.4573 |
| Class I income | | | | |
| Group 1 | 0.4087 | - | 0.4087 | 0.4708 |
| Group 2 | 0.1393 | 0.2694 | 0.4087 | 0.4708 |
| Class Z accumulation | | | | |
| Group 1 | 0.5840 | - | 0.5840 | 0.6108 |
| Group 2 | 0.5840 | - | 0.5840 | 0.6108 |

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

Group 1: units purchased prior to 1 July 2018

Group 2: units purchased on or after 1 July 2018

| | Distribution per unit | Equalisation | Total distribution per unit 31/08/18 | Total distribution per unit 31/08/17 |
|-----------------------------|--------------------------|--------------|---|---|
| Accumulation | | | | |
| Group 1 | 0.1029 | - | 0.1029 | 0.1153 |
| Group 2 | 0.0043 | 0.0986 | 0.1029 | 0.1153 |
| Income | | | | |
| Group 1 | 0.0796 | - | 0.0796 | 0.0958 |
| Group 2 | 0.0041 | 0.0755 | 0.0796 | 0.0958 |
| Class I accumulation | | | | |
| Group 1 | 0.4272 | - | 0.4272 | 0.4573 |
| Group 2 | 0.1381 | 0.2891 | 0.4272 | 0.4573 |
| Class I income | | | | |
| Group 1 | 0.4087 | - | 0.4087 | 0.4708 |
| Group 2 | 0.1687 | 0.2400 | 0.4087 | 0.4708 |
| Class Z accumulation | | | | |
| Group 1 | 0.5840 | - | 0.5840 | 0.6108 |
| Group 2 | 0.5840 | - | 0.5840 | 0.6108 |

Distribution tables (continued)

Interim interest distribution (accounting date 1 September 2018, paid on 28 September 2018)

Group 1: units purchased prior to 1 August 2018

Group 2: units purchased on or after 1 August 2018

| | Distribution per unit | Equalisation | Total distribution per unit 28/09/18 | Total distribution per unit 29/09/17 |
|-----------------------------|--------------------------|--------------|---|---|
| Accumulation | | | | |
| Group 1 | 0.1029 | - | 0.1029 | 0.1153 |
| Group 2 | 0.0159 | 0.0870 | 0.1029 | 0.1153 |
| Income | | | | |
| Group 1 | 0.0796 | - | 0.0796 | 0.0958 |
| Group 2 | 0.0083 | 0.0713 | 0.0796 | 0.0958 |
| Class I accumulation | | | | |
| Group 1 | 0.4272 | - | 0.4272 | 0.4573 |
| Group 2 | 0.1691 | 0.2581 | 0.4272 | 0.4573 |
| Class I income | | | | |
| Group 1 | 0.4087 | - | 0.4087 | 0.4708 |
| Group 2 | 0.2190 | 0.1897 | 0.4087 | 0.4708 |
| Class Z accumulation | | | | |
| Group 1 | 0.5840 | - | 0.5840 | 0.6108 |
| Group 2 | 0.5840 | - | 0.5840 | 0.6108 |

Interim interest distribution (accounting date 1 September 2018, paid on 28 September 2018)

Group 1: units purchased prior to 1 June 2018

Group 2: units purchased on or after 1 June 2018

| | Distribution per unit | Equalisation | Total distribution per unit 28/09/18 | Total distribution per unit 29/09/17 |
|---|--------------------------|--------------|---|---|
| Class A income Euro hedged¹ | | | | |
| Group 1 | 3.4654 | - | 3.4654 | 3.8598 |
| Group 2 | 1.0222 | 2.4432 | 3.4654 | 3.8598 |

¹ in Euro cents per unit

Distribution tables (continued)

Interim interest distribution (accounting date 30 September 2018, paid on 31 October 2018)

Group 1: units purchased prior to 2 September 2018

Group 2: units purchased on or after 2 September 2018

| | Distribution per unit | Equalisation | Total distribution per unit 31/10/18 | Total distribution per unit 31/10/17 |
|-----------------------------|--------------------------|--------------|---|---|
| Accumulation | | | | |
| Group 1 | 0.1029 | - | 0.1029 | 0.1076 |
| Group 2 | - | 0.1029 | 0.1029 | 0.1076 |
| Income | | | | |
| Group 1 | 0.0796 | - | 0.0796 | 0.0838 |
| Group 2 | - | 0.0796 | 0.0796 | 0.0838 |
| Class I accumulation | | | | |
| Group 1 | 0.4272 | - | 0.4272 | 0.4573 |
| Group 2 | 0.0853 | 0.3419 | 0.4272 | 0.4573 |
| Class I income | | | | |
| Group 1 | 0.4087 | - | 0.4087 | 0.4639 |
| Group 2 | 0.1294 | 0.2793 | 0.4087 | 0.4639 |
| Class Z accumulation | | | | |
| Group 1 | 0.5840 | - | 0.5840 | 0.6108 |
| Group 2 | 0.5840 | - | 0.5840 | 0.6108 |

Interim interest distribution (accounting date 31 October 2018, paid on 30 November 2018)

Group 1: units purchased prior to 1 October 2018

Group 2: units purchased on or after 1 October 2018

| | Distribution per unit | Equalisation | Total distribution per unit 30/11/18 | Total distribution per unit 30/11/17 |
|-----------------------------|--------------------------|--------------|---|---|
| Accumulation | | | | |
| Group 1 | 0.1029 | - | 0.1029 | 0.1153 |
| Group 2 | - | 0.1029 | 0.1029 | 0.1153 |
| Income | | | | |
| Group 1 | 0.0796 | - | 0.0796 | 0.0948 |
| Group 2 | - | 0.0796 | 0.0796 | 0.0948 |
| Class I accumulation | | | | |
| Group 1 | 0.4272 | - | 0.4272 | 0.4573 |
| Group 2 | 0.0679 | 0.3593 | 0.4272 | 0.4573 |
| Class I income | | | | |
| Group 1 | 0.4087 | - | 0.4087 | 0.4708 |
| Group 2 | 0.0834 | 0.3253 | 0.4087 | 0.4708 |
| Class Z accumulation | | | | |
| Group 1 | 0.5840 | - | 0.5840 | 0.6108 |
| Group 2 | 0.5840 | - | 0.5840 | 0.6108 |

Distribution tables (continued)

Interim interest distribution (accounting date 30 November 2018, paid on 31 December 2018)

Group 1: units purchased prior to 1 November 2018

Group 2: units purchased on or after 1 November 2018

| | Distribution per unit | Equalisation | Total distribution per unit 31/12/18 | Total distribution per unit 29/12/17 |
|-----------------------------|--------------------------|--------------|---|---|
| Accumulation | | | | |
| Group 1 | 0.1029 | - | 0.1029 | 0.1029 |
| Group 2 | 0.0164 | 0.0865 | 0.1029 | 0.1029 |
| Income | | | | |
| Group 1 | 0.0796 | - | 0.0796 | 0.0796 |
| Group 2 | - | 0.0796 | 0.0796 | 0.0796 |
| Class I accumulation | | | | |
| Group 1 | 0.4272 | - | 0.4272 | 0.4272 |
| Group 2 | 0.0754 | 0.3518 | 0.4272 | 0.4272 |
| Class I income | | | | |
| Group 1 | 0.4087 | - | 0.4087 | 0.4087 |
| Group 2 | 0.1353 | 0.2734 | 0.4087 | 0.4087 |
| Class Z accumulation | | | | |
| Group 1 | 0.5840 | - | 0.5840 | 0.8180 |
| Group 2 | 0.5840 | - | 0.5840 | 0.8180 |

Interim interest distribution (accounting date 30 November 2018, paid on 31 December 2018)

Group 1: units purchased prior to 2 September 2018

Group 2: units purchased on or after 2 September 2018

| | Distribution per unit | Equalisation | Total distribution per unit 31/12/18 | Total distribution per unit 29/12/17 |
|---|--------------------------|--------------|---|---|
| Class A income Euro hedged¹ | | | | |
| Group 1 | 3.4985 | - | 3.4985 | 3.5613 |
| Group 2 | 2.3985 | 1.1000 | 3.4985 | 3.5613 |

¹ in Euro cents per unit

Distribution tables (continued)

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

Group 1: units purchased prior to 1 December 2018

Group 2: units purchased on or after 1 December 2018

| | Distribution per unit | Equalisation | Total distribution per unit 31/01/19 | Total distribution per unit 31/01/18 |
|-----------------------------|--------------------------|--------------|---|---|
| Accumulation | | | | |
| Group 1 | 0.1029 | - | 0.1029 | 0.1029 |
| Group 2 | - | 0.1029 | 0.1029 | 0.1029 |
| Income | | | | |
| Group 1 | 0.0796 | - | 0.0796 | 0.0796 |
| Group 2 | - | 0.0796 | 0.0796 | 0.0796 |
| Class I accumulation | | | | |
| Group 1 | 0.4272 | - | 0.4272 | 0.4272 |
| Group 2 | 0.0022 | 0.4250 | 0.4272 | 0.4272 |
| Class I income | | | | |
| Group 1 | 0.4087 | - | 0.4087 | 0.4087 |
| Group 2 | 0.1590 | 0.2497 | 0.4087 | 0.4087 |
| Class Z accumulation | | | | |
| Group 1 | 0.5840 | - | 0.5840 | 0.5840 |
| Group 2 | 0.5840 | - | 0.5840 | 0.5840 |

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

Group 1: units purchased prior to 1 January 2019

Group 2: units purchased on or after 1 January 2019

| | Distribution per unit | Equalisation | Total distribution per unit 28/02/19 | Total distribution per unit 28/02/18 |
|-----------------------------|--------------------------|--------------|---|---|
| Accumulation | | | | |
| Group 1 | 0.1029 | - | 0.1029 | 0.1029 |
| Group 2 | - | 0.1029 | 0.1029 | 0.1029 |
| Income | | | | |
| Group 1 | 0.0796 | - | 0.0796 | 0.0796 |
| Group 2 | - | 0.0796 | 0.0796 | 0.0796 |
| Class I accumulation | | | | |
| Group 1 | 0.4272 | - | 0.4272 | 0.4229 |
| Group 2 | 0.0656 | 0.3616 | 0.4272 | 0.4229 |
| Class I income | | | | |
| Group 1 | 0.4087 | - | 0.4087 | 0.4016 |
| Group 2 | 0.1879 | 0.2208 | 0.4087 | 0.4016 |
| Class Z accumulation | | | | |
| Group 1 | 0.5840 | - | 0.5840 | 0.5686 |
| Group 2 | 0.5840 | - | 0.5840 | 0.5686 |

Distribution tables (continued)

Final interest distribution (accounting date 1 March 2019, paid on 29 March 2019)

Group 1 : units purchased prior to 1 February 2019

Group 2 : units purchased on or after 1 February 2019

| | Distribution per unit | Equalisation | Total distribution per unit 29/03/19 | Total distribution per unit 29/03/18 |
|-----------------------------|--------------------------|--------------|---|---|
| Accumulation | | | | |
| Group 1 | 0.1510 | - | 0.1510 | 0.1148 |
| Group 2 | 0.0409 | 0.1101 | 0.1510 | 0.1148 |
| Income | | | | |
| Group 1 | 0.0854 | - | 0.0854 | 0.0878 |
| Group 2 | 0.0165 | 0.0689 | 0.0854 | 0.0878 |
| Class I accumulation | | | | |
| Group 1 | 0.4901 | - | 0.4901 | 0.4441 |
| Group 2 | 0.1388 | 0.3513 | 0.4901 | 0.4441 |
| Class I income | | | | |
| Group 1 | 0.3138 | - | 0.3138 | 0.4201 |
| Group 2 | 0.0573 | 0.2565 | 0.3138 | 0.4201 |
| Class Z accumulation | | | | |
| Group 1 | 0.6431 | - | 0.6431 | 0.5700 |
| Group 2 | 0.6431 | - | 0.6431 | 0.5700 |

Final interest distribution (accounting date 1 March 2019, paid on 29 March 2019)

Group 1 : units purchased prior to 1 December 2018

Group 2 : units purchased on or after 1 December 2018

| | Distribution per unit | Equalisation | Total distribution per unit 29/03/19 | Total distribution per unit 29/03/18 |
|---|--------------------------|--------------|---|---|
| Class A income Euro hedged¹ | | | | |
| Group 1 | 2.9846 | - | 2.9846 | 3.4922 |
| Group 2 | 1.6894 | 1.2952 | 2.9846 | 3.4922 |

¹ in Euro cents per unit

Appendix - additional information (unaudited)

Securities financing transactions

The fund engages 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 fund's involvement in and exposures related to securities lending for the year ended 1 March 2019 are detailed below.

Global data

The table lists the amount of securities on loan as a proportion of total lendable assets and the fund's assets under management (AUM) as at 1 March 2019:

| Fund | Market value of securities on loan £000 | % of lendable assets | % of AUM |
|--|--|----------------------|----------|
| Janus Henderson Fixed Interest Monthly Income Fund | 12,247 | 1.68% | 1.58% |

Concentration data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for the fund as at 1 March 2019:

| Issuer | Market value of collateral received £000 |
|--------------------------|---|
| Government of Ireland | 1,814 |
| European Investment Bank | 992 |
| Toronto-Dominion Bank | 956 |
| Royal Bank of Canada | 926 |
| CRH | 921 |
| Tesco | 918 |
| Rolls-Royce | 906 |
| Grifols | 893 |
| British American Tobacco | 885 |
| Rio Tinto | 808 |

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for the fund as at 1 March 2019:

| Counterparty | Market value of securities on loan £000 | Settlement basis |
|---------------------|--|------------------|
| Bank of Nova Scotia | 8,654 | Triparty |
| JP Morgan | 1,873 | Triparty |
| Credit Suisse | 1,324 | Triparty |
| BNP Paribas | 396 | Triparty |
| | 12,247 | |

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 the fund in respect of each type of SFTs as at 1 March 2019:

| Counterparty | Counterparty country of origin | Type | Quality | Collateral Currency | Settlement basis | Custodian | Market value of collateral received £000 |
|---------------------|--------------------------------|-----------------|---------------------|---------------------|------------------|-------------|--|
| Bank of Nova Scotia | Canada | Equity | Main market listing | CAD | Triparty | BNP Paribas | 1,904 |
| Bank of Nova Scotia | Canada | Equity | Main market listing | EUR | Triparty | BNP Paribas | 1,495 |
| Bank of Nova Scotia | Canada | Equity | Main market listing | GBP | Triparty | BNP Paribas | 6,131 |
| Bank of Nova Scotia | Canada | Equity | Main market listing | USD | Triparty | BNP Paribas | 115 |
| BNP Paribas | France | Corporate Bond | Investment grade | EUR | Triparty | BNP Paribas | 430 |
| Credit Suisse | Switzerland | Corporate Bond | Investment grade | EUR | Triparty | BNP Paribas | 989 |
| Credit Suisse | Switzerland | Corporate Bond | Investment grade | USD | Triparty | BNP Paribas | 407 |
| JP Morgan | United States | Corporate Bond | Investment grade | EUR | Triparty | BNP Paribas | 80 |
| JP Morgan | United States | Corporate Bond | Investment grade | USD | Triparty | BNP Paribas | 128 |
| JP Morgan | United States | Government Bond | Investment grade | EUR | Triparty | BNP Paribas | 1,814 |
| | | | | | | | 13,493 |

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 fund does not engage in any re-use of collateral.

Return and cost on securities lending activities

The following table details the fund's return and costs for each type of SFTs for the year ended 1 March 2019:

| Fund | Total gross amount of stock lending revenue £000 | Direct and indirect costs and fees deducted by securities lending agent £000 | Net stock lending revenue retained by the fund £000 | % return of the securities lending agent | % return of the fund |
|--|--|--|---|--|----------------------|
| Janus Henderson Fixed Interest Monthly Income 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 Henderson Investment Funds Limited ('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 Fixed Interest Monthly Income Fund is managed by HIFL, which is a subsidiary of Janus Henderson Group plc.

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

Further information on the Janus Henderson Group plc Remuneration Policy is available in the annual report and accounts as at 31 December 2018.

| | Headcount (1) | Total Remuneration (£000s) (2,3) |
|---|---------------|----------------------------------|
| Janus Henderson Fixed Interest Monthly Income Fund | 1,943 | 1,095 |
| of which | | |
| Fixed Remuneration | 1,943 | 512 |
| Variable Remuneration | 1,933 | 583 |
| Carried Interest | n/a | |
| Janus Henderson Fixed Interest Monthly Income Fund Remuneration Code Staff | 175 | 958 |
| of which | | |
| Senior Management (4) | 27 | 119 |
| Other Code Staff (5) | 148 | 839 |

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

Further information

Unitholder enquiries

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

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

The following line is also available:

Client Services: **0800 832 832**

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

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

Important Information

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

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

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

[Janus Henderson, Janus, Henderson, Perkins, Intech, Alphagen, VelocityShares, Knowledge. Shared and Knowledge Labs] are trademarks of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc.