

ANNUAL REPORT & ACCOUNTS

For the year ended 31 October 2020

Who are Janus Henderson Investors?



Source: Janus Henderson Investors. Staff and assets under management (AUM) data as at 30 September 2020. AUM data excludes exchange-traded note (ETN) assets.

Who we are

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

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

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

Why Janus Henderson Investors?

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

Active because active matters

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

Global strength to deliver local solutions

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

Empowering clients through knowledge shared

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

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Authorised Corporate Director's (ACD) report for the year ended 31 October 2020

We are pleased to present the Annual Report and Accounts for Janus Henderson Global Funds (the 'Company') for the year ended 31 October 2020.

Authorised status

The Company is an open-ended investment company (OEIC) with variable capital incorporated in England and Wales under registered number IC69 and authorised by the Financial Conduct Authority (FCA) with effect from 21 June 2000. It is an Undertakings for Collective Investment in Transferrable Securities (UCITS) scheme structured as an umbrella company, comprising of six sub-funds ('funds') complying with chapter 5 of the Collective Investment Schemes Sourcebook (COLL). The operation of the Company is governed by the OEIC regulations, COLL, its Instrument of Incorporation and Prospectus.

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

Segregation of assets

The assets of each fund will be treated as separate from those of every other fund and will be invested in accordance with the investment objective and investment policy applicable to that fund.

Other information

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

From 1 July 2020, Janus Henderson Global Technology Fund changed its name to Janus Henderson Global Technology Leaders Fund. In accordance to the UCITS Directive the fund will not invest more than 10% of its assets in shares of a single company.

The Janus Henderson Global High Yield Bond Fund launched on 1 December 2020.

Brexit update

With effect from 1 January 2021, UK domiciled investment funds that had previously operated under the UCITS regulations will cease to be classed as UCITS and will instead become 'UK UCITS'. From the same date, UK domiciled non-UCITS Retail Schemes (NURS) will cease to be classed as EU Alternative Investment Funds (AIFs) and instead will be classed as third country AIFs. The way in which the funds are managed will not be impacted by this change.

Value assessment

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

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

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

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

COVID-19

The outbreak of the novel coronavirus ('COVID-19') and subsequent global pandemic has impacted the global financial markets and economies during the year to 31 October 2020. The worldwide spread of COVID-19 has created significant uncertainty in the global economy. The impact of COVID-19 during the year has been taken into account in the recognition and measurement of the funds' primary statements at 31 October 2020.

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

Director's statement

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



G Foggin
(Director)

18 January 2021

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

Service providers

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

Global equity markets increased over the year to 31 October 2020, the MSCI World Index increased +5.0% in sterling and +4.0% in US dollar terms. The emergence and spread of COVID-19, and the huge monetary policy and fiscal stimulus response to the global pandemic were strong drivers of markets. The rebound from the equity market nadir in March was uneven, as accelerating infections led to increasingly tighter lockdown restrictions in many countries, particularly in Europe, towards the end of the reporting year.

In the UK, the FTSE All Share Index sank 18.6% in sterling terms. Shares ended 2019 strongly after the Conservative Party's decisive election win paved the way for the UK to leave the European Union (EU) at the end of January 2020. Equities plummeted in February and March as COVID-19 spread and many countries, including the UK, went into lockdown. Strong gains followed in April and May, supported by fiscal and monetary measures in the UK and elsewhere in the world. An easing of restrictions supported subsequent increases. Surging infections in September prompted the government to tighten restrictions once more, although these appeared to have little effect and a second national lockdown was announced in England on 31 October. Growing concerns about the UK's trade talks with the EU added to investors' worries, and the two sides had yet to make a breakthrough in a number of key areas by the end of October. The pandemic exacted a heavy toll on the UK economy, which entered a deep recession after GDP shrank by 19.8% over the second quarter.

European stocks were also lower, the FTSE World Europe ex UK Index fell -4.2% in sterling and -8.7% in euro terms. Looser monetary policy from global central banks, optimism about improvements in US/China trade relations and a decline in Brexit worries underpinned gains in the final two months of 2019. Stocks plummeted in February and March as the region became the centre of the pandemic. The European Central Bank unveiled a bond-buying programme totalling €1.35trn while various countries announced financial support packages. The easing of lockdown curbs and announcement of a €750bn European Union (EU) recovery fund supported the rebound. However, sharp rises in new cases of COVID-19 – they hit record daily levels in many countries in October – and the return of lockdown restrictions pressured equities once more. Uncertainty about the course of the EU/UK trade negotiations further dampened sentiment. The pandemic pushed the eurozone economy into a sharp recession, after contractions in the first and second quarters of 2020, although GDP rebounded over the third quarter, growing by 12.7%.

US equities, as measured by the S&P 500 Index, rose by 9.8% in sterling and 9.7% in US dollar terms. Steady gains, underpinned by accommodative monetary policy from the US Federal Reserve (Fed) and an improvement in US/China relations, helped the major US indices repeatedly breach record highs in 2019 and early 2020. Equities plunged during the pandemic-led rout on global markets before supportive monetary policy from the Fed and US\$3trn of government aid spurred a rebound. A technology sector-led rally helped the S&P 500 and the Nasdaq Composite indices to again reach all-time high levels in early September. In October, record daily COVID-19 infections in the US and elsewhere, and uncertainty about the outcome of the US presidential election pulled the market down. The economy contracted by a record 31.4% in the second quarter, on an annualised basis, although it rebounded in the third quarter, expanding by 33.1%, another record. In a significant change to monetary policy, the Fed said it would adopt an average inflation target, which suggested that interest rates would remain lower for longer.

In Japan, the TOPIX Index increased by 0.4% in sterling but decreased 2.9% in yen, with the strength of the Japanese currency accounting for the difference. Shares, which had made gains over the final months of 2019, plunged during the global market sell-off. Monetary policy support and US\$2.2trn of government stimulus, however, sparked a rally. A nationwide state of emergency was lifted in May, further boosting sentiment, while a rise in infections in Japan and elsewhere in the world unsettled investors in June and July. These concerns eased in September after Tokyo lowered its alert level because of a decline in new cases. New prime minister Yoshihide Suga vowed to continue the reforms of his predecessor, Shinzo Abe – who resigned at the end of August because of poor health – which calmed investors' nerves about the changeover. The economy sank deeper into recession because of the pandemic, shrinking by a record 28.1% in the second quarter, on an annualised basis, which was the third consecutive quarterly contraction.

In Asia, the MSCI AC Asia Pacific ex Japan Index gained 12.2% in sterling and 12.1% in US dollars. Stocks slumped during the first quarter of 2020, after COVID-19 spread rapidly around the world, while worldwide monetary and fiscal stimulus drove the subsequent rally. China's market was one of the strongest performers as the economy recovered relatively quickly after lockdown restrictions were eased. GDP returned to growth in the second and third quarters, following a 6.8% contraction – the first on record – in the first quarter. Tensions with the US caused unease in the second half of the reporting year. Equities rose very strongly in Taiwan, helped by the success of the government's COVID-19 containment efforts and a rally in technology shares. The South Korean market was higher for similar reasons, although the gain was smaller as the country battled localised spikes in COVID-19 infections. Australian shares were lower as the pandemic pulled the economy into its first recession in 28 years.

The MSCI Emerging Markets Index was higher by 8.7% in sterling and 8.6% in US dollar terms. The COVID-19-led slump in the first quarter of 2020 hit developing economies particularly hard, while optimism about a global economic recovery drove a rebound. In India, where stocks were down overall, the government imposed a strict lockdown with little warning and, relatively soon after, started easing restrictions despite rising COVID-19 cases. Latin American markets were sharply lower, in aggregate, as the pandemic exacerbated the region's economic problems. Equities plunged in Brazil as political uncertainty, particularly over the leadership of President Jair Bolsonaro, added further pressure. However, Argentina's market outperformed the regional and broader indices after the government agreed a deal to restructure US\$65bn of foreign debt. Turkey's market slumped, largely because of concerns about the lira, which hit record lows against the US dollar towards the end of the reporting year.

Market review (continued)

Within fixed income, the JPM Global Government Bond Index moved up by 6.0% in sterling and 5.9% in US dollar terms. Yields on core developed market government bonds were generally lower (prices were higher, reflecting their inverse relationship), as the pandemic-led slump in equity markets increased demand for perceived 'safe-haven' investments. US benchmark 10-year Treasury yields hit a record low in early August, on concerns about a global economic recovery. In the corporate debt market, companies took advantage of low borrowing costs – underpinned by central bank support – and bolstered their balance sheets to get through the COVID-19 crisis, which led to a surge in issuance. In September, it emerged that companies had already issued more debt in the US in 2020 – totalling just over US\$1.9trn – than the previous full-year record.

Statement of Authorised Corporate Director's (ACD) responsibilities

for the year ended 31 October 2020

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

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

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

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

for the year ended 31 October 2020

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited
London
18 January 2021

Independent Auditors' report to the shareholders of Janus Henderson Global Funds

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 October 2020 and of the net revenue/expenses and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Janus Henderson Global Funds is an Open Ended Investment Company ('OEIC') with six sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report & Accounts (the 'Annual Report'), which comprise: the balance sheets as at 31 October 2020; the statements of total return and the statements of changes in net assets attributable to shareholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Emphasis of matter – financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1(a) to the financial statements which describes the directors' reasons why the financial statements for the Henderson Institutional Emerging Markets Fund have been prepared on a basis other than going concern.

Conclusions relating to going concern

With the exception of the circumstances described in the Emphasis of Matter paragraph above, we have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

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

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

Reporting on other information

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

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

Independent Auditors' report to the shareholders of Janus Henderson Global Funds

(continued)

Authorised Corporate Director's Report

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

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director's for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

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

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow

18 January 2021

1 Accounting policies

(a) Basis of preparation

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

The financial statements for all funds except Henderson Institutional Emerging Markets Fund have been prepared on a going concern basis.

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

(b) Basis of valuation of investments

The valuation of listed investments has been at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of debt securities, at close of business on the last working day of the accounting year (30 October 2020) in accordance with the provisions of the scheme particulars.

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

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

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

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

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

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

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

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

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.

Where an Index Future or a Bond Future is deemed to be tracking the total return, including dividend/coupon yield, on an underlying instrument, a future bifurcation adjustment is manually calculated and transferred from capital to revenue.

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

(d) Treatment of expenses (including ACD expenses)

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

1 Accounting policies (continued)

(d) Treatment of expenses (including ACD expenses) (continued)

Annual Management Charge (AMC)

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

General Administration Charge

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

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

(e) Exchange rates

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

(f) Taxation

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

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

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

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

On 1 April 2018, India introduced a taxation regime for long-term capital gains. As a result of this, the Company introduced an accrual for incremental Indian capital gains earned since 1 April 2018 on Indian securities.

(g) Cash flow statement

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

(h) Treatment of derivatives

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

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.

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

1 Accounting policies (continued)

(h) Treatment of derivatives (continued)

Interest rate swaps

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

(j) Dilution adjustment

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

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

2 Distribution Policy

The distribution policy of the funds is to distribute/accumulate all available revenue, after the deduction of expenses properly chargeable against revenue, subject to any expense which may currently be transferred to capital.

Janus Henderson Institutional Global Buy & Maintain Fund and Janus Henderson Institutional Overseas Bond Fund make interest distributions. The other funds make dividend distributions.

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

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

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

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

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

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

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

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

Henderson Institutional Emerging Markets Fund closed on 11 February 2016 and no distributions have been declared since the closure date.

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

Equalisation

Income equalisation currently only applies to Janus Henderson Global Buy & Maintain Fund, Janus Henderson Institutional Overseas Bond Fund and Janus Henderson Global High Yield Bond Fund.

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

3 Risk

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

3 Risk (continued)

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

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

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

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

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

(a) Market risk

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

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

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

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

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

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

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

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

3 Risk (continued)

(a) Market risk (continued)

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

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

Currency risk

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

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

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

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

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Some securities such as bonds are directly impacted by interest rate movements but others are indirectly affected.

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

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

Other market price risk

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

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

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

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

In response to the COVID-19 pandemic, the Financial Reporting Council (FRC) issued guidance to companies earlier in the year to ensure that they maintain sufficient capital reserves, which resulted in cancelled dividend payments. In order to assess and mitigate the risk of not receiving income accrued, procedures were put in place to monitor the effect of any cancelled dividends and to make suitable provisions when calculating the amount available for distribution.

(b) Credit and counterparty risk

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

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

3 Risk (continued)

(b) Credit and counterparty risk (continued)

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

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the FCA's COLL mitigates the risk of excessive exposure to any particular type of security or issuer.

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

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

(c) Operational risk

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

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

(d) Liquidity risk

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

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

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

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

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

(e) Brexit risk

The United Kingdom (UK) left the European Union (EU) on 31 January 2020, a transition period was in place until 31 December 2020, during which all EU rules and laws continued to apply to the UK. On 24 December 2020 the EU and the UK reached an agreement on a new partnership, this was approved by the EU member states on 29 December 2020, and the UK parliament's approval followed on 31 December 2020. On 1 January 2021 this agreement took effect and the new rules entered into force.

The new agreement between the EU and the UK does not cover the financial services industry. The EU have agreed to establish a structured regulatory co-operation on financial services, with the aim of establishing a durable and stable relationship between autonomous jurisdictions. Both parties will, by March 2021, agree a Memorandum of Understanding establishing the framework for the cooperation.

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 may also make it more difficult, or more expensive, for the fund to execute prudent currency hedging policies. This uncertainty may have an adverse effect on the economy generally and on the ability of relevant funds and their investments to execute their respective strategies and to receive attractive returns, and may also result in increased costs to the relevant funds.

Aggregated notes to the financial statements (continued)

4 Cross-holdings

As at 31 October 2020 there were no sub-fund cross holdings within Janus Henderson Global Funds (2019: none).

Henderson Institutional Emerging Markets Fund

Authorised Corporate Director's report

Investment Fund Manager

Janus Henderson Diversified Alternatives Team

Other information

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

Investment objective and policy up to 11 February 2016

To aim to provide capital growth by investing in emerging market companies. These companies will either be incorporated in emerging markets or, if incorporated elsewhere, derive a majority of their revenue from, or from activities related to, emerging markets. For the avoidance of doubt the fund may also invest in securities of other investment vehicles whose objectives are compatible with that of the fund.

Performance summary

	31 Oct 15 - 11 Feb 16*	31 Oct 14 - 31 Oct 15	31 Oct 13 - 31 Oct 14
	%	%	%
Class A accumulation (Net)	(12.0)	(12.8)	(0.6)

Source: Morningstar

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

* Fund closure date

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

Statement of total return for the year ended 31 October 2020

		2020		2019	
	Note	£000	£000	£000	£000
Income					
Net capital gains			-		-
Revenue		-		-	
Expenses	2	4		(4)	
Net revenue/(expense) before taxation		4		(4)	
Taxation	3	(1)		-	
Net revenue/(expense) after taxation			3		(4)
Total return before distributions			3		(4)
Distributions	4		-		-
Change in net assets attributable to shareholders from investment activities			3		(4)

Statement of change in net assets attributable to shareholders for the year ended 31 October 2020

		2020		2019	
		£000	£000	£000	£000
Opening net assets attributable to shareholders			-		-
Movement in amount payable to merger fund*		(3)		4	
Change in net assets attributable to shareholders from investment activities			3		(4)
Closing net assets attributable to shareholders			-		-

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

Balance sheet as at 31 October 2020

	Note	2020 £000	2019 £000
Assets:			
Current assets:			
Cash and bank balances	5	4	24
Total assets		4	24
Liabilities:			
Creditors:			
Bank overdrafts		-	10
Other creditors	6	4	14
Total liabilities		4	24
Net assets attributable to shareholders		-	-

1 Accounting policies

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

2 Expenses

	2020 £000	2019 £000
Other expenses:		
Audit fees	(4)	4
Total expenses	<u>(4)</u>	<u>4</u>

Irrecoverable VAT is included in the above expenses where relevant.

The current year expense credit of £4,052 represents the reversal of the prior year audit fee accrual. The 2019 audit fee of £4,052 and 2020 audit fee of £4,537 are both now being paid by the ACD.

3 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2020 £000	2019 £000
Current tax		
Overseas withholding tax	1*	-
Total tax (note 3b)	<u>1</u>	<u>-</u>

b) Factors affecting tax charge for year

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

	2020 £000	2019 £000
Net revenue/(expense) before taxation	<u>4</u>	<u>(4)</u>
Corporation tax at 20% (2019: 20%)	1	(1)
Effects of:		
Overseas withholding tax	1*	-
Unused management expenses	(1)	1
Tax charge for the year (note 3a)	<u>1</u>	<u>-</u>

* The overseas withholding tax charge of £1k relates to the write-off of a withholding tax accrual made before the closure of the fund.

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

c) Deferred tax

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

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £1,168 (2019: £1,985) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

4 Distributions

	2020 £000	2019 £000
Final distribution	-	-
Total distributions	<u>-</u>	<u>-</u>
Net revenue/(expense) after taxation	3	(4)
Revenue shortfall	-	4
Movement in amounts payable to merger fund	(3)	-
Total distributions	<u>-</u>	<u>-</u>

5 Cash and bank balances

	2020 £000	2019 £000
Cash and bank balances	4	24
Total cash and bank balances	<u>4</u>	<u>24</u>

6 Other creditors

	2020 £000	2019 £000
Accrued other expenses	-	4
Amounts payable to merger fund	-	2
Reimbursement to ACD for unused merger provision	4	8
Total other creditors	<u>4</u>	<u>14</u>

7 Contingent assets, liabilities and commitments

The fund has filed a claim with HM Revenue & Customs ('HMRC') (on the basis of the principles set out in the Franked Investment Income Group Litigation Order (FII GLO)) for corporation tax unduly paid in respect of periods prior to 1 July 2009. The claim has been filed on the basis that the relevant UK tax legislation was in breach of EU law for these periods. A successful outcome may result in a refund of corporation tax. A contingent asset has not been recognised as the amount receivable is not certain.

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

8 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. There were no transactions with the ACD in the current or prior year due to the closure of the fund. One creditor balance of £3,780 (2019: £8,417) as disclosed in note 6 on page 20 was due to the ACD at the end of the current year. As disclosed in note 2, the ACD is making payment of the 2019 and 2020 audit fees.

9 Shareholders' funds

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

Notes to the financial statements (continued)

10 Risk

Currency risk

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

Interest rate risk

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

Leverage

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

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Other creditors	-	4	-	-
Total	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2019				
Bank overdrafts	10	-	-	-
Other creditors	-	14	-	-
Total	<u>10</u>	<u>14</u>	<u>-</u>	<u>-</u>

11 Events after the Balance sheet date

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

Janus Henderson Asia Pacific Capital Growth Fund

Authorised Corporate Director's report

Investment Fund Managers

Andrew Gillan and Mervyn Koh

Investment objective and policy

The fund aims to provide capital growth over the long term.

Performance target: To outperform the MSCI All Countries Asia Pacific ex Japan Index by at least 2% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in a concentrated portfolio of shares (also known as equities) of companies, of any size, in any industry, in the Asia Pacific region (including the Indian subcontinent and Australasia, but excluding Japan). Companies will be incorporated, headquartered, listed on an exchange in, or deriving significant revenue from, this region.

The portfolio may be concentrated in terms of its number of holdings and/or the size of its largest holdings.

The fund is actively managed with reference to the MSCI All Countries Asia Pacific ex Japan Index, which is broadly representative of the companies in which it may invest, as this forms the basis of the fund's performance target. The investment manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

As an additional means of assessing the performance of the fund, the IA Asia Pacific ex Japan sector average, which is based on a peer group of broadly similar funds, may also provide a useful comparator.

Performance summary

Cumulative performance

	One year 31 Oct 19 - 31 Oct 20	Three years 31 Oct 17 - 31 Oct 20	Five years 31 Oct 15 - 31 Oct 20	Since inception 4 Oct 74 - 31 Oct 20
	%	%	%	%
Class I accumulation (Net)	16.2	21.0	100.5	2,578.4
MSCI All Countries Asia Pacific ex Japan Index	12.2	15.9	86.9	1,479.2
IA Asia Pacific ex Japan Sector	11.2	14.7	80.5	1,536.5
Class I accumulation (Gross)	17.2	24.3	109.6	3,422.5
MSCI All Countries Asia Pacific ex Japan Index +2%	14.4	23.0	106.3	2,765.5

Discrete performance

	31 Oct 19 - 31 Oct 20	31 Oct 18 - 31 Oct 19	31 Oct 17 - 31 Oct 18	31 Oct 16 - 31 Oct 17	31 Oct 15 - 31 Oct 16
	%	%	%	%	%
Class I accumulation (Net)	16.2	17.8	(11.6)	19.4	38.7
MSCI All Countries Asia Pacific ex Japan Index	12.2	12.8	(8.4)	17.7	37.0
IA Asia Pacific ex Japan Sector	11.2	14.5	(9.9)	16.3	35.3
Class I accumulation (Gross)	17.2	18.9	(10.8)	20.5	40.0
MSCI All Countries Asia Pacific ex Japan Index +2%	14.4	15.0	(6.5)	20.1	39.7

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

Source: Morningstar

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

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

Benchmark values are at close of business.

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

Authorised Corporate Director's report (continued)

Performance summary (continued)

Benchmark usage:

Index: MSCI All Countries Asia Pacific ex Japan Index

Index usage: Target

Index description: The MSCI All Countries Asia Pacific ex Japan Index is a measure of the combined performance of large and medium sized companies across developed and emerging stock markets across the Asia-Pacific region but excluding Japan. It forms the basis for the fund's performance target.

Peer group: IA Asia Pacific ex Japan Sector

Peer group usage: Comparator

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

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

Significant portfolio changes for the year ended 31 October 2020

Largest purchases	£000	Largest sales	£000
New Oriental Education & Technology ADR	8,385	Tencent	16,490
Shenzhou International	7,638	Ayala	16,466
Tata Consumer Products	5,764	Housing Development Finance	16,170
Anhui Conch Cement	5,269	Taiwan Semiconductor Manufacturing	14,664
Largan Precision	4,668	AIA	14,650
SK Hynix	3,899	HDFC Bank	13,720
Sany Heavy Industry	3,897	Alibaba ADR	13,713
Kweichow Moutai	3,705	Samsung Electronics Preference Shares	12,831
Reliance Industries	3,538	Techtronic Industries	12,123
Ping An Bank	3,276	Treasury Wine Estates	11,240
Total purchases	81,649	Total sales	317,340

Investment review

The fund returned 16.2% (Net), 17.2% (Gross) based on Class I accumulation over the year under review, compared with a return of 12.2% in the MSCI All Countries Asia Pacific ex Japan Index, a return of 14.4% in the Target Index +2% and a return of 11.2% in the IA Asia Pacific ex Japan Sector peer group benchmark.

The year began positively for equity markets, as the US and China finally made progress towards a trade agreement, which had weighed on stocks for most of 2019. Sentiment changed completely from the end of January 2020, when concerns about COVID-19 increased significantly. Initially, this resulted in a sell-off of Chinese and Asian assets. The sell-off then spread, like the virus, to other markets globally, as the economic impact of COVID-19 became apparent. While the fall was sharp, the recovery was equally so. Markets rebounded thanks to the coordinated global response by central banks and governments, with interest rates cut and substantial fiscal support offered to counter the impact of the virus. Even while several countries experienced increasing virus cases and second waves, equity markets continued to move higher through the second and third quarters of 2020, as investors focused more on the reopening of economies and the fiscal support. Relations between the US and China remained strained under President Donald Trump, however, with Washington making new attempts to restrict some Chinese technology companies.

Given the virus dynamics, we increased the fund's allocation to China throughout the second half of the year. Economic data showed that the country was recovering more quickly, while most importantly, the revenue and profit trends of corporates in China also looked more positive relative to the rest of the region. As a result, the fund ended the reporting year with an overweight holding in China. The underweight position early in the year detracted, although this was more than offset by positive stock selection in the country. The overweight allocation to Taiwan was positive as the country's significant technology sector performed strongly. The overweight exposure to India and some Southeast Asian countries, such as Indonesia and the Philippines, early in the year detracted as stock markets in these countries were hit hardest by the COVID-19-related sell-off. The underweight position in Australia contributed positively as the index-heavy banking shares performed weakly. Stock selection was positive overall, with China and Hong Kong making the most significant contributions.

In more detail, the positions within the Chinese internet sector have proved very positive in 2020, as these businesses have been much less impacted by the significant changes to daily routines during the pandemic. In addition, some of these companies have benefited from the changes. Meituan Dianping, a leading Chinese internet services platform including food delivery, was purchased during the year and was among our top contributors. Techtronic Industries, a leading manufacturer of power tools both for the consumer and professional markets globally, was another strong performer, as its sales continued solid growth despite the pandemic. Sany Heavy Industry, Kweichow Moutai and Midea shares contributed to performance, which highlighted the relative strength of the country's domestic market as these companies reported positive trends across different categories – construction machinery, liquor and consumer electronics. The fund also benefited from overweight positions in Chinese internet index heavyweights Tencent and Alibaba, as these companies performed strongly. In China, we added new positions in the consumer sector, including Li Ning, Yum China and Zhejiang Supor Cookware.

The detractors were more diverse and company specific, although one consistent theme was that those listed in India and Southeast Asian markets dominated the list. One exception was Treasury Wine Estates, an Australian wine company, which disappointed with a number of management changes while the market conditions in the US deteriorated much more significantly than expected. We exited the position following the news. Two Indian financials companies featured among our top detractors although, pleasingly, there was some recovery towards the end of the reporting year, as their market updates showed improving trends. While COVID-19 has hit India hard, and there were already stresses in the country's financial system before the virus, we were confident in the track record and risk controls of both HDFC and its affiliate, HDFC Bank. Other detractors included Land & Houses, a property company in Thailand, and Uni-President Enterprises in Taiwan. We exited the position in Thailand, as we felt that the property sector would take longer to recover from the economic damage. We maintained the position in Taiwan, as we took that view that the COVID-19 challenges were more temporary to the business.

As the world awaits a more sustainable macroeconomic recovery, the accommodative monetary environment and the large fiscal support from governments globally should continue to provide the much-needed support for capital markets in general. The ongoing COVID-19 situation and the latest earnings releases have reiterated our belief that the strongest, most dominant franchises will not only survive but emerge stronger from the crisis. While it is worth monitoring the risks of a second or even third wave of infections in the region, and the geopolitical uncertainties amid the US presidential elections, we believe that positives should continue to emerge from the pandemic. Asian companies continue to invest in research and development and innovation, management teams are embracing the digital world, and the longer-term structural growth prospects remain for the region. At the same time, valuations remain relatively attractive in Asia versus developed markets.

Comparative tables for the year ended 31 October 2020

	Class A accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,157.10	990.16	1,126.18
Return before operating charges*	194.75	186.05	(116.61)
Operating charges	(20.79)	(19.11)	(19.41)
Return after operating charges*	173.96	166.94	(136.02)
Distributions on accumulation shares	-	(7.13)	(4.85)
Retained distributions on accumulation shares	-	7.13	4.85
Closing net asset value per share	1,331.06	1,157.10	990.16
* after direct transaction costs of:	1.05	0.26	1.40
Performance			
Return after charges	15.03%	16.86%	(12.08%)
Other information			
Closing net asset value (£000s)	60,058	65,812	111,133
Closing number of shares	4,512,067	5,687,678	11,223,703
Operating charges	1.76%	1.74%	1.74%
Direct transaction costs	0.09%	0.02%	0.13%
Prices			
Highest share price (pence)	1,363.00	1,220.00	1,170.00
Lowest share price (pence)	985.80	995.10	971.90
	Class C accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	836.76	707.97	795.88
Return before operating charges*	142.16	133.66	(83.07)
Operating charges	(5.25)	(4.87)	(4.84)
Return after operating charges*	136.91	128.79	(87.91)
Distributions on accumulation shares	(8.20)	(14.28)	(12.53)
Retained distributions on accumulation shares	8.20	14.28	12.53
Closing net asset value per share	973.67	836.76	707.97
* after direct transaction costs of:	0.76	0.19	0.99
Performance			
Return after charges	16.36%	18.19%	(11.05%)
Other information			
Closing net asset value (£000s)	843	722	618
Closing number of shares	86,539	86,320	87,310
Operating charges	0.61%	0.61%	0.61%
Direct transaction costs	0.09%	0.02%	0.13%
Prices			
Highest share price (pence)	996.30	879.90	830.90
Lowest share price (pence)	716.00	711.50	694.90

Comparative tables (continued)

Class E accumulation

	2020	24/06/19 - 31/10/19
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	1,159.14	1,148.28 ¹
Return before operating charges*	195.91	16.01
Operating charges	(14.99)	(5.15)
Return after operating charges*	180.92	10.86
Distributions on accumulation shares	(3.57)	(9.09)
Retained distributions on accumulation shares	3.57	9.09
Closing net asset value per share	1,340.06	1,159.14
* after direct transaction costs of:	1.06	0.27
Performance		
Return after charges	15.61%	0.95%
Other information		
Closing net asset value (£000s)	64,450	55,427
Closing number of shares	4,809,511	4,781,774
Operating charges	1.26%	1.24%
Direct transaction costs	0.09%	0.02%
Prices		
Highest share price (pence)	1,372.00	1,221.00
Lowest share price (pence)	989.40	1,134.00

¹ Class E accumulation launched on 24 June 2019 and this is the first published price.

Comparative tables (continued)

Class G accumulation

	2020	15/02/19 - 31/10/19
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	106.08	98.89 ²
Return before operating charges*	18.05	7.75
Operating charges	(0.86)	(0.56)
Return after operating charges*	17.19	7.19
Distributions on accumulation shares	(1.04)	(1.64)
Retained distributions on accumulation shares	1.04	1.64
Closing net asset value per share	123.27	106.08
* after direct transaction costs of:	0.10	0.02

Performance

Return after charges	16.20%	7.27%
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Other information

Closing net asset value (£000s)	1	1
Closing number of shares	405	472
Operating charges	0.79%	0.76%
Direct transaction costs	0.09%	0.02%

Prices

Highest share price (pence)	126.10	111.60
Lowest share price (pence)	90.74	97.43

² Class G accumulation launched on 15 February 2019 and this is the first published price.

Class I accumulation

	2020	2019	2018
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	1,302.79	1,105.21	1,246.26
Return before operating charges*	220.89	208.67	(129.90)
Operating charges	(11.90)	(11.09)	(11.15)
Return after operating charges*	208.99	197.58	(141.05)
Distributions on accumulation shares	(9.45)	(18.25)	(12.53)
Retained distributions on accumulation shares	9.45	18.25	12.53
Closing net asset value per share	1,511.78	1,302.79	1,105.21
* after direct transaction costs of:	1.19	0.29	1.55

Performance

Return after charges	16.04%	17.88%	(11.32%)
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Other information

Closing net asset value (£000s)	89,008	99,406	78,593
Closing number of shares	5,887,646	7,630,233	7,111,094
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs	0.09%	0.02%	0.13%

Prices

Highest share price (pence)	1,547.00	1,371.00	1,298.00
Lowest share price (pence)	1,114.00	1,111.00	1,085.00

Comparative tables (continued)

	Class Z accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,458.66	1,227.86	1,371.18
Return before operating charges*	248.69	232.65	(141.68)
Operating charges	(1.65)	(1.85)	(1.64)
Return after operating charges*	247.04	230.80	(143.32)
Distributions on accumulation shares	(26.25)	(29.54)	(28.30)
Retained distributions on accumulation shares	26.25	29.54	28.30
Closing net asset value per share	1,705.70	1,458.66	1,227.86
* after direct transaction costs of:	1.33	0.33	1.72

Performance

Return after charges	16.94%	18.80%	(10.45%)
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Other information

Closing net asset value (£000s)	239	331	58
Closing number of shares	13,990	22,720	4,752
Operating charges	0.11%	0.13%	0.12%
Direct transaction costs	0.09%	0.02%	0.13%

Prices

Highest share price (pence)	1,745.00	1,532.00	1,440.00
Lowest share price (pence)	1,251.00	1,234.00	1,205.00

	Class I USD accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	949.06	805.29	907.73
Return before operating charges*	160.32	152.03	(94.39)
Operating charges	(8.60)	(8.26)	(8.05)
Return after operating charges*	151.72	143.77	(102.44)
Distributions on accumulation shares	-	(3.15)	(4.19)
Retained distributions on accumulation shares	-	3.15	4.19
Closing net asset value per share	1,100.78	949.06	805.29
* after direct transaction costs of:	0.86	0.22	1.12

Performance

Return after charges	15.99%	17.85%	(11.29%)
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Other information

Closing net asset value (£000s)	9	227,084	24,613
Closing number of shares	808	23,927,114	3,056,413
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs	0.09%	0.02%	0.13%

Prices

Highest share price (USD cents)	1,466.00	1,232.00	1,319.00
Lowest share price (USD cents)	935.10	1,037.00	1,007.00

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

Comparative tables (continued)

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

Operating charges

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

Share class launches and closures

There were no share classes launched or closed during the year.

Ongoing charge figure

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

	2020 %	2019 %	Estimated OCF from 5 May 2020¹ %
Class A accumulation	1.76 ²	1.74	1.78
Class C accumulation	0.61 ³	0.61	0.62
Class E accumulation⁴	1.26 ²	1.24	1.28
Class G accumulation	0.79 ³	0.76	0.79
Class I accumulation	0.89 ⁵	0.89	0.90
Class Z accumulation	0.11 ³	0.13	0.12
Class I USD accumulation	0.89 ⁵	0.89	0.90

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

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 31 October 2020.

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

³ The GAC on Class C accumulation, Class G accumulation and Class Z accumulation increased from 0.045% to 0.05% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

⁴ Class E accumulation launched on 24 June 2019. An annualised OCF rate has been disclosed in the prior year comparative.

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

Risk and reward profile

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

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



The share classes appears at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

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

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

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

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

The risk rating for all share classes increased to 6 from 5 during the year. The ratings may change over time as a fund takes on more or less risky investments or where market conditions become more or less volatile. At share class level the ratings may differ dependent on the class currency and may be influenced by currency movements and the impact of inflows and outflows.

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

* Class G accumulation was launched on 15 February 2019 and Class E accumulation was launched on 24 June 2019. As these share classes do not have a 5 year history, a synthetic history has been created for Class G accumulation using the fund's relevant sector average and for Class E accumulation using the A accumulation share class.

Portfolio statement as at 31 October 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 98.28% (2019: 92.02%)		
	Australia 0.00% (2019: 3.33%)		
	Consumer Staples 0.00% (2019: 3.33%)		
	China 43.54% (2019: 17.17%)		
	Communication Services 9.90% (2019: 5.06%)		
360,800	Tencent	21,248	9.90
	Consumer Discretionary 24.00% (2019: 7.34%)		
92,202	Alibaba ADR	21,727	10.13
1,135,000	Li Ning	4,528	2.11
188,100	Meituang Dianping 'B'	5,403	2.52
812,950	Midea	7,311	3.41
54,392	New Oriental Education & Technology ADR	6,735	3.14
75,037	Yum China	3,089	1.44
329,102	Zhejiang Supor Cookware	2,685	1.25
		51,478	24.00
	Consumer Staples 0.00% (2019: 1.38%)		
	Financials 4.66% (2019: 3.39%)		
2,117,006	Ping An Bank	4,335	2.02
715,500	Ping An Insurance	5,673	2.64
		10,008	4.66
	Industrials 2.88% (2019: 0.00%)		
2,063,768	Sany Heavy Industry	6,185	2.88
	Materials 2.10% (2019: 0.00%)		
936,500	Anhui Conch Cement	4,516	2.10
	Hong Kong 10.23% (2019: 10.96%)		
	Consumer Discretionary 4.77% (2019: 3.06%)		
1,576,800	Sands China	4,262	1.99
446,300	Shenzhou International	5,955	2.78
		10,217	4.77
	Financials 3.76% (2019: 5.08%)		
1,108,000	AIA	8,072	3.76
	Industrials 1.70% (2019: 2.82%)		
354,500	Techtronic Industries	3,656	1.70
	India 14.84% (2019: 15.63%)		
	Consumer Staples 1.60% (2019: 1.27%)		
667,259	Tata Consumer Products	3,431	1.60
	Energy 1.63% (2019: 0.00%)		
162,356	Reliance Industries	3,496	1.63

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Financials 8.84% (2019: 11.80%)		
136,703	Bajaj & Investment	3,286	1.53
676,502	HDFC Bank	8,349	3.89
366,639	Housing Development Finance	7,347	3.42
		<u>18,982</u>	<u>8.84</u>
	Information Technology 2.77% (2019: 2.56%)		
214,009	Tata Consultancy Services	5,947	2.77
	Indonesia 1.27% (2019: 4.19%)		
	Financials 1.27% (2019: 4.19%)		
1,787,100	Bank Central Asia	2,731	1.27
	Philippines 0.00% (2019: 3.72%)		
	Industrials 0.00% (2019: 3.72%)		
	Singapore 0.73% (2019: 4.60%)		
	Communication Services 0.73% (2019: 0.00%)		
12,822	SEA	1,564	0.73
	Financials 0.00% (2019: 2.13%)		
	Real Estate 0.00% (2019: 2.47%)		
	South Korea 10.96% (2019: 9.93%)		
	Consumer Discretionary 0.00% (2019: 2.66%)		
	Consumer Staples 2.37% (2019: 2.27%)		
4,973	LG Household & Health Care	5,084	2.37
	Information Technology 8.59% (2019: 5.00%)		
419,728	Samsung Electronics Preference Shares	14,333	6.68
75,422	SK Hynix	4,107	1.91
		<u>18,440</u>	<u>8.59</u>
	Taiwan 15.61% (2019: 18.31%)		
	Consumer Discretionary 0.00% (2019: 1.95%)		
	Consumer Staples 2.48% (2019: 3.72%)		
3,214,374	Uni-President Enterprises	5,319	2.48
	Financials 1.37% (2019: 2.31%)		
4,481,821	E.Sun Financial	2,945	1.37
	Information Technology 11.76% (2019: 10.33%)		
672,984	Advantech	5,259	2.45
44,000	Largan Precision	3,599	1.68
1,403,000	Taiwan Semiconductor Manufacturing	16,387	7.63
		<u>25,245</u>	<u>11.76</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Thailand 0.00% (2019: 2.79%)		
	Real Estate 0.00% (2019: 2.79%)		
	Vietnam 1.10% (2019: 1.39%)		
	Consumer Staples 1.08% (2019: 1.39%)		
649,435	Vietnam Dairy Products	2,317	1.08
	Information Technology 0.02% (2019: 0.00%)		
23,000	FPT	39	0.02
	Derivatives 0.00% (2019: 0.01%)		
	Forward Foreign Exchange Contracts 0.00% (2019: 0.01%)¹		
	Investment assets	210,920	98.28
	Other net assets	3,688	1.72
	Total net assets	214,608	100.00

¹ Unquoted securities

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

Statement of total return for the year ended 31 October 2020

	Note	2020		2019	
		£000	£000	£000	£000
Income					
Net capital gains	2		33,270		32,959
Revenue	3	3,865		6,578	
Expenses	4	(2,916)		(3,268)	
Interest payable and similar charges	5	(1)		-	
Net revenue before taxation		948		3,310	
Taxation	6	(766)		(21)	
Net revenue after taxation			<u>182</u>		<u>3,289</u>
Total return before distributions			33,452		36,248
Distributions	7		(739)		(3,006)
Change in net assets attributable to shareholders from investment activities			<u>32,713</u>		<u>33,242</u>

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		448,783		215,015
Amounts receivable on issue of shares	4,612		225,640	
Amounts payable on cancellation of shares	<u>(272,854)</u>		<u>(28,534)</u>	
		(268,242)		197,106
Dilution adjustment		615		414
Change in net assets attributable to shareholders from investment activities		32,713		33,242
Retained distributions on accumulation shares		739		3,006
Closing net assets attributable to shareholders		<u>214,608</u>		<u>448,783</u>

Balance sheet as at 31 October 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		210,920	413,049
Current assets:			
Debtors	8	285	39,263
Cash and bank balances	9	3,953	33,382
Total assets		215,158	485,694
Liabilities:			
Investment liabilities		-	30
Provisions for liabilities	10	30	805
Creditors:			
Bank overdrafts		147	4,303
Other creditors	11	373	31,773
Total liabilities		550	36,911
Net assets attributable to shareholders		214,608	448,783

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2020	2019
	£000	£000
Forward currency contracts	481	(796)
Non-derivative securities	33,511	33,644
Other currency (losses)/gains	(708)	121
Transaction costs	(14)	(10)
Net capital gains	33,270	32,959

3 Revenue

	2020	2019
	£000	£000
Bank interest	38	61
Overseas dividends	3,719	6,315
Stock dividends	104	195
Stock lending revenue	4	7
Total revenue	3,865	6,578

4 Expenses

	2020	2019
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	2,448	2,789
GAC*	337	325
	<u>2,785</u>	<u>3,114</u>
Payable to the Depository, associates of the Depository and agents of either of them:		
Depository fees	14	20
Safe custody fees	111	131
	<u>125</u>	<u>151</u>
Other expenses:		
Professional fees	6	3
	<u>6</u>	<u>3</u>
Total expenses	2,916	3,268

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £8,861 (2019: £10,317).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

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

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2020 £000	2019 £000
Current tax		
Capital gains tax	314	(283)
Overseas withholding tax ¹	452	304
Total tax (note 6b)	766	21

b) Factors affecting tax charge for year

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

	2020 £000	2019 £000
Net revenue before taxation	948	3,310
Corporation tax at 20% (2019: 20%)	190	662
Effects of:		
Capital gains tax*	314	(283)
Unused management expenses	575	640
Overseas withholding tax ¹	452	304
Overseas dividends	(765)	(1,302)
Tax charge for the year (note 6a)	766	21

* From 1 April 2018, non-resident investors will pay capital gains tax on long-term capital gains on Indian securities. At 31 October 2020 the fund has accrued £30,000 (2019: £805,000) for potential Indian capital gains tax exposure.

¹ The prior year Overseas withholding tax charge includes the impact of historic Taiwanese withholding tax refunds received by the fund.

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

c) Deferred tax

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

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £6,113,774 (2019: £5,538,812) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

	2020	2019
	£000	£000
Final accumulation	739	3,006
Total distributions	739	3,006
Net revenue after taxation	182	3,289
Capital gains tax	314	(283)
Revenue shortfall	243	-
Total distributions	739	3,006

Details of the distribution per share are set out in the Distribution table on page 46.

8 Debtors

	2020	2019
	£000	£000
Accrued revenue	106	173
Amounts receivable for issue of shares	133	30,945
Capital gains tax refund	46	-
Currency transactions awaiting settlement	-	8,145
Total debtors	285	39,263

9 Cash and bank balances

	2020	2019
	£000	£000
Cash and bank balances	3,953	33,382
Total cash and bank balances	3,953	33,382

10 Provisions for liabilities

	2020	2019
	£000	£000
Capital gains tax accrual	30	805
Total provisions for liabilities	30	805

11 Other creditors

	2020	2019
	£000	£000
Accrued annual management charge	189	290
Accrued Depositary's fee	2	3
Accrued other expenses	45	49
Amounts payable for cancellation of shares	137	329
Currency transactions awaiting settlement	-	8,165
Purchases awaiting settlement	-	22,937
Total other creditors	373	31,773

Notes to the financial statements (continued)

12 Contingent assets, liabilities and commitments

The fund has filed a claim with HM Revenue & Customs ('HMRC') (on the basis of the principles set out in the Franked Investment Income Group Litigation Order (FII GLO)) for corporation tax unduly paid in respect of periods prior to 1 July 2009. The claim has been filed on the basis that the relevant UK tax legislation was in breach of EU law for these periods. A successful outcome may result in a refund of corporation tax. A contingent asset has not been recognised as the amount receivable is not certain.

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

13 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 35 and 36 and notes 4, 8, and 11 on pages 37 to 39 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

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

14 Shareholders' funds

The fund currently has 6 share classes available; Class A (Retail with front-end charges), Class C (Institutional), Class I (Institutional), Class E (Retail), Class G (Retail) and Class Z (Institutional). The annual management charge on each share class is as follows:

	2020	2019
	%	%
Class A	1.50	1.50
Class C	0.50	0.50
Class E	1.00	1.00
Class G	0.675	0.675
Class I	0.75	0.75
Class Z ¹	0.00	0.00

¹ Charges for managing Z class shares are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 25 to 29. The distribution per share class is given in the Distribution table on page 46. All share classes have the same rights on winding up.

Shares reconciliation as at 31 October 2020

	Class A accumulation	Class C accumulation	Class E accumulation	Class G accumulation
Opening number of shares	5,687,678	86,320	4,781,774	472
Issues during the year	30,450	219	18,356	525
Cancellations during the year	(541,542)	-	(231,731)	(592)
Shares converted during the year	(664,519)	-	241,112	-
Closing shares in issue	4,512,067	86,539	4,809,511	405
	Class I accumulation	Class Z accumulation	Class I USD accumulation	
Opening number of shares	7,630,233	22,720	23,927,114	
Issues during the year	296,251	-	-	
Cancellations during the year	(2,418,794)	(3,818)	(23,926,306)	
Shares converted during the year	379,956	(4,912)	-	
Closing shares in issue	5,887,646	13,990	808	

Notes to the financial statements (continued)

15 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 31 October 2020 (2019: nil).

2020

The fund had no exposure to derivatives as at 31 October 2020 with a positive market value.

2019

At 31 October 2019 the underlying exposure for each category of derivative held was as follows:

Counterparty	Forward foreign exchange contracts	Total by counterparty
	£000	£000
BNP Paribas	54	54
	<u>54</u>	<u>54</u>

16 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with BNP Paribas acting as the stock lending agent in order to generate additional revenue.

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

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

2020

The fund had no stock on loan as at 31 October 2020.

Recipient	Relationship	Total gross amount of stock lending revenue	Direct and indirect costs and fees deducted by securities lending agent	Net stock lending revenue retained by the fund
		£000	£000	£000
BNP Paribas	Stock lending agent	5	1	4

Notes to the financial statements (continued)

16 Stock lending (continued)

2019 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
JP Morgan	2,352	2,614	Equity
Merrill Lynch	4,799	5,337	Equity
	7,151	7,951	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	8	1	7

17 Risk

Currency risk

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

2020 Currency	Investment assets £000	Other net assets/ (liabilities) £000	Total net assets/ (liabilities) £000
Chinese yuan	20,517	-	20,517
Hong Kong dollar	63,312	-	63,312
Indian rupee	31,856	53	31,909
Indonesian rupiah	2,731	-	2,731
Korean won	23,524	79	23,603
Taiwan dollar	33,509	-	33,509
UK sterling	-	(388)	(388)
US dollar	33,115	-	33,115
Vietnamese dong	2,356	3,944	6,300
Total	210,920	3,688	214,608

Notes to the financial statements (continued)

17 Risk (continued)

	Investment assets including (investment liabilities) £000	Other net assets/ (liabilities) £000	Total net assets £000
2019			
Currency			
Australian dollar	14,957	-	14,957
Chinese yuan	15,605	-	15,605
Hong Kong dollar	87,129	(2,395)	84,734
Indonesia rupiah	18,826	-	18,826
Indian rupee	70,145	(4,227)	65,918
Korean won	44,552	(1,376)	43,176
Philippine peso	16,706	(619)	16,087
Singapore dollar	20,628	-	20,628
Thai baht	12,535	(771)	11,764
Taiwan dollar	82,165	(3,529)	78,636
UK sterling	-	17,769	17,769
US dollar	23,537	30,912	54,449
Vietnamese dong	6,234	-	6,234
Total	413,019	35,764	448,783

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £214,995,631 (2019: £431,014,074). A 10% increase/(decrease) in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing/(decreasing) the return for the year ended 31 October 2020 and the net assets as at 31 October 2020 by £21,499,563 (2019: £43,101,407).

Interest rate risk

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

Other market price risk

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

Leverage

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

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Provisions for liabilities	-	30	-	-
Bank overdrafts	147	-	-	-
Other creditors	-	373	-	-
Total	147	403	-	-

Notes to the financial statements (continued)

17 Risk (continued)

	On demand	Within one year	Over one year but not more than five years	Over five years
2019	£000	£000	£000	£000
Provisions for liabilities	-	805	-	-
Bank overdrafts	4,303	-	-	-
Derivative financial liabilities	-	30	-	-
Other creditors	-	31,773	-	-
Total	4,303	32,608	-	-

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

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	210,920	-	412,995	-
Level 2	-	-	54	30
Level 3	-	-	-	-
	210,920	-	413,049	30

Notes to the financial statements (continued)

19 Direct transaction costs

	Purchases		Sales	
	2020 £000	2019 £000	2020 £000	2019 £000
Trades in the year				
Equities	81,556	255,019	318,082	86,573
Trades in the year before transaction costs	81,556	255,019	318,082	86,573
Transaction costs				
Commissions				
Equities	50	163	213	82
Total commissions	50	163	213	82
Taxes				
Equities	39	95	405	104
Total taxes	39	95	405	104
Other expenses				
Equities	4	27	124	14
Total other expenses	4	27	124	14
Total transaction costs	93	285	742	200
Total net trades in the year after transaction costs	81,649	255,304	317,340	86,373

	Purchases		Sales	
	2020 %	2019 %	2020 %	2019 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.06	0.06	0.07	0.09
Taxes				
Equities	0.05	0.04	0.13	0.12
Other expenses				
Equities	-	0.01	0.04	0.02
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.11	0.08		
Taxes	0.18	0.07		
Other expenses	0.05	0.01		
Total costs	0.34	0.16		

There were no in specie transfers during the year (2019: nil). There were no corporate actions during the year (2019: £779).

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

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

The portfolio dealing spread as at 31 October 2020 was 0.14% (2019: 0.13%). The portfolio dealing spread is calculated at a 12 noon valuation point.

Notes to the financial statements (continued)

20 Events after the Balance sheet date

The duration of the COVID-19 pandemic and its effects cannot be determined with certainty, and could prevent a fund from executing advantageous decisions in a timely manner and negatively impact a fund's ability to achieve its investment objective. The COVID-19 pandemic has persisted after the fund's year end and its impact on the fund continues to be monitored by the Investment Manager. As at 18 January 2021, the Net Asset Value of the fund had increased.

Distribution table for the year ended 31 October 2020 (in pence per share)

Final dividend distribution (accounting date 31 October 2020, paid on 31 December 2020)

Group 1: shares purchased prior to 1 November 2019

Group 2: shares purchased on or after 1 November 2019

	Distribution per share	Total distribution per share 31/12/20	Total distribution per share 31/12/19
Class A accumulation			
Group 1	-	-	7.1303
Group 2	-	-	7.1303
Class C accumulation			
Group 1	8.1950	8.1950	14.2823
Group 2	8.1950	8.1950	14.2823
Class E accumulation			
Group 1	3.5710	3.5710	9.0932
Group 2	3.5710	3.5710	9.0932
Class G accumulation			
Group 1	1.0414	1.0414	1.6408
Group 2	1.0414	1.0414	1.6408
Class I accumulation			
Group 1	9.4517	9.4517	18.2489
Group 2	9.4517	9.4517	18.2489
Class Z accumulation			
Group 1	26.2489	26.2489	29.5436
Group 2	26.2489	26.2489	29.5436
Class I USD accumulation¹			
Group 1	-	-	4.0810
Group 2	-	-	4.0810

¹ in USD cents per share

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

Authorised Corporate Director's report

Investment Fund Managers

Alison Porter, Graeme Clark and Richard Clode

From 1 July 2020, Janus Henderson Global Technology Fund changed its name to Janus Henderson Global Technology Leaders Fund.

Investment objective and policy

The fund aims to provide capital growth over the long term.

Performance target: To outperform the MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index, after the deduction of charges, over any 5 year period.

The fund invests at least 90% of its assets in a concentrated portfolio of shares (also known as equities) of companies, of any size, which are technology-related or derive profits from technology, in any country.

The portfolio may be concentrated in terms of its number of holdings and/or the size of its largest holdings.

The fund is actively managed with reference to the MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index, which is broadly representative of the companies in which it may invest, as this forms the basis of the fund's performance target.

The investment manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

As an additional means of assessing the performance of the fund, the IA Technology and Telecommunications Sector average, which is based on a peer group of broadly similar funds, may also provide a useful comparator.

Performance summary

Cumulative performance

	One year 31 Oct 19 - 31 Oct 20	Three years 31 Oct 17 - 31 Oct 20	Five years 31 Oct 15 - 31 Oct 20	Since inception 8 Oct 84 - 31 Oct 20
	%	%	%	%
Class I accumulation (Net)	34.3	70.4	196.5	13,300.0
MSCI ACWI Information Technology Index + MSCI ACWI Communications Services Index	27.6	61.3	193.4	-*
IA Technology and Telecommunications Sector	36.2	69.5	170.2	4,879.4

* There is no benchmark data for the since inception time period.

Discrete performance

	31 Oct 19 - 31 Oct 20	31 Oct 18 - 31 Oct 19	31 Oct 17 - 31 Oct 18	31 Oct 16 - 31 Oct 17	31 Oct 15 - 31 Oct 16
	%	%	%	%	%
Class I accumulation (Net)	34.3	20.3	5.5	29.8	34.1
MSCI ACWI Information Technology Index + MSCI ACWI Communications Services Index	27.6	16.7	8.3	29.4	40.6
IA Technology and Telecommunications Sector	36.2	19.2	4.4	22.4	30.2

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

Source: Morningstar

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

Benchmark values are at close of business.

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

Authorised Corporate Director's report (continued)

Performance summary (continued)

Benchmark usage:

Index: MSCI ACWI Information Technology Index + MSCI ACWI Communications Services Index

Index usage: Target

Index description: The MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index is a measure of the combined performance of large and medium sized information technology and communication services companies from developed and emerging stock markets around the world. It forms the basis of the fund's performance target.

Peer group: IA Technology and Telecommunications Sector

Peer group usage: Comparator

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

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

Significant portfolio changes for the year ended 31 October 2020

Largest purchases	£000	Largest sales	£000
PayPal	32,393	Apple	49,966
Taiwan Semiconductor Manufacturing	21,878	Microsoft	41,382
Motorola Solutions	17,274	MasterCard	38,131
Taiwan Semiconductor Manufacturing ADS	16,880	Nvidia	34,234
Walt Disney	16,575	Cisco Systems	25,158
Comcast 'A' Special	15,688	Taiwan Semiconductor Manufacturing	23,579
Lam Research	15,455	ASML	23,395
SK Hynix	15,101	Tencent	21,194
Alibaba ADR	14,246	Amazon.com	20,612
Microchip Technology	14,168	Fleetcor Technologies	20,607
Total purchases	543,199	Total sales	671,288

Investment review

The fund returned 34.3% based on Class I accumulation (Net) over the year under review, compared with a return of 27.6% in the MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index and a return of 36.2% in the IA Technology and Telecommunications Sector peer group benchmark.

The technology sector's strong performance during the reporting year was driven by a number of high-level secular themes and transitions that were accelerated by the onset of the COVID-19 pandemic. Despite some similarities with a number of past shocks, the breadth and depth of the pandemic-induced slowdown has been different. The crisis has accelerated transitions and adoption of technology trends, including food delivery, e-commerce, entertainment, and the migration to cloud computing. We believe that the long-term drivers of technology share gains, demographics and a host of powerful secular themes are even more relevant in a post-pandemic world than ever before.

Amazon.com contributed to performance, thanks to its exposure to e-commerce and public cloud computing. Both of these have benefited from COVID-19 restrictions and increased demand for cloud computing because of remote working. We believed that the company had an opportunity to become a significant participant in grocery sales – an aim that had been elusive in recent years. Nvidia contributed to performance, and we continued to see it as one of the best artificial intelligence franchises within the technology space focused on the data centre and gaming markets. Tencent also contributed positively, as the pandemic accelerated the adoption of online gaming and cloud-computing migration. Alibaba was another contributor, due to the recovery in China and accelerating e-commerce and cloud computing trends, as well as the unlocking of value in its stake in Ant.

While Apple remained one of the fund's largest positions, given European Union regulations, our weighting was below that of the index, which detracted from performance. Apple continued to outperform the market, as it benefited from the strength of iPhone demand and anticipation of a new product cycle in the autumn, among other things. Expedia also detracted, as an unfavourable shift in revenue and marketing expense metrics in the third quarter of 2019 was followed by the pandemic's outsized impact on its business. Fiserv detracted, despite accelerating cost synergies from its First Data acquisition and a more resilient mix, as the market favoured payment businesses with discrete work-from-home tailwinds.

New positions in the internet space included Pinterest, a visual discovery platform and productivity tool; Chegg, an online learning platform that has benefited from increased digital learning demand; and THG, which owns a leading direct-to-consumer vehicle for consumer packaged goods companies.

Within semiconductors, initiated positions included Lam Research, a semiconductor capital equipment company with an outsized exposure to the memory market; Microchip Technology, which has benefited from an analogue technology upgrade and favourable product positioning and end-market exposure; and Qorvo, a communications semiconductor company focused on 5G.

In communications equipment, we added Ciena, an optical networking leader that has benefited from higher bandwidth demand from 5G and data centers; Lumentum, a leader across optical components and 3D sensing; Keysight Technologies and Viavi Solutions, the test and measurement equipment providers focused on 5G and bandwidth demand; and Motorola Solutions, a provider of global communication infrastructure and software.

In software, initiated positions included Kingdee International Software, one of the leading enterprise resourcing planning companies in the developing Chinese market; NortonLifelock, a consumer security company that has increased its marketing spending; Splunk, a leading machine data capture and analysis vendor; and VeriSign, a wholesale provider of .com and .net domain names. In payments, we initiated a position in PayPal, a leading e-commerce-focused payment platform that has benefited from changing consumer behaviour because of COVID-19.

In digital infrastructure, we initiated positions in Cellnex Telecom, a pan-European cellular tower company; Equinix, a leading carrier-neutral data centre operator; and GDS, which builds and operates data centres in China.

Positions that were exited included Activision Blizzard, ANGI Homeservices, ASML, Avast, Cisco Systems, eBay, Expedia, Fleetcor Technologies, MasterCard, NXP Semiconductors, Proofpoint, Sony, Spotify Technology, TE Connectivity, Western Digital, and Yandex.

Entering this year, we fully expected that the strong secular growth themes that we have long championed would continue to gain traction. However, before COVID-19, we would not have predicted the accelerated pace at which this would occur in 2020. The digital transformation of our lives, across all demographics and geographies, was mandated by the measures put in place to tackle the virus. At the same time, central banks and governments unleashed levels of new liquidity and fiscal support unseen since the financial crisis. With a changing political landscape, we expect the liquidity backdrop to remain favourable and fiscal support with more strategic intent to be forthcoming.

The acceleration of technology adoption throughout the pandemic will require ongoing future investment. Payment digitisation has been accelerated as coins and notes have been displaced, and as e-commerce and business transactions from business to consumer, government to consumer, and business to business all moved online. Consumer-related experiences have moved rapidly to a virtual setting, with a broadening of our internet transformation theme to areas such as education, e-sports, primary healthcare, grocery shopping and social meetings, which were in the early stages of adoption. As society has moved to work at home and away from offices, workplace automation has become increasingly necessary. All of these transitions require new devices and the benefits of next-generation infrastructure and connectivity.

Comparative tables for the year ended 31 October 2020

	Class A accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	2,054.89	1,778.23	1,653.82
Return before operating charges*	686.72	309.65	155.24
Operating charges	(42.13)	(32.99)	(30.83)
Return after operating charges*	644.59	276.66	124.41
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	2,699.48	2,054.89	1,778.23
* after direct transaction costs of:	0.71	0.32	0.72
Performance			
Return after charges	31.37%	15.56%	7.52%
Other information			
Closing net asset value (£000s)	236,623	206,279	250,838
Closing number of shares	8,765,522	10,038,451	14,106,068
Operating charges	1.77%	1.74%	1.75%
Direct transaction costs	0.03%	0.02%	0.04%
Prices			
Highest share price (pence)	2,871.00	2,203.00	1,969.00
Lowest share price (pence)	1,852.00	1,575.00	1,566.00
	Class E accumulation		
	2020	24/06/19 - 31/10/19	
	(pence per share)	(pence per share)	
Change in net assets per share			
Opening net asset value per share	2,058.27	2,018.45 ¹	
Return before operating charges*	689.80	49.00	
Operating charges	(30.50)	(9.18)	
Return after operating charges*	659.30	39.82	
Distributions on accumulation shares	-	-	
Retained distributions on accumulation shares	-	-	
Closing net asset value per share	2,717.57	2,058.27	
* after direct transaction costs of:	0.72	0.35	
Performance			
Return after charges	32.03%	1.97%	
Other information			
Closing net asset value (£000s)	88,150	61,903	
Closing number of shares	3,243,698	3,007,526	
Operating charges	1.27%	1.24%	
Direct transaction costs	0.03%	0.02%	
Prices			
Highest share price (pence)	2,889.00	2,204.00	
Lowest share price (pence)	1,859.00	1,991.00	

¹ Class E accumulation launched on 24 June 2019 and this is the first published price.

Comparative tables (continued)

	Class I accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	2,343.75	2,010.25	1,852.67
Return before operating charges*	786.68	351.54	174.24
Operating charges	(22.90)	(18.04)	(16.66)
Return after operating charges*	763.78	333.50	157.58
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	3,107.53	2,343.75	2,010.25
* after direct transaction costs of:	0.81	0.37	0.81
Performance			
Return after charges	32.59%	16.59%	8.51%
Other information			
Closing net asset value (£000s)	819,850	700,211	614,111
Closing number of shares	26,382,643	29,875,675	30,548,955
Operating charges	0.84%	0.83%	0.84%
Direct transaction costs	0.03%	0.02%	0.04%
Prices			
Highest share price (pence)	3,303.00	2,507.00	2,223.00
Lowest share price (pence)	2,120.00	1,783.00	1,759.00
	Class Z accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	416.01	354.13	323.93
Return before operating charges*	140.19	62.03	30.37
Operating charges	(0.24)	(0.15)	(0.17)
Return after operating charges*	139.95	61.88	30.20
Distributions on accumulation shares	(2.55)	(2.86)	(2.57)
Retained distributions on accumulation shares	2.55	2.86	2.57
Closing net asset value per share	555.96	416.01	354.13
* after direct transaction costs of:	0.15	0.07	0.14
Performance			
Return after charges	33.64%	17.47%	9.32%
Other information			
Closing net asset value (£000s)	8	6	5
Closing number of shares	1,500	1,500	1,500
Operating charges	0.05%	0.04%	0.05%
Direct transaction costs	0.03%	0.02%	0.04%
Prices			
Highest share price (pence)	590.80	444.10	391.20
Lowest share price (pence)	377.40	314.40	308.20

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

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

Comparative tables (continued)

Operating charges

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

Share class launches and closures

There were no share classes launched or closed during the year.

Ongoing charge figure

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

	2020 %	2019 %	Estimated OCF from 5 May 2020 ¹ %
Class A accumulation	1.77 ²	1.74	1.79
Class E accumulation³	1.27 ²	1.24	1.29
Class I accumulation	0.84 ⁴	0.83	0.85
Class Z accumulation	0.05 ⁵	0.04	0.06

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

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 31 October 2020.

² The GAC on Class A accumulation and Class E accumulation increased from 0.23% to 0.28% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

³ Class E accumulation launched on 24 June 2019. An annualised OCF rate has been disclosed in the prior year comparative.

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

⁵ The GAC on Class Z accumulation increased from 0.04% to 0.05% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

Risk and reward profile

The fund currently has 4 types of share class in issue; A accumulation, E accumulation, I accumulation and Z accumulation.

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



The share class appears at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

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

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

The rating does not reflect the possible effects of unusual market conditions or large unpredictable events. The full list of the fund's risks are contained in the 'Risk Factors' section of the fund's prospectus.

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

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

* Class E accumulation was launched on 24 June 2019 and as it does not have a 5 year history, a synthetic history has been created using the A accumulation share class.

Portfolio statement as at 31 October 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 98.36% (2019: 98.12%)		
	China 8.50% (2019: 5.37%)		
	Communication Services 3.95% (2019: 3.84%)		
767,600	Tencent	45,205	3.95
	Consumer Discretionary 3.55% (2019: 1.53%)		
804,860	Alibaba	23,535	2.06
72,491	Alibaba ADR	17,082	1.49
		40,617	3.55
	Information Technology 1.00% (2019: 0.00%)		
34,755	GDS ADR	2,258	0.20
90,000	GDS	726	0.06
4,191,000	Kingdee International Software	8,485	0.74
		11,469	1.00
	Japan 0.00% (2019: 1.00%)		
	Consumer Discretionary 0.00% (2019: 1.00%)		
	Netherlands 0.00% (2019: 3.04%)		
	Information Technology 0.00% (2019: 3.04%)		
	Russian Federation 0.00% (2019: 0.45%)		
	Communication Services 0.00% (2019: 0.45%)		
	South Korea 4.94% (2019: 3.70%)		
	Information Technology 4.94% (2019: 3.70%)		
990,475	Samsung Electronics	38,143	3.34
131,030	Samsung Electronics Preference Shares	4,474	0.39
255,220	SK Hynix	13,899	1.21
		56,516	4.94
	Spain 1.68% (2019: 0.00%)		
	Communication Services 1.68% (2019: 0.00%)		
387,974	Cellnex Telecom	19,224	1.68
	Taiwan 3.39% (2019: 3.12%)		
	Information Technology 3.39% (2019: 3.12%)		
1,853,000	Taiwan Semiconductor Manufacturing	21,644	1.89
263,859	Taiwan Semiconductor Manufacturing ADS	17,115	1.50
		38,759	3.39
	United Kingdom 1.16% (2019: 0.00%)		
	Consumer Discretionary 1.16% (2019: 0.00%)		
2,006,346	THG	13,234	1.16

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
United States 78.69% (2019: 81.44%)			
Communication Services 19.10% (2019: 20.15%)			
45,256	Alphabet 'A'	56,570	4.94
28,588	Alphabet 'C'	35,842	3.13
317,717	Facebook	64,748	5.66
149,334	IAC	13,947	1.22
96,502	Match	8,722	0.76
65,872	Netflix	24,239	2.12
217,138	Pinterest	9,898	0.86
50,046	Walt Disney	4,691	0.41
		<u>218,657</u>	<u>19.10</u>
Consumer Discretionary 4.12% (2019: 4.83%)			
13,793	Amazon.com	32,388	2.83
87,694	Aptiv	6,544	0.57
145,440	Chegg	8,260	0.72
		<u>47,192</u>	<u>4.12</u>
Industrials 0.84% (2019: 0.80%)			
373,217	Uber Technologies	9,644	0.84
Information Technology 53.68% (2019: 55.66%)			
69,193	Adobe	23,926	2.09
226,978	Ambarella	9,602	0.84
142,056	Amphenol 'A'	12,401	1.08
163,433	Analog Devices	14,982	1.31
1,001,186	Apple	84,314	7.37
117,577	Broadcom	31,807	2.78
141,293	CDW	13,440	1.17
300,763	Ciena	9,162	0.80
168,510	Fidelity National Information Services	16,219	1.42
217,427	Fiserv	16,054	1.40
98,591	Impinj	1,944	0.17
71,213	Intuit	17,333	1.51
107,685	Jabil	2,760	0.24
164,585	Keysight Technologies	13,349	1.17
58,903	Lam Research	15,585	1.36
183,937	Lumentum	11,767	1.03
371,954	Marvell Technology	10,788	0.94
172,684	Microchip Technology	14,051	1.23
597,209	Microsoft	93,539	8.18
503,975	NortonLifeLock	8,022	0.70
27,991	Nvidia	10,867	0.95
213,888	PayPal	30,801	2.69
125,488	Qorvo	12,361	1.08
138,333	Salesforce.com	24,851	2.17
46,882	ServiceNow	18,059	1.58
56,160	Splunk	8,602	0.75
239,896	SS&C Technologies	10,991	0.96
261,302	Trimble	9,735	0.85
69,561	Universal Display	10,666	0.93
69,743	VeriSign	10,286	0.90

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Information Technology <small>(continued)</small>		
542,517	Viavi Solutions	5,186	0.45
251,621	Visa	35,384	3.09
25,792	Zebra Technologies 'A'	5,658	0.49
		<u>614,492</u>	<u>53.68</u>
	Real Estate 0.95% (2019: 0.00%)		
19,265	Equinix	<u>10,872</u>	<u>0.95</u>
	Derivatives 0.00% (2019: 0.00%)		
	Forward Foreign Exchange Contracts 0.00% (2019: 0.00%)¹		
	Buy GBP 4,001,510 : Sell USD 5,175,492 November 2020	(1)	-
	Buy USD 3,271,363 : Sell GBP 2,523,269 November 2020	7	-
	Buy USD 497,802 : Sell GBP 383,518 November 2020	1	-
		<u>7</u>	<u>-</u>
	Investment assets including investment liabilities	1,125,888	98.36
	Other net assets	18,743	1.64
	Total net assets	<u>1,144,631</u>	<u>100.00</u>

¹ Unquoted securities

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

Statement of total return for the year ended 31 October 2020

	Note	2020		2019	
		£000	£000	£000	£000
Income					
Net capital gains	2		304,944		141,032
Revenue	3	7,335		8,586	
Expenses	4	(11,488)		(9,814)	
Interest payable and similar charges	5	<u>(1)</u>		<u>(1)</u>	
Net expense before taxation		(4,154)		(1,229)	
Taxation	6	<u>(1,102)</u>		<u>(1,188)</u>	
Net expense after taxation			<u>(5,256)</u>		<u>(2,417)</u>
Total return before distributions			299,688		138,615
Distributions	7		-		-
Change in net assets attributable to shareholders from investment activities			<u>299,688</u>		<u>138,615</u>

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		968,399		864,954
Amounts receivable on issue of shares	209,739		111,231	
Amounts payable on cancellation of shares	<u>(333,236)</u>		<u>(146,401)</u>	
		(123,497)		(35,170)
Dilution adjustment		41		-
Change in net assets attributable to shareholders from investment activities		299,688		138,615
Retained distributions on accumulation shares*		-		-
Closing net assets attributable to shareholders		<u>1,144,631</u>		<u>968,399</u>

* Class Z accumulation made a distribution of £38 (2019: £42).

Balance sheet as at 31 October 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		1,125,889	950,198
Current assets:			
Debtors	8	5,861	1,302
Cash and bank balances	9	27,914	28,514
Total assets		1,159,664	980,014
Liabilities:			
Investment liabilities		1	5
Creditors:			
Bank overdrafts		-	8,587
Other creditors	10	15,032	3,023
Total liabilities		15,033	11,615
Net assets attributable to shareholders		1,144,631	968,399

Notes to the financial statements for the year ended 31 October 2020

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2020	2019
	£000	£000
Forward currency contracts	(639)	(338)
Non-derivative securities	303,771	141,033
Other currency gains	1,816	340
Transaction costs	(4)	(3)
Net capital gains	304,944	141,032

3 Revenue

	2020	2019
	£000	£000
Bank interest	62	366
Overseas dividends	7,202	8,132
UK dividends	71	88
Total revenue	7,335	8,586

4 Expenses

	2020	2019
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	9,963	8,654
GAC*	1,410	1,080
	<u>11,373</u>	<u>9,734</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	52	51
Safe custody fees	59	29
	<u>111</u>	<u>80</u>
Other expenses:		
Dividend collection charges	4	-
	<u>4</u>	<u>-</u>
Total expenses	11,488	9,814

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £8,861 (2019: £7,912).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

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

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2020	2019
	£000	£000
Current tax		
Overseas withholding tax	1,102	1,188
Total tax (note 6b)	1,102	1,188

b) Factors affecting tax charge for year

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

	2020	2019
	£000	£000
Net expense before taxation	(4,154)	(1,229)
Corporation tax at 20% (2019: 20%)	(831)	(246)
Effects of:		
Overseas withholding tax	1,102	1,188
Overseas dividends	(1,440)	(1,626)
UK dividends*	(14)	(18)
Unused management expenses	2,285	1,890
Tax charge for the year (note 6a)	1,102	1,188

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

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

c) Deferred tax

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

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £25,067,179 (2019: £22,781,868) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

	2020	2019
	£000	£000
Final accumulation*	-	-
Total distributions	-	-
Net expense after taxation	(5,256)	(2,417)
Revenue shortfall	5,256	2,417
Total distributions	-	-

Details of the distribution per share are set out in the Distribution table on page 68.

* Class Z accumulation made a distribution of £38 (2019: £42).

8 Debtors

	2020	2019
	£000	£000
Accrued revenue	213	250
Amounts receivable for issue of shares	3,077	1,027
Currency transactions awaiting settlement	2,388	-
Overseas withholding tax reclaimable	42	25
Sales awaiting settlement	141	-
Total debtors	5,861	1,302

9 Cash and bank balances

	2020	2019
	£000	£000
Cash and bank balances	27,914	28,514
Total cash and bank balances	27,914	28,514

10 Other creditors

	2020	2019
	£000	£000
Accrued annual management charge	934	757
Accrued Depositary's fee	6	6
Accrued other expenses	156	101
Amounts payable for cancellation of shares	7,949	1,773
Currency transactions awaiting settlement	2,389	-
Purchases awaiting settlement	3,598	386
Total other creditors	15,032	3,023

Notes to the financial statements (continued)

11 Contingent liabilities and commitments

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

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 58 and 59 and notes 4, 8 and 10 on pages 60 to 62 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

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

13 Shareholders' funds

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

	2020	2019
	%	%
Class A	1.50	1.50
Class E	1.00	1.00
Class I	0.75	0.75
Class Z ¹	0.00	0.00

¹ Charges for managing Z class shares are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 50 to 52. The distribution per share class is given in the Distribution table on page 68. All share classes have the same rights on winding up.

Shares reconciliation as at 31 October 2020

	Class A accumulation	Class E accumulation	Class I accumulation	Class Z accumulation
Opening number of shares	10,038,451	3,007,526	29,875,675	1,500
Issues during the year	2,238,964	51,494	5,615,055	-
Cancellations during the year	(3,121,916)	(127,214)	(9,174,697)	-
Shares converted during the year	(389,977)	311,892	66,610	-
Closing shares in issue	8,765,522	3,243,698	26,382,643	1,500

14 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 31 October 2020 (2019: nil).

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2020

At 31 October 2020 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Total by counterparty £000
BNP Paribas	8	8
	8	8

2019

At 31 October 2019 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Total by counterparty £000
BNP Paribas	4	4
	4	4

15 Risk

Currency risk

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

	Investment assets including (investment liabilities) £000	Other net assets £000	Total net assets £000
2020			
Currency			
Euro	19,224	12	19,236
Hong Kong dollar	77,950	-	77,950
Korean won	56,516	214	56,730
Taiwan dollar	21,644	-	21,644
UK sterling	14,329	17,031	31,360
US dollar	936,225	1,486	937,711
Total	1,125,888	18,743	1,144,631

	Investment assets including (investment liabilities) £000	Other net assets/ (liabilities) £000	Total net assets £000
2019			
Currency			
Euro	16,625	21	16,646
Hong Kong dollar	37,190	-	37,190
Japanese yen	7,184	20	7,204
Korean won	35,816	200	36,016
Taiwan dollar	22,114	178	22,292
UK sterling	973	17,886	18,859
US dollar	830,291	(99)	830,192
Total	950,193	18,206	968,399

Notes to the financial statements (continued)

15 Risk (continued)

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £1,113,270,765 (2019: £949,540,819). A 10% increase/(decrease) in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing/(decreasing) the return for the year ended 31 October 2020 and the net assets as at 31 October 2020 by £111,327,076 (2019: £94,954,082).

Interest rate risk

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

Other market price risk

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

Leverage

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

Liquidity risk

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

	On demand	Within one year	Over one year but not more than five years	Over five years
	£000	£000	£000	£000
2020				
Derivative financial liabilities	-	1	-	-
Other creditors	-	15,032	-	-
Total	-	15,033	-	-
	On demand	Within one year	Over one year but not more than five years	Over five years
	£000	£000	£000	£000
2019				
Bank overdrafts	8,587	-	-	-
Derivative financial liabilities	-	5	-	-
Other creditors	-	3,023	-	-
Total	8,587	3,028	-	-

16 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Notes to the financial statements (continued)

16 Fair value disclosure (continued)

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	1,125,881	-	950,194	-
Level 2	8	1	4	5
Level 3	-	-	-	-
	<u>1,125,889</u>	<u>1</u>	<u>950,198</u>	<u>5</u>

17 Direct transaction costs

	Purchases		Sales	
	2020 £000	2019 £000	2020 £000	2019 £000
Trades in the year				
Equities	543,054	331,528	671,507	340,326
Trades in the year before transaction costs	<u>543,054</u>	<u>331,528</u>	<u>671,507</u>	<u>340,326</u>
Transaction costs				
Commissions				
Equities	109	70	102	59
Total commissions	<u>109</u>	<u>70</u>	<u>102</u>	<u>59</u>
Taxes				
Equities	35	13	89	7
Total taxes	<u>35</u>	<u>13</u>	<u>89</u>	<u>7</u>
Other expenses				
Equities	1	1	28	13
Total other expenses	<u>1</u>	<u>1</u>	<u>28</u>	<u>13</u>
Total transaction costs	<u>145</u>	<u>84</u>	<u>219</u>	<u>79</u>
Total net trades in the year after transaction costs	<u>543,199</u>	<u>331,612</u>	<u>671,288</u>	<u>340,247</u>

	Purchases		Sales	
	2020 %	2019 %	2020 %	2019 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.02	0.02	0.02	0.02
Taxes				
Equities	0.01	-	0.01	-
Other expenses				
Equities	-	-	-	-
	2020	2019		
	%	%		
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.02	0.02		
Taxes	0.01	-		
Other expenses	-	-		
Total costs	<u>0.03</u>	<u>0.02</u>		

Notes to the financial statements (continued)

17 Direct transaction costs (continued)

There were no in specie transfers during the year (2019: nil). There were no corporate actions during the year (2019: £1,458,312).

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

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

The portfolio dealing spread as at 30 October 2020 was 0.08% (2019: 0.03%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

The duration of the COVID-19 pandemic and its effects cannot be determined with certainty, and could prevent a fund from executing advantageous decisions in a timely manner and negatively impact a fund's ability to achieve its investment objective. The COVID-19 pandemic has persisted after the fund's year end and its impact on the fund continues to be monitored by the Investment Manager. As at 18 January 2021, the Net Asset Value of the fund had increased.

Distribution table for the year ended 31 October 2020 (in pence per share)

Final dividend distribution (accounting date 31 October 2020, paid on 31 December 2020)

Group 1: shares purchased prior to 1 November 2019

Group 2: shares purchased on or after 1 November 2019

	Distribution per share	Total distribution per share 31/12/20	Total distribution per share 31/12/19
Class A accumulation			
Group 1	-	-	-
Group 2	-	-	-
Class E accumulation			
Group 1	-	-	-
Group 2	-	-	-
Class I accumulation			
Group 1	-	-	-
Group 2	-	-	-
Class Z accumulation			
Group 1	2.5472	2.5472	2.8619
Group 2	2.5472	2.5472	2.8619

Janus Henderson Institutional Global Buy & Maintain Fund

Authorised Corporate Director's report

Investment Fund Manager

James Briggs

Investment objective and policy

The fund aims to provide an income with the potential for capital growth over the long term (5 years or more).

The fund invests at least 80% of its assets in a global portfolio of investment grade (equivalent to BBB rated or higher) corporate bonds.

The fund may also invest in other assets including other types of bonds, including high yield (non-investment grade) bonds and government bonds, other funds (Collective Investment Schemes (including those managed by Janus Henderson)) and cash.

The investment manager may use derivatives (complex financial instruments) to reduce risk or to manage the fund more efficiently.

The fund is managed on a buy and maintain basis without reference to a benchmark. The investment manager has a high degree of freedom to choose investments for the fund, but will aim to keep activity in the portfolio to a low level.

Performance summary

Cumulative performance

	One year 31 Oct 19 - 31 Oct 20	Three years 31 Oct 17 - 31 Oct 20	Five years 31 Oct 15 - 31 Oct 20	Since inception 16 Sep 15* - 31 Oct 20
	%	%	%	%
Class Y income (Net)	1.3	5.7	14.3	14.1*

* The fund launched on 16 September 2015.

Discrete performance

	31 Oct 19 - 31 Oct 20	31 Oct 18 - 31 Oct 19	31 Oct 17 - 31 Oct 18	31 Oct 16 - 31 Oct 17	31 Oct 15 - 31 Oct 16
	%	%	%	%	%
Class Y income (Net)	1.3	3.9	0.4	4.2	3.8

Source: Morningstar

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

Class Y income is disclosed as it is the representative share class.

Benchmark usage: The fund has no target or constraint with reference to a benchmark. Due to the 'buy and hold' nature of the fund comparison to an index is not appropriate. Performance comparisons may best be made to broad examples of GBP, EUR and USD denominated corporate bond markets.

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

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 31 October 2020

Largest purchases	£000	Largest sales /maturities	£000
Adobe Systems 2.30% 01/02/2030	1,218	Oracle 2.5% 15/10/2022	1,039
State Street 2.40% 24/01/2030	1,144	Altria 2.625% 14/01/2020	925
JPMorgan Chase 2.95% 01/10/2026	1,036	Sanctuary Capital 6.697% 23/03/2039	887
Banque Fédérative du Crédit Mutuel 2.375% 21/11/2024	1,000	S&P Global 3.30% 14/08/2020	857
Chevron 2.895% 03/03/2024	960	Manchester Airport Funding 4.75% 31/03/2034	748
Visa 2.00% 15/08/2050	886	Volkswagen International Finance 3.25% 18/11/2030	715
Target 2.35% 15/02/2030	778	Citigroup 2.65% 26/10/2020	692
LVMH 1.125% 11/02/2027	695	Northern Powergrid (Yorkshire) 5.125% 04/05/2035	654
Nationwide Building Society 2.00% 27/01/2023	688	CPUK Finance 3.588% 28/08/2025	651
EssilorLuxottica 0.375% 27/11/2027	594	Rio Tinto 4.00% 11/12/2029	604
Total purchases	11,438	Total sales/maturities	15,512

Investment review

The fund returned 1.3% based on Class Y income (Net) over the year under review.

Global investment-grade credit markets delivered positive total returns over the reporting year, driven by favourable movements in government bonds. Excess returns versus government equivalents, however, detracted from performance as credit spreads ended the reporting year wider than at the start. Sterling investment-grade corporate bonds performed strongly on an excess return basis (versus government equivalents), followed by US dollar and then euro-denominated corporate bonds.

Credit spreads tightened through to the beginning of March 2020. However, these positive moves were quickly wiped out at the end of the same month, on the back of the spread of COVID-19 around the world, subsequent lockdowns across countries and fears of a recession. Sentiment was also adversely impacted by oil price volatility, with Brent Crude falling sharply. In response to the global pandemic, governments and central banks around the world announced significant fiscal and monetary stimulus packages.

Global investment-grade credit spreads tightened over the remainder of the reporting year as market sentiment improved. This improvement was driven by a decline in COVID-19 infection rates, easing lockdown restrictions and the reopening of economies, and further fiscal and monetary support from global policy makers. The European Commission published a recovery fund proposal, while the European Central Bank increased the size of its bond-purchase programme to €1.35trn and extended it to the end of June 2021. The US Federal Reserve initiated a programme to buy US investment-grade bonds and high-yield exchange traded funds.

The fund's exposure to non-financial corporate bonds added more strongly to credit returns than the financial holdings, although both sectors contributed to performance. Within non-financial holdings, the largest contributors to performance were Apple, Verizon Communications and University of Southampton. Within financial holdings, positions in banks that we fundamentally favoured, such as Morgan Stanley and JPMorgan Chase, added the most to the returns. Detractors included issuers such as Gatwick Funding, AXA and Greene King Finance.

In the primary market, we participated in attractive new issues from Adobe Systems, Nationwide Building Society and State Street. In the secondary market, we exited the position in Volkswagen International Finance, reduced holdings in Welltower REIT and purchased bonds from Verizon Communications.

We continue to be modestly positive, overall, on the near-term outlook for global investment-grade bonds. In our base case, we expect the aggressive fiscal and monetary policies from global central banks combined with the strong search for income present in markets to support modestly positive excess returns. Given the threat of further lockdowns being implemented and generally uncertain landscape, we may see further central bank support, which would also support risk assets.

While uncertainty around the US presidential election outcome has been largely removed, we remain mindful of the potential challenges ahead. These challenges include the final negotiations regarding the UK's relationship with the European Union, a further rise in COVID-19 cases, US/China tensions and the US fiscal stimulus impasse, and the success of a roll-out of a COVID-19 vaccine, all of which have the ability to threaten market stability in the near term. We would need to see these risks fade in order to become more constructive in our outlook.

The fund remains well diversified by sector, geography and by maturity point. It also remains conservatively positioned from a credit quality perspective.

Comparative tables for the year ended 31 October 2020

	Class Y accumulation	
	2019	2018
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	108.28	107.69
Return before operating charges*	1.47	0.85
Operating charges	(0.15)	(0.26)
Return after operating charges*	1.32	0.59
Distributions on accumulation shares	(1.43)	(2.50)
Retained distributions on accumulation shares	1.43	2.50
Final cancellation	(109.60) ¹	-
Closing net asset value per share	-	108.28
* after direct transaction costs of:	-	-
Performance		
Return after charges	1.22%	0.55%
Other information		
Closing net asset value (£000s)	-	95,141
Closing number of shares	-	87,867,779
Operating charges	0.24%	0.24%
Direct transaction costs	0.00%	0.00%
Prices		
Highest share price (pence)	110.50 ²	109.70
Lowest share price (pence)	106.40 ²	107.50

¹ Class Y accumulation closed on 5 June 2019.

² to 5 June 2019.

Comparative tables (continued)

	Class Y income	
	2020	05/06/19 - 31/10/19
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	110.48	109.60 ³
Return before operating charges*	2.09	2.42
Operating charges	(0.27)	(0.11)
Return after operating charges*	1.82	2.31
Distributions on income shares	(2.38)	(1.43)
Closing net asset value per share	109.92	110.48
* after direct transaction costs of:	-	-
Performance		
Return after charges	1.65%	2.11%
Other information		
Closing net asset value (£000s)	92,787	95,330
Closing number of shares	84,416,090	86,287,866
Operating charges	0.25%	0.24%
Direct transaction costs	0.00%	0.00%
Prices		
Highest share price (pence)	113.00	111.90
Lowest share price (pence)	98.48	109.50

³ Class Y income launched on 5 June 2019 and this is the first published price.

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

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

Operating charges

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

Share class launches and closures

There were no share classes launched or closed during the year.

Ongoing charge figure

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

	2020 %	2019 %	Estimated OCF from 5 May 2020¹ %
Class Y income²	0.25 ³	0.24	0.25

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

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 31 October 2020.

² Class Y income launched on 5 June 2019. An annualised OCF rate has been disclosed in the prior year comparative.

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

Risk and reward profile

The fund currently has 1 type of share class in issue; Y income.

The risk and reward profile is as follows:



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

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

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

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

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

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

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

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

* Class Y Income was launched on 5 June 2019 and as it does not have a 5 year history, a synthetic history has been created using the fund's relevant sector average.

Portfolio statement as at 31 October 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 92.92% (2019: 92.80%)		
	Australia 1.70% (2019: 2.06%)		
	Fixed Rate Bond 1.70% (2019: 2.06%)		
GBP 600,000	APT Pipelines 3.50% 22/03/2030	684	0.74
GBP 500,000	BHP Billiton Finance 4.30% 25/09/2042	722	0.78
USD 200,000	SGSP (Australia) Assets 3.25% 29/07/2026	169	0.18
		<u>1,575</u>	<u>1.70</u>
	Belgium 0.84% (2019: 0.78%)		
	Zero / Discount Rate Bond 0.84% (2019: 0.78%)		
GBP 720,000	Anheuser-Busch InBev 2.25% 24/05/2029	776	0.84
	Canada 0.22% (2019: 0.22%)		
	Fixed Rate Bond 0.22% (2019: 0.22%)		
GBP 200,000	Liberty Living Finance 2.625% 28/11/2024	205	0.22
	Denmark 0.82% (2019: 0.75%)		
	Fixed Rate Bond 0.82% (2019: 0.75%)		
GBP 670,000	Orsted 2.50% 16/05/2033	764	0.82
	France 8.08% (2019: 5.47%)		
	Fixed Rate Bond 7.32% (2019: 4.49%)		
USD 1,300,000	Banque Fédérative du Crédit Mutuel 2.375% 21/11/2024	1,065	1.14
GBP 400,000	BPCE 5.25% 16/04/2029	502	0.54
GBP 700,000	Électricité de France 5.50% 17/10/2041	1,031	1.11
USD 1,100,000	Engie 2.875% 10/10/2022	885	0.95
EUR 700,000	EssilorLuxottica 0.375% 27/11/2027	647	0.70
GBP 700,000	LVMH 1.125% 11/02/2027	705	0.76
GBP 200,000	Suez 5.375% 02/12/2030	274	0.30
GBP 500,000	Total Capital International 1.66% 22/07/2026	526	0.57
GBP 450,000	Veolia Environnement 6.125% 29/10/2037	744	0.80
GBP 200,000	Vinci 2.75% 15/09/2034	230	0.25
USD 200,000	Vinci 3.75% 10/04/2029	181	0.20
		<u>6,790</u>	<u>7.32</u>
	Stepped Rate Bond 0.51% (2019: 0.48%)		
USD 381,000	Orange 8.50% 01/03/2031	477	0.51
	Variable Rate Bond 0.25% (2019: 0.50%)		
GBP 189,000	AXA 5.625% 16/01/2054	233	0.25
	Germany 4.71% (2019: 5.21%)		
	Fixed Rate Bond 4.71% (2019: 5.21%)		
GBP 200,000	Allianz Finance 4.50% 13/03/2043	313	0.34
USD 440,000	Aroundtown 5.375% 21/03/2029	395	0.43
GBP 600,000	BASF 1.75% 11/03/2025	630	0.68
USD 600,000	Deutsche Telekom International Finance 8.75% 15/06/2030	721	0.78
USD 750,000	E.ON International Finance 6.65% 30/04/2038	826	0.88
GBP 700,000	Henkel 1.00% 30/09/2022	707	0.76
GBP 700,000	Siemens Financieringsmaatschappij 2.75% 10/09/2025	776	0.84
		<u>4,368</u>	<u>4.71</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Ireland 0.47% (2019: 0.87%)		
	Fixed Rate Bond 0.47% (2019: 0.87%)		
USD 500,000	CRH America 3.875% 18/05/2025	433	0.47
	Italy 0.66% (2019: 0.61%)		
	Fixed Rate Bond 0.66% (2019: 0.61%)		
GBP 400,000	Enel Finance International 5.75% 14/09/2040	613	0.66
	Japan 1.15% (2019: 1.09%)		
	Fixed Rate Bond 1.15% (2019: 1.09%)		
GBP 500,000	East Japan Railway 5.25% 22/04/2033	734	0.79
USD 400,000	Japan Tobacco 2.80% 13/04/2026	334	0.36
		1,068	1.15
	Mexico 0.00% (2019: 0.13%)		
	Fixed Rate Bond 0.00% (2019: 0.13%)		
	Netherlands 2.02% (2019: 2.05%)		
	Fixed Rate Bond 2.02% (2019: 2.05%)		
GBP 238,000	Cooperatieve Rabobank 2.25% 23/02/2022	244	0.26
GBP 500,000	Cooperatieve Rabobank 5.25% 23/05/2041	826	0.89
USD 1,000,000	Heineken 2.75% 01/04/2023	809	0.87
		1,879	2.02
	Norway 0.75% (2019: 0.73%)		
	Fixed Rate Bond 0.75% (2019: 0.73%)		
GBP 500,000	Equinor 6.125% 27/11/2028	692	0.75
	Spain 0.57% (2019: 0.56%)		
	Fixed Rate Bond 0.57% (2019: 0.56%)		
GBP 500,000	Abertis Infraestructuras 3.375% 27/11/2026	528	0.57
	Sweden 0.00% (2019: 0.33%)		
	Fixed Rate Bond 0.00% (2019: 0.33%)		
	Switzerland 2.98% (2019: 2.81%)		
	Fixed Rate Bond 2.82% (2019: 2.65%)		
GBP 850,000	Nestlé 2.25% 30/11/2023	901	0.97
USD 940,000	Novartis Capital 3.10% 17/05/2027	812	0.88
EUR 826,000	Richemont International 2.00% 26/03/2038	900	0.97
		2,613	2.82
	Stepped Rate Bond 0.16% (2019: 0.16%)		
GBP 140,000	Glencore Finance 6.00% 03/04/2022	150	0.16
	United Kingdom 36.27% (2019: 41.72%)		
	Asset Backed 2.68% (2019: 3.29%)		
GBP 146,133	Broadgate Financing 5.098% 05/04/2033	171	0.18
GBP 570,018	Connect Plus M25 Issuer 2.607% 31/03/2039	642	0.69
GBP 154,000	Greene King Finance 5.702% 15/12/2034	97	0.10
GBP 600,000	High Speed Rail Finance 4.375% 01/11/2038	787	0.86
GBP 38,370	Longstone Finance 4.791% 19/04/2036	45	0.05

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Asset Backed (continued)		
GBP 21,747	Mitchells & Butlers 5.965% 15/12/2025	22	0.02
GBP 92,791	Mitchells & Butlers 6.013% 15/12/2030	94	0.10
GBP 286,416	TC Dudgeon OFTO 3.158% 12/11/2038	334	0.36
GBP 87,445	Telereal Securitisation 5.9478% 10/12/2033	106	0.11
GBP 154,835	Telereal Securitisation 6.1645% 10/12/2031	192	0.21
		2,490	2.68
	Fixed Rate Bond 32.19% (2019: 37.07%)		
GBP 180,000	Accent Capital 2.625% 18/07/2049	215	0.23
GBP 600,000	Affordable Housing Finance 3.80% 20/05/2042	885	0.95
GBP 300,000	Annington Funding 2.646% 12/07/2025	320	0.35
GBP 200,000	Arqiva Financing 5.34% 30/06/2030	246	0.27
GBP 150,000	Assura Financing 1.50% 15/09/2030	151	0.16
GBP 200,000	Assura Financing 3.00% 19/07/2028	225	0.24
GBP 600,000	A2Dominion Housing 3.50% 15/11/2028	664	0.72
GBP 300,000	Barclays 3.125% 17/01/2024	315	0.34
GBP 288,000	BAT International Finance 4.00% 04/09/2026	326	0.35
GBP 150,000	BAT International Finance 5.75% 05/07/2040	200	0.22
GBP 250,000	BG Energy Capital 5.00% 04/11/2036	371	0.40
GBP 350,000	BG Energy Capital 5.125% 01/12/2025	430	0.46
GBP 590,000	Blend Funding 3.459% 21/09/2047	755	0.81
GBP 350,000	British Land 5.264% 24/09/2035	464	0.50
GBP 800,000	British Telecommunications 3.125% 21/11/2031	890	0.96
GBP 150,000	Broadgate Financing 4.821% 05/07/2033	200	0.22
GBP 500,000	Bunzl Finance 2.25% 11/06/2025	528	0.57
GBP 193,000	BUPA Finance 3.375% 17/06/2021	196	0.21
GBP 337,000	Centrica 4.375% 13/03/2029	407	0.44
GBP 770,000	Compass 2.00% 03/07/2029	827	0.89
GBP 136,000	Coventry Building Society 5.875% 28/09/2022	149	0.16
GBP 400,000	Diageo Finance 1.75% 12/10/2026	426	0.46
GBP 600,000	Dwr Cymru Financing 6.015% 31/03/2028	812	0.87
GBP 200,000	Eastern Power Networks 2.125% 25/11/2033	216	0.23
GBP 101,000	Eastern Power Networks 5.75% 08/03/2024	118	0.13
GBP 750,000	Experian Finance 3.50% 15/10/2021	765	0.82
GBP 320,000	Folio Residential Finance 1.246% 31/10/2027	321	0.35
GBP 200,000	Freshwater Finance 4.556% 03/04/2036	260	0.28
GBP 244,000	Freshwater Finance 5.182% 20/04/2035	334	0.36
GBP 300,000	Gatwick Funding 5.75% 23/01/2037	373	0.40
GBP 123,000	Gatwick Funding 6.125% 02/03/2026	142	0.15
GBP 200,000	GlaxoSmithKline Capital 4.25% 18/12/2045	301	0.32
GBP 272,000	GlaxoSmithKline Capital 5.25% 10/04/2042	444	0.48
GBP 175,000	GlaxoSmithKline Capital 6.375% 09/03/2039	305	0.33
GBP 250,000	Heathrow Funding 5.225% 15/02/2023	267	0.29
GBP 150,000	Heathrow Funding 6.75% 03/12/2026	184	0.20
GBP 600,000	HSBC 6.75% 11/09/2028	778	0.84
GBP 587,000	Imperial Brands Finance 4.875% 07/06/2032	707	0.76
GBP 100,000	Land Securities Capital Markets 2.375% 29/03/2027	106	0.11
GBP 100,000	Land Securities Capital Markets 2.625% 22/09/2037	108	0.12
GBP 400,000	Legal & General 5.875% 05/04/2033	591	0.64
GBP 450,000	Lloyds Bank 5.125% 07/03/2025	540	0.58
GBP 149,000	London Power Networks 6.125% 07/06/2027	196	0.21

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 250,000	Longstone Finance 4.896% 19/04/2036	295	0.32
GBP 750,000	Motability Operations 3.75% 16/04/2026	876	0.94
GBP 300,000	National Grid Electricity Transmission 2.75% 06/02/2035	349	0.38
GBP 110,000	National Westminster Bank 5.125% 13/01/2024	126	0.14
GBP 350,000	National Westminster Bank 6.50% 07/09/2021	366	0.39
GBP 390,000	Nationwide Building Society 1.00% 24/01/2023	393	0.42
USD 900,000	Nationwide Building Society 2.00% 27/01/2023	717	0.77
GBP 700,000	Places for People Treasury 2.875% 17/08/2026	748	0.81
GBP 440,000	PRS Finance 1.50% 24/08/2034	462	0.50
GBP 453,000	Scottish Widows 7.00% 16/06/2043	605	0.65
GBP 100,000	Severn Trent Utilities Finance 4.875% 24/01/2042	154	0.17
GBP 250,000	South Eastern Power Networks 5.625% 30/09/2030	348	0.38
GBP 147,000	South Eastern Power Networks 6.375% 12/11/2031	223	0.24
GBP 130,000	Southern Water Services Financial 6.192% 31/03/2029	179	0.19
GBP 620,000	SP Manweb 4.875% 20/09/2027	769	0.83
GBP 320,000	Tesco 2.50% 02/05/2025	339	0.37
GBP 930,000	Transport for London 2.125% 24/04/2025	995	1.07
GBP 300,000	Tritax Big Box REIT 3.125% 14/12/2031	339	0.36
GBP 800,000	Unilever 1.125% 03/02/2022	810	0.87
GBP 500,000	University of Southampton 2.25% 11/04/2057	572	0.62
USD 280,000	Vodafone 6.15% 27/02/2037	302	0.33
GBP 300,000	Wales & West Utilities Finance 3.00% 03/08/2038	360	0.39
GBP 100,000	Wales & West Utilities Finance 4.625% 13/12/2023	112	0.12
GBP 246,000	Western Power Distribution East Midlands 5.25% 17/01/2023	271	0.29
GBP 350,000	Western Power Distribution West Midlands 5.75% 16/04/2032	505	0.54
GBP 480,000	Whitbread 3.375% 16/10/2025	475	0.51
GBP 358,000	WM Morrison Supermarkets 4.75% 04/07/2029	449	0.48
GBP 290,000	Wrekin Housing 2.50% 22/10/2048	331	0.36
GBP 200,000	Yorkshire Water Finance 6.375% 19/08/2039	342	0.37
		<u>29,870</u>	<u>32.19</u>
Variable Rate Bond 1.40% (2019: 1.36%)			
GBP 400,000	Aviva FRN 04/06/2050	461	0.50
GBP 200,000	Aviva 6.125% 14/11/2036	240	0.26
GBP 118,000	Aviva 6.625% 03/06/2041	122	0.13
GBP 390,000	M&G 6.34% 19/12/2063	473	0.51
		<u>1,296</u>	<u>1.40</u>
United States 31.68% (2019: 27.41%)			
Asset Backed 0.88% (2019: 0.85%)			
USD 1,000,000	COMM 2015-3BP Mortgage Trust 3.2384% 10/02/2035	<u>819</u>	<u>0.88</u>
Fixed Rate Bond 30.80% (2019: 26.56%)			
USD 1,400,000	Adobe Systems 2.30% 01/02/2030	1,162	1.25
USD 876,000	Amazon.com 3.15% 22/08/2027	768	0.83
GBP 500,000	Amgen 4.00% 13/09/2029	616	0.66
GBP 700,000	Apple 3.60% 31/07/2042	1,009	1.09
GBP 200,000	AT&T 4.25% 01/06/2043	245	0.26
GBP 450,000	AT&T 5.20% 18/11/2033	604	0.65
GBP 300,000	Bank of America 6.125% 15/09/2021	315	0.34

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Fixed Rate Bond (continued)		
GBP 330,000	Berkshire Hathaway Finance 2.375% 19/06/2039	368	0.40
USD 667,000	BlackRock 2.40% 30/04/2030	555	0.60
USD 1,147,000	Bristol-Myers Squibb 3.40% 26/07/2029	1,028	1.11
USD 1,200,000	Chevron 2.895% 03/03/2024	992	1.07
EUR 960,000	Chubb INA 2.50% 15/03/2038	1,051	1.13
GBP 199,000	Citigroup 7.375% 01/09/2039	367	0.40
USD 500,000	Comcast 7.05% 15/03/2033	587	0.63
USD 1,000,000	CVS Health 2.875% 01/06/2026	838	0.90
GBP 339,000	Digital Stout 4.25% 17/01/2025	385	0.42
USD 455,000	Exxon Mobil 4.114% 01/03/2046	405	0.44
USD 620,000	FedEx 4.75% 15/11/2045	602	0.65
GBP 360,000	Fidelity National Information Services 3.36% 21/05/2031	418	0.45
GBP 150,000	GE Capital UK Funding 8.00% 14/01/2039	221	0.24
GBP 398,000	Goldman Sachs 4.25% 29/01/2026	457	0.49
GBP 90,000	Goldman Sachs 7.125% 07/08/2025	115	0.12
GBP 135,000	Goldman Sachs 7.25% 10/04/2028	190	0.20
USD 1,100,000	Illinois Tool Works 2.65% 15/11/2026	939	1.01
USD 445,000	Johnson & Johnson 2.45% 01/03/2026	373	0.40
USD 620,000	Johnson & Johnson 2.90% 15/01/2028	538	0.58
USD 1,300,000	JPMorgan Chase 2.95% 01/10/2026	1,109	1.19
USD 404,000	Mars 3.60% 01/04/2034	370	0.40
GBP 500,000	McDonalds 5.875% 23/04/2032	724	0.78
GBP 405,000	McKesson 3.125% 17/02/2029	446	0.48
USD 450,000	Microsoft 2.525% 01/06/2050	355	0.38
USD 350,000	Microsoft 2.675% 01/06/2060	276	0.30
USD 1,000,000	Morgan Stanley 4.30% 27/01/2045	1,000	1.08
GBP 490,000	Pfizer 2.735% 15/06/2043	588	0.63
USD 1,100,000	Philip Morris International 4.125% 17/05/2021	869	0.94
EUR 660,000	Procter & Gamble 4.875% 11/05/2027	794	0.86
USD 1,000,000	Raytheon Technologies 4.50% 01/06/2042	969	1.04
USD 1,100,000	State Street 2.40% 24/01/2030	925	1.00
USD 700,000	Sysco 3.30% 15/07/2026	590	0.64
USD 713,000	Target 2.35% 15/02/2030	597	0.64
USD 250,000	UnitedHealth 4.25% 15/03/2043	243	0.26
USD 100,000	UnitedHealth 4.625% 15/07/2035	101	0.11
USD 1,003,000	Verizon Communications 2.987% 30/10/2056	786	0.85
USD 1,166,000	Visa 2.00% 15/08/2050	824	0.89
USD 630,000	W. W. Grainger 4.60% 15/06/2045	624	0.67
GBP 770,000	Wells Fargo 3.50% 12/09/2029	888	0.96
GBP 300,000	Welltower REIT 4.80% 20/11/2028	352	0.38
		<u>28,578</u>	<u>30.80</u>
	Derivatives (3.32%) (2019: (0.86%))		
	Futures (0.03%) (2019: 0.07%)		
(20)	CBT US 10 Year Note December 2020	11	0.01
(18)	EUX Euro Bund December 2020	(40)	(0.04)
		<u>(29)</u>	<u>(0.03)</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Swaps (3.44%) (2019: (0.90%))			
Interest Rate Swaps (3.44%) (2019: (0.90%))¹			
3,500,000	IRS 0.4102% LIBOR 6 Month - Receive Floating - GBP	222	0.24
12,000,000	IRS 0.6627% LIBOR 6 month - Receive Floating - GBP	(284)	(0.31)
1,500,000	IRS 0.7047% LIBOR 6 month - Receive Floating - GBP	(24)	(0.03)
5,000,000	IRS 0.7097% LIBOR 6 month - Receive Floating - GBP	(88)	(0.09)
9,000,000	IRS 0.7942% LIBOR 6 month - Receive Floating - GBP	(306)	(0.33)
10,000,000	IRS 1.07% LIBOR 3 month - Receive Floating - GBP	(322)	(0.35)
9,400,000	IRS 2.0825% LIBOR 3 month - Receive Floating - USD	(155)	(0.17)
7,300,000	IRS 2.482% LIBOR 3 month - Receive Floating - USD	(664)	(0.71)
6,000,000	IRS 2.73% LIBOR 3 month - Receive Floating - USD	(1,574)	(1.69)
		<u>(3,195)</u>	<u>(3.44)</u>
Forward Foreign Exchange Contracts 0.15% (2019: (0.03%))¹			
	Buy GBP 23,130 : Sell EUR 25,500 November 2020 ²	-	-
	Buy GBP 27,890,897 : Sell USD 35,936,830 November 2020	102	0.11
	Buy GBP 3,458,098 : Sell EUR 3,792,997 November 2020	41	0.04
	Buy GBP 40,425 : Sell USD 52,545 November 2020 ²	-	-
	Buy GBP 75,813 : Sell USD 99,067 November 2020	(1)	-
	Buy GBP 78,515 : Sell USD 102,402 November 2020	(1)	-
	Buy USD 107,798 : Sell GBP 83,350 November 2020 ²	-	-
	Buy USD 19,563 : Sell GBP 15,152 November 2020 ²	-	-
	Buy USD 2,699 : Sell GBP 2,076 November 2020 ²	-	-
	Buy USD 42,186 : Sell GBP 32,213 November 2020 ²	-	-
	Buy USD 43,866 : Sell GBP 33,835 November 2020 ²	-	-
	Buy USD 62,369 : Sell GBP 47,812 November 2020 ²	-	-
	Buy USD 99,803 : Sell GBP 75,813 November 2020	1	-
		<u>142</u>	<u>0.15</u>
Investment assets including investment liabilities		83,135	89.60
Other net assets		<u>9,652</u>	<u>10.40</u>
Total net assets		92,787	100.00

¹ Unquoted securities

² Due to rounding to nearest £1,000

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

Statement of total return for the year ended 31 October 2020

	Note	2020		2019	
		£000	£000	£000	£000
Income					
Net capital (losses)/gains	2		(571)		683
Revenue	3	2,261		2,735	
Expenses	4	<u>(226)</u>		<u>(228)</u>	
Net revenue before taxation		2,035		2,507	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>2,035</u>		<u>2,507</u>
Total return before distributions			1,464		3,190
Distributions	6		(2,035)		(2,507)
Change in net assets attributable to shareholders from investment activities			<u>(571)</u>		<u>683</u>

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2020

		2020		2019	
		£000	£000	£000	£000
Opening net assets attributable to shareholders			95,330		95,141
Amounts receivable on issue of shares		-		96,232	
Amounts payable on cancellation of shares		<u>(1,979)</u>		<u>(97,986)</u>	
			(1,979)		(1,754)
Dilution adjustment			7		-
Change in net assets attributable to shareholders from investment activities			(571)		683
Retained distributions on accumulation shares			-		1,260
Closing net assets attributable to shareholders			<u>92,787</u>		<u>95,330</u>

Balance sheet as at 31 October 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		86,594	89,307
Current assets:			
Debtors	7	1,002	1,103
Cash and bank balances	8	9,294	9,648
Total assets		96,890	100,058
Liabilities:			
Investment liabilities		3,459	1,656
Creditors:			
Amounts held at derivative clearing houses and brokers		11	1,057
Bank overdrafts		-	783
Distributions payable		395	610
Other creditors	9	238	622
Total liabilities		4,103	4,728
Net assets attributable to shareholders		92,787	95,330

1 Accounting policies

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

2 Net capital (losses)/gains

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

	2020	2019
	£000	£000
Derivative securities	(3,062)	(6,846)
Forward currency contracts	(608)	(56)
Non-derivative securities	3,123	7,659
Other currency losses	(21)	(70)
Transaction costs	(3)	(4)
Net capital (losses)/gains	(571)	683

3 Revenue

	2020	2019
	£000	£000
Bank interest	16	26
Derivative revenue	(286)	(155)
Interest on debt securities	2,527	2,854
Interest on margin	4	10
Total revenue	2,261	2,735

4 Expenses

	2020	2019
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	187	191
GAC*	25	22
	<u>212</u>	<u>213</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	9	9
Safe custody fees	5	6
	<u>14</u>	<u>15</u>
Total expenses	226	228

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £11,556 (2019: £10,317).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of charge in the year

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

b) Factors affecting tax charge for year

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

	2020	2019
	£000	£000
Net revenue before taxation	2,035	2,507
Corporation tax at 20% (2019: 20%)	407	501
Effects of:		
Revenue being paid as interest distributions	(407)	(501)
Tax charge for the year (note 5a)	-	-

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

c) Deferred tax

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

d) Factors that may affect future tax charges

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

6 Distributions

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

	2020	2019
	£000	£000
Interim income	1,638	637
Interim accumulation	-	1,260
Final income	395	610
	<u>2,033</u>	<u>2,507</u>
Amounts deducted on cancellation of shares	2	169
Amounts received on issue of shares	-	(169)
Total distributions	<u>2,035</u>	<u>2,507</u>

Details of the distribution per share are set out in the Distribution tables on pages 93 to 94.

7 Debtors

	2020	2019
	£000	£000
Accrued revenue	1,002	1,103
Total debtors	<u>1,002</u>	<u>1,103</u>

Notes to the financial statements (continued)

8 Cash and bank balances

	2020 £000	2019 £000
Amounts held at derivative clearing houses and brokers	6,458	4,492
Cash and bank balances	2,836	5,156
Total cash and bank balances	9,294	9,648

9 Other creditors

	2020 £000	2019 £000
Accrued annual management charge	16	17
Accrued Depository's fee	1	1
Accrued other expenses	3	2
Derivative revenue payable	218	168
Purchases awaiting settlement	-	434
Total other creditors	238	622

10 Contingent liabilities and commitments

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

11 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 82 and 83 and notes 4 and 9 on pages 84 to 86 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

Nortrust Nominees Limited, as a material shareholder, is a related party holding shares comprising 100% of the total net assets of the fund as at the year end (2019: 100%).

12 Shareholders' funds

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

	2020 %	2019 %
Class Y	0.20	0.20

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 72 to 73. The distribution per share class is given in the Distribution tables on pages 93 to 94.

Shares reconciliation as at 31 October 2020

	Class Y income
Opening number of shares	86,287,866
Issues during the year	435
Cancellations during the year	(1,872,211)
Closing shares in issue	84,416,090

Notes to the financial statements (continued)

13 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 31 October 2020 (2019: nil).

2020

At 31 October 2020 the underlying exposure for each category of derivatives were as follows:

Counterparty	Futures	Forward foreign exchange contracts	Interest rate swaps	Total by counterparty
	£000	£000	£000	£000
BNP Paribas	-	144	-	144
Citigroup	-	-	222	222
UBS	11	-	-	11
	11	144	222	377

2019

At 31 October 2019 the underlying exposure for each category of derivatives held were as follows:

Counterparty	Futures	Forward foreign exchange contracts	Interest rate swaps	Total by counterparty
	£000	£000	£000	£000
BNP Paribas	-	1	-	1
Citigroup	-	-	765	765
UBS	70	-	-	70
	70	1	765	836

Notes to the financial statements (continued)

14 Risk

Currency risk

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

Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2020				
Euro	95	3,392	38	3,525
UK sterling	7,987	53,926	894	62,807
US dollar	2,965	27,369	224	30,558
Total	11,047	84,687	1,156	96,890
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2019				
Euro	52	3,340	123	3,515
UK sterling	10,826	60,236	855	71,917
US dollar	2,342	22,087	197	24,626
Total	13,220	85,663	1,175	100,058
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2020				
Euro	-	-	40	40
UK sterling	1,025	-	490	1,515
US dollar	2,403	-	145	2,548
Total	3,428	-	675	4,103
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2019				
Euro	70	-	-	70
UK sterling	1,808	-	1,152	2,960
US dollar	1,587	-	111	1,698
Total	3,465	-	1,263	4,728

Notes to the financial statements (continued)

14 Risk (continued)

Credit Ratings

2020	Market value £000	Percentage of total net assets %
Investments		
Investment grade (AAA - BBB)	82,033	88.41
Below investment grade (BB and below)	213	0.23
Unrated	3,971	4.28
Total debt securities	86,217	92.92
Derivatives	(3,082)	(3.32)
Investment assets including investment liabilities	83,135	89.60
Other net assets	9,652	10.40
Total net assets	92,787	100.00
2019		
	Market value £000	Percentage of total net assets %
Investments		
Investment grade (AAA - BBB)	82,802	86.86
Below investment grade (BB and below)	1,032	1.08
Unrated	4,637	4.86
Total debt securities	88,471	92.80
Derivatives	(820)	(0.86)
Investment assets including investment liabilities	87,651	91.94
Other net assets	7,679	8.06
Total net assets	95,330	100.00

Sensitivity analysis

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

VaR Results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%		%	%	%
2020	1.07	4.90	3.34	20.00	5.35	24.49	16.72
2019	0.82	1.63	1.20	20.00	4.11	8.13	6.02

Leverage

	Minimum	Maximum	Average
	%	%	%
2020	98.19	229.34	130.66
2019	103.90	182.28	134.08

Notes to the financial statements (continued)

14 Risk (continued)

Liquidity risk

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

	On demand	Within one year	Over one year but not more than five years	Over five years
2020	£000	£000	£000	£000
Amounts held at derivatives clearing houses and brokers	11	-	-	-
Derivative financial liabilities	-	42	477	2,940
Distribution payable	-	395	-	-
Other creditors	-	238	-	-
Total	11	675	477	2,940
	On demand	Within one year	Over one year but not more than five years	Over five years
2019	£000	£000	£000	£000
Amounts held at derivatives clearing houses and brokers	1,057	-	-	-
Bank overdrafts	783	-	-	-
Derivative financial liabilities	-	31	286	1,339
Distribution payable	-	610	-	-
Other creditors	-	622	-	-
Total	1,840	1,263	286	1,339

15 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Notes to the financial statements (continued)

15 Fair value disclosure (continued)

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	11	40	70	-
Level 2	86,583	3,419	89,237	1,656
Level 3	-	-	-	-
	<u>86,594</u>	<u>3,459</u>	<u>89,307</u>	<u>1,656</u>

16 Direct transaction costs

	Purchases		Sales	
	2020 £000	2019 £000	2020 £000	2019 £000
Trades in the year				
Debt securities	11,438	7,553	15,512	14,147
Trades in the year before transaction costs	<u>11,438</u>	<u>7,553</u>	<u>15,512</u>	<u>14,147</u>
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Total commissions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Taxes				
Debt securities	-	-	-	-
Total taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other expenses				
Debt securities	-	-	-	-
Total other expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total transaction costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net trades in the year after transaction costs	<u>11,438</u>	<u>7,553</u>	<u>15,512</u>	<u>14,147</u>

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

Notes to the financial statements (continued)

16 Direct transaction costs (continued)

There were no in specie transfers during the year (2019: nil). There were corporate actions during the year of £643,338 (2019: £945,183).

There were direct transaction costs associated with derivatives in the year of £263 (2019: £885) which is 0.00% of the average net asset value of the fund (2019: 0.00%).

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

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

The portfolio dealing spread as at 30 October 2020 was 0.69% (2019: 0.61%). The portfolio dealing spread is calculated at a 12 noon valuation point.

17 Events after the Balance sheet date

The duration of the COVID-19 pandemic and its effects cannot be determined with certainty, and could prevent a fund from executing advantageous decisions in a timely manner and negatively impact a fund's ability to achieve its investment objective. The COVID-19 pandemic has persisted after the fund's year end and its impact on the fund continues to be monitored by the Investment Manager. As at 18 January 2021, the Net Asset Value of the fund had increased.

Distribution tables for the year ended 31 October 2020 (in pence per share)

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

Group 1: shares purchased prior to 1 November 2019

Group 2: shares purchased on or after 1 November 2019

	Distribution per share	Equalisation	Total distribution per share 31/03/20	Total distribution per share 29/03/19
Class Y accumulation¹				
Group 1	n/a	n/a	n/a	0.7237
Group 2	n/a	n/a	n/a	0.7237

Class Y income¹

Group 1	0.7028	-	0.7028	n/a
Group 2	0.7028	-	0.7028	n/a

¹ Class Y accumulation closed on 5 June 2019; Class Y income launched on 5 June 2019.

Interim interest distribution (accounting date 30 April 2020, paid on 30 June 2020)

Group 1: shares purchased prior to 1 February 2020

Group 2: shares purchased on or after 1 February 2020

	Distribution per share	Equalisation	Total distribution per share 30/06/20	Total distribution per share 28/06/19
Class Y accumulation¹				
Group 1	n/a	n/a	n/a	0.7094
Group 2	n/a	n/a	n/a	0.7094

Class Y income¹

Group 1	0.6556	-	0.6556	n/a
Group 2	0.6556	-	0.6556	n/a

¹ Class Y accumulation closed on 5 June 2019; Class Y income launched on 5 June 2019.

Interim interest distribution (accounting date 31 July 2020, paid on 30 September 2020)

Group 1: shares purchased prior to 1 May 2020

Group 2: shares purchased on or after 1 May 2020

	Distribution per share	Equalisation	Total distribution per share 30/09/20	Total distribution per share 30/09/19
Class Y income				
Group 1	0.5501	-	0.5501	0.7255
Group 2	0.5501	-	0.5501	0.7255

Distribution tables (continued)

Final interest distribution (accounting date 31 October 2020, paid on 31 December 2020)

Group 1: shares purchased prior to 1 August 2020

Group 2: shares purchased on or after 1 August 2020

	Distribution per share	Equalisation	Total distribution per share 31/12/20	Total distribution per share 31/12/19
Class Y income				
Group 1	0.4684	-	0.4684	0.7064
Group 2	0.4684	-	0.4684	0.7064

Janus Henderson Institutional Overseas Bond Fund

Authorised Corporate Director's report

Investment Fund Managers

Andrew Mulliner and Nick Maroutsos

Please note that as of 31 October 2020 Chris Diaz no longer manages this fund. Nick Maroutsos was added as co-manager effective from 1 July 2020.

Investment objective and policy

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

Performance target: To outperform the JP Morgan Global Government Bond Ex UK Index by 1% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in overseas (non-UK) bonds of any quality, including high yield (non-investment grade) bonds, issued by governments, public authorities and international organisations.

The fund is actively managed with reference to the JP Morgan Global Government Bond Ex UK Index, which is broadly representative of the bonds in which it may invest, as this forms the basis of the fund's performance target. The investment manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

As an additional means of assessing the performance of the fund, the IA Global Bonds Sector average, which is based on a peer group of broadly similar funds, may also provide a useful comparator.

Performance summary

Cumulative performance

	One year 31 Oct 19 - 31 Oct 20	Three years 31 Oct 17 - 31 Oct 20	Five years 31 Oct 15 - 31 Oct 20	Since inception 2 Oct 00 - 31 Oct 20
	%	%	%	%
Class I accumulation (Net)	6.9	16.0	41.0	137.9
JP Morgan Global Government Bond Ex UK Index	6.1	17.3	45.7	209.5
IA Global Bonds Sector	4.2	10.8	32.4	155.0
Class I accumulation (Gross)	7.5	17.9	44.8	166.0
JP Morgan Global Government Bond Ex UK Index +1%	7.1	20.8	53.1	280.0

Discrete performance

	31 Oct 19 - 31 Oct 20	31 Oct 18 - 31 Oct 19	31 Oct 17 - 31 Oct 18	31 Oct 16 - 31 Oct 17	31 Oct 15 - 31 Oct 16
	%	%	%	%	%
Class I accumulation (Net)	6.9	8.6	(0.1)	(9.1)	33.7
JP Morgan Global Government Bond Ex UK Index	6.1	8.7	1.7	(8.7)	35.9
IA Global Bonds Sector	4.2	6.6	(0.2)	(1.0)	20.8
Class I accumulation (Gross)	7.5	9.1	0.5	(8.6)	34.4
JP Morgan Global Government Bond Ex UK Index +1%	7.1	9.8	2.7	(7.7)	37.3

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

Source: Morningstar

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

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

Benchmark values are at close of business.

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

Authorised Corporate Director's report (continued)

Performance summary (continued)

Benchmark usage:

Index: JP Morgan Global Government Bond Ex UK Index

Index usage: Target

Index description: The JP Morgan Global Government Bond Ex UK Index is a measure of the combined performance of bonds issued by governments (excluding the UK). It forms the basis for the fund's performance target.

Peer group: IA Global Bonds Sector

Peer group usage: Comparator

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

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

Significant portfolio changes for the year ended 31 October 2020

Largest purchases	£000	Largest sales/maturities	£000
US Treasury 2.625% 15/02/2029	14,711	US Treasury 2.625% 15/02/2029	28,105
US Treasury 3.875% 15/08/2040	9,524	US Treasury 2.875% 31/10/2023	16,315
Italy (Republic of) 0.05% 15/04/2021	9,446	Sweden (Kingdom of) 2.50% 12/05/2025	16,194
Germany (Federal Republic of) 0.00% 15/08/2029	8,898	Canada (Government of) 2.25% 01/06/2025	13,766
Spain (Kingdom of) 0.05% 31/10/2021	8,424	New Zealand (Government of) 3.00% 20/04/2029	7,604
US Treasury 0.25% 31/05/2025	7,949	US Treasury 0.875% Index Linked 15/01/2029	6,927
US Treasury 2.875% 31/10/2023	7,339	Italy (Republic of) 0.95% 15/03/2023	6,769
France (Government of) 0.00% 25/11/2030	6,926	Australia (Commonwealth of) 3.00% 21/03/2047	6,362
US Treasury 0.875% Index Linked 15/01/2029	6,765	Japan (Government of) 0.80% 20/06/2023	6,344
US Treasury 0.375% 30/04/2025	6,708	US Treasury Index Linked 0.25% 15/07/2029	6,187
Total purchases	207,754	Total sales/maturities	213,726

Investment review

The fund returned 6.9% (Net), 7.5% (Gross) based on Class I accumulation over the year under review, compared with a return of 6.1% in the JP Morgan Global Government Bond Ex UK Index, a return of 7.1% in the Target Index +1% and a return of 4.2% in the IA Global Bonds Sector peer group benchmark.

Government bond prices rose over the reporting year (yields fell, reflecting their inverse relationship) as central banks cut interest rates and added to monetary stimulus programmes. In addition, sterling fell in value against major currencies, which resulted in a positive impact on returns from overseas bonds when translated into pounds.

The year under review was dominated by the COVID-19 pandemic and the responses from governments worldwide. The varying degrees of shutdown caused a sharp decline in economic activity, a blow to financial markets and a spike in volatility. Central banks provided a commensurate response, with a combination of emergency interest rate cuts (all major central banks now have a policy rate at or below 0.25%), enlarged asset-purchase programmes (quantitative easing) and actions to improve the liquidity and functioning of markets. The US Federal Reserve announced a broad range of measures, including temporary programmes to purchase investment-grade corporate bonds and lending to companies. The Bank of England cut rates to 0.1% (from 0.75% at start of 2020) and announced a further £200bn of asset purchases (which was subsequently increased in June). Alongside this, governments across the globe responded with big spending programmes (akin to those seen in wartime) to fill the gap left by the absence of private-sector activity due to the shutdowns. From April, there was a sharp snapback in riskier assets, as huge stimulus measures from central banks and governments led to a recovery in sentiment. In addition, COVID-19 data in most regions peaked, which allowed economies to begin to reopen.

The fund was positioned with higher interest rate duration (sensitivity) than the benchmark index, which was beneficial as government bond yields fell over the reporting year. This included positions in Canada, the US and Sweden, which performed well as global government bond markets rallied in the first half of 2020. We subsequently took profits and rotated the fund's exposure towards Australia in the second half, where the yield curve was steep relative to peers, through positions in the five-year and 30-year part of the curve. Within emerging markets, the main contributor to performance was the position in Mexico, where falling inflation and a dovish central bank were beneficial, with yields falling as the market moved to price in further rate cuts.

In Europe, the European Commission's recovery fund proposal gained further traction. In addition, the European Central Bank expanded its asset-purchase programme to €1.35trn and extended the length of the scheme to June 2021. These moves were a positive tailwind for the fund's positions in Italian and Spanish sovereign debt.

The fund also benefited from a small allocation to investment-grade corporate bonds, which was initiated after the significant weakness in credit markets in the first quarter of 2020. Corporate bonds outperformed government equivalents in six out of the seven months from the market bottom in March 2020.

Active currency strategies detracted from performance relative to the benchmark. Early in the reporting year, the fund held a position for the Japanese yen to outperform versus the Australian dollar, which detracted as risk appetite remained buoyant into year end and was closed. We held a few high conviction emerging market positions versus the US dollar, which were challenged amid the market sell-off in March. Exposure to the Indonesian rupiah and the Mexican peso detracted. We maintained the fund's rupiah positioning, as the combination of high real yields and expectations of rate cuts provided, in our view, an attractive risk/reward outlook. The position made a recovery in the second half of the reporting year.

Looking ahead, despite numerous risks, markets appear to be adapting to the pandemic environment. A return to full-scale shutdowns seems unlikely, fiscal and monetary authorities remain supportive, and the increasing likelihood that a vaccine is deployed globally in the near future offers some optimism to many challenged industries. We are mindful of the potential for a modest rise in government bond yields in the recovery part of the cycle. As a result, we will look to manage interest rate duration tactically, and focus on opportunities to add incremental carry to the portfolio through curve and relative value positions, as well as investment-grade credit.

Comparative tables for the year ended 31 October 2020

	Class 3 accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	126.33	115.32	114.67
Return before operating charges*	9.20	11.26	0.89
Operating charges	(0.28)	(0.25)	(0.24)
Return after operating charges*	8.92	11.01	0.65
Distributions on accumulation shares	(1.80)	(1.66)	(1.12)
Retained distributions on accumulation shares	1.80	1.66	1.12
Closing net asset value per share	135.25	126.33	115.32
* after direct transaction costs of:	-	0.01	-
Performance			
Return after charges	7.06%	9.55%	0.57%
Other information			
Closing net asset value (£000s)	2	2	2
Closing number of shares	1,509	1,509	1,509
Operating charges	0.21%	0.20%	0.21%
Direct transaction costs	0.00%	0.01%	0.00%
Prices			
Highest share price (pence)	140.00	138.20	118.40
Lowest share price (pence)	120.40	112.30	109.60
	Class A income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	204.19	188.95	189.77
Return before operating charges*	14.77	18.33	1.52
Operating charges	(1.94)	(1.80)	(1.71)
Return after operating charges*	12.83	16.53	(0.19)
Distributions on income shares	(1.33)	(1.29)	(0.63)
Closing net asset value per share	215.69	204.19	188.95
* after direct transaction costs of:	-	0.01	-
Performance			
Return after charges	6.28%	8.75%	(0.10%)
Other information			
Closing net asset value (£000s)	578	603	805
Closing number of shares	267,784	295,106	426,034
Operating charges	0.92%	0.91%	0.91%
Direct transaction costs	0.00%	0.01%	0.00%
Prices			
Highest share price (pence)	225.20	224.00	194.50
Lowest share price (pence)	194.40	183.80	181.00

Comparative tables (continued)

	Class E income	
	2020	24/06/19 - 31/10/19
	(pence per share)	(pence per share)
Change in net assets per share		
Opening net asset value per share	204.18	204.97 ¹
Return before operating charges*	14.78	0.57
Operating charges	(1.44)	(0.49)
Return after operating charges*	13.34	0.08
Distributions on income shares	(1.86)	(0.87)
Closing net asset value per share	215.66	204.18
* after direct transaction costs of:	-	0.01
Performance		
Return after charges	6.53%	0.04%
Other information		
Closing net asset value (£000s)	538	383
Closing number of shares	249,441	187,867
Operating charges	0.68%	0.66%
Direct transaction costs	0.00%	0.01%
Prices		
Highest share price (pence)	225.30	224.00
Lowest share price (pence)	194.50	202.90

¹ Class E income launched on 24 June 2019 and this is the first published price.

	Class I accumulation		
	2020	2019	2018
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	279.21	255.76	255.08
Return before operating charges*	20.30	24.95	2.05
Operating charges	(1.59)	(1.50)	(1.37)
Return after operating charges*	18.71	23.45	0.68
Distributions on accumulation shares	(2.92)	(2.75)	(1.76)
Retained distributions on accumulation shares	2.92	2.75	1.76
Closing net asset value per share	297.92	279.21	255.76
* after direct transaction costs of:	-	0.02	-
Performance			
Return after charges	6.70%	9.17%	0.27%
Other information			
Closing net asset value (£000s)	23	30	11
Closing number of shares	7,852	10,609	4,501
Operating charges	0.55%	0.54%	0.54%
Direct transaction costs	0.00%	0.01%	0.00%
Prices			
Highest share price (pence)	309.00	305.60	262.70
Lowest share price (pence)	266.00	249.00	243.60

Comparative tables (continued)

	Class I income		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	206.48	191.02	191.86
Return before operating charges*	15.01	18.62	1.48
Operating charges	(1.19)	(1.12)	(1.03)
Return after operating charges*	13.82	17.50	0.45
Distributions on income shares	(2.15)	(2.04)	(1.29)
Closing net asset value per share	218.15	206.48	191.02
* after direct transaction costs of:	-	0.01	-
Performance			
Return after charges	6.69%	9.16%	0.23%
Other information			
Closing net asset value (£000s)	1,927	1,473	709
Closing number of shares	883,262	713,635	371,228
Operating charges	0.55%	0.54%	0.54%
Direct transaction costs	0.00%	0.01%	0.00%
Prices			
Highest share price (pence)	227.90	226.50	196.70
Lowest share price (pence)	196.70	185.90	183.00
	Class Z accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	229.26	208.92	207.40
Return before operating charges*	16.70	20.43	1.60
Operating charges	(0.12)	(0.09)	(0.08)
Return after operating charges*	16.58	20.34	1.52
Distributions on accumulation shares	(3.60)	(3.35)	(2.39)
Retained distributions on accumulation shares	3.60	3.35	2.39
Closing net asset value per share	245.84	229.26	208.92
* after direct transaction costs of:	-	0.01	-
Performance			
Return after charges	7.23%	9.74%	0.73%
Other information			
Closing net asset value (£000s)	224,631	225,097	218,335
Closing number of shares	91,371,608	98,183,607	104,506,502
Operating charges	0.05%	0.04%	0.04%
Direct transaction costs	0.00%	0.01%	0.00%
Prices			
Highest share price (pence)	254.30	250.80	214.40
Lowest share price (pence)	218.50	203.50	198.30

Comparative tables (continued)

	Class I gross accumulation 2018 (pence per share)
Change in net assets per share	
Opening net asset value per share	267.71
Return before operating charges*	(0.61)
Operating charges	-
Return after operating charges*	(0.61)
Distributions on accumulation shares	-
Retained distributions on accumulation shares	-
Final cancellation	(267.10) ²
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	(0.23%)
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.54%
Direct transaction costs	0.00%
Prices	
Highest share price (pence)	267.10 ³
Lowest share price (pence)	267.10 ³

² Class I gross accumulation closed on 1 November 2017.

³ to 1 November 2017

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

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

Operating charges

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

Share class launches and closures

There were no share classes launched or closed during the year.

Ongoing charge figure

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

	2020 %	2019 %	Estimated OCF from 5 May 2020¹ %
Class 3 accumulation	0.21 ²	0.20	0.22
Class A accumulation	0.92 ³	0.91	0.94
Class E income⁴	0.68 ³	0.66	0.69
Class I accumulation	0.55 ⁵	0.54	0.55
Class I income	0.55 ⁵	0.54	0.55
Class Z accumulation	0.05 ⁵	0.04	0.05

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

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 31 October 2020.

² The GAC on Class 3 accumulation increased from 0.045% to 0.05% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

³ The GAC on Class A accumulation and Class E income increased from 0.14% to 0.17% on 5 May 2020 and therefore the rate applied is not consistent throughout the year.

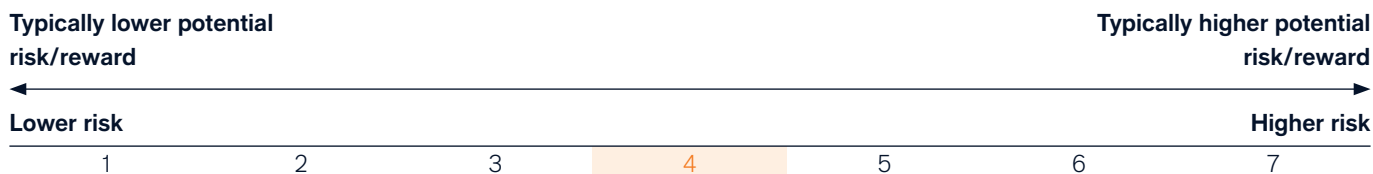
⁴ Class E income launched on 24 June 2019. An annualised OCF rate has been disclosed in the prior year comparative.

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

Risk and reward profile

The fund currently has 6 types of share class in issue; 3 accumulation, A income, E income, I accumulation, I income and Z accumulation.

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



The share class appears at 4 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

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

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

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

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

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

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

* Class E income was launched on 24 June 2019 and as it does not have a 5 year history, a synthetic history has been created using the A income share class.

Portfolio statement as at 31 October 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 96.66% (2019: 95.00%)		
	Australia 1.43% (2019: 1.80%)		
	Fixed Rate Bond 1.43% (2019: 1.80%)		
AUD 828,000	Australia (Commonwealth of) 1.75% 21/06/2051	445	0.20
AUD 4,283,000	Australia (Commonwealth of) 3.25% 21/04/2029	2,818	1.23
		<u>3,263</u>	<u>1.43</u>
	Austria 1.51% (2019: 0.00%)		
	Fixed Rate Bond 1.51% (2019: 0.00%)		
EUR 3,657,000	Austria (Republic of) 0.00% 20/02/2030	3,432	1.51
	Belgium 1.63% (2019: 0.70%)		
	Fixed Rate Bond 1.63% (2019: 0.70%)		
EUR 3,565,155	Belgium (Kingdom of) 0.10% 22/06/2030	3,364	1.47
EUR 231,843	Belgium (Kingdom of) 2.15% 22/06/2066	358	0.16
		<u>3,722</u>	<u>1.63</u>
	Canada 0.97% (2019: 6.85%)		
	Fixed Rate Bond 0.97% (2019: 6.85%)		
CAD 2,660,000	Canada (Government of) 2.25% 01/06/2025	1,675	0.73
CAD 621,000	Canada (Government of) 3.50% 01/12/2045	544	0.24
		<u>2,219</u>	<u>0.97</u>
	China 0.85% (2019: 0.00%)		
	Fixed Rate Bond 0.85% (2019: 0.00%)		
USD 700,000	Baidu 1.72% 09/04/2026	544	0.24
USD 618,000	Baidu 3.425% 07/04/2030	524	0.23
USD 200,000	Prosus 4.027% 03/08/2050	160	0.07
USD 298,000	Tencent Music Entertainment 1.375% 03/09/2025	229	0.10
USD 426,000	Tencent Music Entertainment 2.00% 03/09/2030	322	0.14
USD 200,000	Tencent 3.24% 03/06/2050	155	0.07
		<u>1,934</u>	<u>0.85</u>
	Europe 2.63% (2019: 0.00%)		
	Fixed Rate Bond 2.63% (2019: 0.00%)		
EUR 6,418,000	European Union 0.00% 04/10/2030	5,992	2.63
	France 1.74% (2019: 1.99%)		
	Fixed Rate Bond 1.74% (2019: 1.99%)		
EUR 500,000	Credit Agricole Assurances 2.00% 17/07/2030	457	0.20
USD 434,000	Credit Agricole London FRN 16/06/2026	344	0.15
EUR 1,156,210	France (Government of) 0.00% 25/11/2030	1,078	0.47
EUR 1,000,853	France (Government of) 4.00% 25/04/2060	2,089	0.92
		<u>3,968</u>	<u>1.74</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Germany 4.77% (2019: 0.34%)		
	Fixed Rate Bond 4.77% (2019: 0.34%)		
EUR 400,000	BASF 0.25% 05/06/2027	368	0.16
EUR 450,000	Deutsche Bahn Finance 0.375% 23/06/2029	419	0.18
EUR 9,526,778	Germany (Federal Republic of) 0.00% 15/08/2029	9,121	4.00
EUR 312,821	Germany (Federal Republic of) 4.00% 04/01/2037	494	0.22
EUR 500,000	Infineon Technologies 1.125% 24/06/2026	469	0.21
		<u>10,871</u>	<u>4.77</u>
	Indonesia 3.97% (2019: 2.44%)		
	Fixed Rate Bond 3.97% (2019: 2.44%)		
IDR 17,625,000,000	Indonesia (Republic of) 7.00% 15/09/2030	959	0.42
IDR 94,775,000,000	Indonesia (Republic of) 8.125% 15/05/2024	5,472	2.41
IDR 44,866,000,000	Indonesia (Republic of) 8.375% 15/03/2034	2,601	1.14
		<u>9,032</u>	<u>3.97</u>
	Ireland 2.28% (2019: 2.14%)		
	Fixed Rate Bond 2.28% (2019: 2.14%)		
EUR 5,111,435	Ireland (Republic of) 1.10% 15/05/2029	5,188	2.28
	Italy 18.23% (2019: 14.31%)		
	Fixed Rate Bond 18.23% (2019: 14.31%)		
EUR 11,245,000	Italy (Republic of) 0.00% 27/11/2020	10,134	4.44
EUR 10,404,000	Italy (Republic of) 0.05% 15/04/2021	9,396	4.13
EUR 7,704,000	Italy (Republic of) 0.45% 01/06/2021	6,976	3.06
EUR 2,449,000	Italy (Republic of) 0.95% 15/03/2023	2,269	1.00
EUR 3,096,000	Italy (Republic of) 1.85% 01/07/2025	3,017	1.33
EUR 2,323,000	Italy (Republic of) 2.45% 01/09/2033	2,473	1.09
EUR 5,801,000	Italy (Republic of) 3.00% 01/08/2029	6,311	2.77
EUR 721,000	Italy (Republic of) 3.45% 01/03/2048	928	0.41
		<u>41,504</u>	<u>18.23</u>
	Japan 9.81% (2019: 14.40%)		
	Fixed Rate Bond 6.70% (2019: 11.26%)		
JPY 38,450,000	Japan (Government of) 0.40% 20/03/2056	261	0.11
JPY 170,450,000	Japan (Government of) 0.60% 20/06/2050	1,250	0.55
JPY 575,500,000	Japan (Government of) 0.60% 20/12/2037	4,439	1.95
JPY 370,800,000	Japan (Government of) 0.80% 20/03/2058	2,870	1.26
JPY 66,250,000	Japan (Government of) 0.80% 20/12/2047	517	0.23
JPY 168,600,000	Japan (Government of) 1.50% 20/12/2044	1,526	0.67
JPY 395,600,000	Japan (Government of) 2.30% 20/03/2040	3,958	1.74
EUR 449,000	Takeda Pharmaceutical 2.00% 09/07/2040	439	0.19
		<u>15,260</u>	<u>6.70</u>
	Index Linked Bond 3.11% (2019: 3.14%)		
JPY 961,400,000	Japan (Government of) 0.10% 10/03/2029 Index Linked	7,082	3.11
	Kazakhstan 0.28% (2019: 0.00%)		
	Fixed Rate Bond 0.28% (2019: 0.00%)		
USD 825,000	Tengizchevroil Finance 2.625% 15/08/2025	640	0.28

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Luxembourg 0.25% (2019: 0.00%)		
	Fixed Rate Bond 0.25% (2019: 0.00%)		
EUR 600,000	SES 2.00% 02/07/2028	570	0.25
	Mexico 10.97% (2019: 7.82%)		
	Fixed Rate Bond 10.97% (2019: 7.82%)		
USD 520,000	Fomento Economico Mexicano 3.50% 16/01/2050	418	0.18
USD 422,000	Grupo Bimbo 4.00% 06/09/2049	345	0.15
USD 210,000	Kimberly-Clark de Mexico 2.431% 01/07/2031	163	0.07
MXN 490,865,900	Mexico (Federal Republic of) 8.00% 07/12/2023	19,480	8.57
MXN 119,870,000	Mexico (Federal Republic of) 6.75% 09/03/2023	4,564	2.00
		24,970	10.97
	Netherlands 1.18% (2019: 0.45%)		
	Fixed Rate Bond 1.18% (2019: 0.45%)		
EUR 2,786,416	Netherlands (Kingdom of) 0.25% 15/07/2029	2,695	1.18
	New Zealand 0.00% (2019: 3.34%)		
	Fixed Rate Bond 0.00% (2019: 3.34%)		
	Portugal 1.34% (2019: 3.84%)		
	Fixed Rate Bond 1.34% (2019: 3.84%)		
EUR 2,812,816	Portugal (Republic of) 5.65% 15/02/2024	3,051	1.34
	Russian Federation 0.52% (2019: 0.00%)		
	Fixed Rate Bond 0.52% (2019: 0.00%)		
USD 678,000	Alrosa 3.10% 25/06/2027	526	0.23
USD 849,000	Gazprom 3.00% 29/06/2027	656	0.29
		1,182	0.52
	Saudi Arabia 0.28% (2019: 0.00%)		
	Fixed Rate Bond 0.28% (2019: 0.00%)		
USD 839,000	Saudi Electricity 1.74% 17/09/2025	646	0.28
	Singapore 0.20% (2019: 0.00%)		
	Fixed Rate Bond 0.20% (2019: 0.00%)		
USD 570,000	SingTel Treasury 1.875% 10/06/2030	445	0.20
	Spain 13.81% (2019: 7.51%)		
	Fixed Rate Bond 13.81% (2019: 7.51%)		
EUR 400,000	Abertis Infraestructuras 2.25% 29/03/2029	375	0.16
EUR 9,700,000	Spain (Kingdom of) 0.05% 31/10/2021	8,789	3.87
EUR 2,140,000	Spain (Kingdom of) 0.50% 30/04/2030	2,005	0.88
EUR 3,061,000	Spain (Kingdom of) 1.25% 31/10/2030	3,063	1.35
EUR 4,078,000	Spain (Kingdom of) 1.30% 31/10/2026	4,025	1.77
EUR 1,093,000	Spain (Kingdom of) 2.35% 30/07/2033	1,234	0.54
EUR 1,101,000	Spain (Kingdom of) 4.70% 30/07/2041	1,763	0.77
EUR 2,078,000	Spain (Kingdom of) 4.80% 31/01/2024	2,196	0.96
EUR 7,816,000	Spain (Kingdom of) 5.40% 31/01/2023	7,988	3.51
		31,438	13.81

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Sweden 0.32% (2019: 8.98%)		
	Fixed Rate Bond 0.32% (2019: 8.98%)		
SEK 7,355,000	Sweden (Kingdom of) 2.50% 12/05/2025	723	0.32
	Taiwan 0.64% (2019: 0.00%)		
	Fixed Rate Bond 0.64% (2019: 0.00%)		
USD 500,000	Foxconn (Far East) 1.625% 28/10/2025	389	0.17
USD 1,400,000	TSMC 0.75% 28/09/2025	1,070	0.47
		<u>1,459</u>	<u>0.64</u>
	Thailand 0.12% (2019: 0.00%)		
	Fixed Rate Bond 0.12% (2019: 0.00%)		
USD 330,000	PTTEP Treasury Center 2.587% 10/06/2027	263	0.12
	United Arab Emirates 0.47% (2019: 0.00%)		
	Fixed Rate Bond 0.47% (2019: 0.00%)		
USD 521,000	Abu Dhabi 2.70% 02/09/2070	367	0.16
USD 873,000	DIB Sukuk 2.95% 16/01/2026	700	0.31
		<u>1,067</u>	<u>0.47</u>
	United States 16.46% (2019: 18.09%)		
	Fixed Rate Bond 16.46% (2019: 17.13%)		
USD 213,000	Activision Blizzard 1.35% 15/09/2030	159	0.07
USD 900,000	Activision Blizzard 2.50% 15/09/2050	627	0.28
USD 95,000	Agree Realty 2.90% 01/10/2030	76	0.03
USD 641,000	Amazon.com 2.70% 03/06/2060	504	0.22
USD 1,400,000	Coca-Cola 1.00% 15/03/2028	1,075	0.47
USD 117,000	East Ohio Gas 2.00% 15/06/2030	92	0.04
USD 123,000	East Ohio Gas 3.00% 15/06/2050	96	0.04
USD 546,000	Equinix 2.15% 15/07/2030	424	0.19
USD 672,000	Health Care Service 2.20% 01/06/2030	531	0.23
USD 199,000	Infor 1.45% 15/07/2023	156	0.07
USD 324,000	SVB Financial 3.125% 05/06/2030	274	0.12
USD 501,000	Upjohn 2.70% 22/06/2030	400	0.18
USD 9,973,600	US Treasury 0.25% 31/05/2025	7,682	3.37
USD 2,048,500	US Treasury 0.375% 30/04/2025	1,587	0.70
USD 5,920,900	US Treasury 1.25% 15/05/2050	4,160	1.83
USD 4,625,200	US Treasury 2.875% 31/10/2023	3,863	1.70
USD 100	US Treasury 3.00% 15/02/20491	-	-
USD 3,219,600	US Treasury 3.375% 15/02/2044	3,420	1.50
USD 1,573,100	US Treasury 3.375% 15/11/2048	1,715	0.75
USD 8,135,300	US Treasury 3.875% 15/08/2040	9,071	3.98
USD 1,289,200	US Treasury 5.00% 15/05/2037	1,577	0.69
		<u>37,489</u>	<u>16.46</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Index Linked Bond 0.00% (2019: 0.96%)			
Derivatives 0.43% (2019: (0.56%))			
Futures (0.03%) (2019: (0.06%))			
14	CBT US Ultra Bond December 2020	(70)	(0.03)
(109)	CBT US 10 Year Ultra December 2020	155	0.07
372	CBT US 2 Year Note December 2020	2	-
472	CBT US 5 Year Note December 2020	(63)	(0.03)
(59)	EUX Euro Bund December 2020	(113)	(0.05)
17	OSE Japan 10 Year Bond December 2020	13	0.01
		<u>(76)</u>	<u>(0.03)</u>
Forward Foreign Exchange Contracts 0.46% (2019: (0.50%))²			
	Buy AUD 1,125,246 : Sell GBP 622,619 December 2020	(12)	(0.01)
	Buy AUD 1,558,680 : Sell EUR 950,000 December 2020	(10)	-
	Buy AUD 443,868 : Sell GBP 245,773 December 2020	(5)	-
	Buy AUD 5,452,146 : Sell GBP 3,010,243 December 2020	(49)	(0.02)
	Buy CAD 1,872,229 : Sell GBP 1,102,573 December 2020	(17)	(0.01)
	Buy CAD 394,629 : Sell GBP 230,000 December 2020	(1)	-
	Buy CAD 560,000 : Sell MXN 8,995,340 December 2020 ¹	-	-
	Buy DKK 7,112,460 : Sell GBP 882,133 December 2020	(21)	(0.01)
	Buy EUR 110,900 : Sell GBP 102,400 December 2020	(2)	-
	Buy EUR 11,633 : Sell GBP 10,598 December 2020 ¹	-	-
	Buy EUR 129,911 : Sell GBP 117,890 December 2020	(1)	-
	Buy EUR 1,488,696 : Sell GBP 1,349,962 December 2020	(8)	-
	Buy EUR 2,392,893 : Sell GBP 2,192,619 December 2020	(35)	(0.02)
	Buy EUR 253,254 : Sell GBP 230,000 December 2020	(2)	-
	Buy EUR 28,418 : Sell GBP 25,660 December 2020 ¹	-	-
	Buy EUR 309,744 : Sell GBP 282,962 December 2020	(4)	-
	Buy EUR 3,540,501 : Sell GBP 3,220,000 December 2020	(28)	(0.01)
	Buy EUR 4,996,487 : Sell GBP 4,522,006 December 2020	(17)	(0.01)
	Buy EUR 79,700 : Sell GBP 72,758 December 2020	(1)	-
	Buy EUR 99,100 : Sell GBP 90,763 December 2020	(1)	-
	Buy GBP 1,087,824 : Sell USD 1,398,894 December 2020	6	-
	Buy GBP 1,099,576 : Sell USD 1,398,698 December 2020	18	0.01
	Buy GBP 1,105,000 : Sell USD 1,407,875 December 2020	17	0.01
	Buy GBP 1,242,208 : Sell JPY 169,452,844 December 2020	(12)	(0.01)
	Buy GBP 152,309 : Sell EUR 165,000 December 2020	4	-
	Buy GBP 1,963,175 : Sell USD 2,557,402 December 2020	(14)	(0.01)
	Buy GBP 24,451,128 : Sell MXN 672,774,368 December 2020	129	0.06
	Buy GBP 2,516,914 : Sell EUR 2,755,180 December 2020	33	0.01
	Buy GBP 2,836,314 : Sell AUD 5,211,940 December 2020	6	-
	Buy GBP 378,673 : Sell USD 498,565 December 2020	(7)	-
	Buy GBP 43,504,872 : Sell EUR 47,135,580 December 2020	1,008	0.45
	Buy GBP 4,549,181 : Sell EUR 5,046,442 December 2020	(1)	-
	Buy GBP 542,505 : Sell USD 700,000 December 2020	1	-
	Buy GBP 550,000 : Sell EUR 601,876 December 2020	7	-
	Buy GBP 609,912 : Sell EUR 672,341 December 2020	4	-
	Buy GBP 654,263 : Sell USD 839,000 December 2020	6	-
	Buy GBP 663,000 : Sell JPY 88,730,430 December 2020	6	-
	Buy GBP 693,627 : Sell AUD 1,224,651 December 2020	29	0.01

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy GBP 7,730,547 : Sell EUR 8,512,714 December 2020	56	0.02
	Buy GBP 884,000 : Sell EUR 961,395 December 2020	17	0.01
	Buy GBP 951,248 : Sell SEK 10,736,756 December 2020	18	0.01
	Buy JPY 312,516,300 : Sell GBP 2,290,000 December 2020	23	0.01
	Buy JPY 3,448,805,831 : Sell GBP 25,341,085 December 2020	181	0.09
	Buy JPY 44,209,651 : Sell NZD 630,000 December 2020	5	-
	Buy JPY 6,109,500 : Sell GBP 45,541 December 2020 ¹	-	-
	Buy JPY 8,962,600 : Sell GBP 66,869 December 2020	(1)	-
	Buy MXN 44,951 : Sell GBP 1,639 December 2020 ¹	-	-
	Buy NZD 369,505 : Sell GBP 192,388 December 2020	(4)	-
	Buy NZD 447,560 : Sell GBP 230,000 December 2020	(1)	-
	Buy RUB 23,018,400 : Sell GBP 230,000 December 2020	(7)	-
	Buy RUB 323,358,000 : Sell USD 4,200,000 December 2020	(118)	(0.05)
	Buy SEK 9,104,025 : Sell GBP 802,782 December 2020	(12)	(0.01)
	Buy USD 10,583 : Sell GBP 8,098 December 2020 ¹	-	-
	Buy USD 2,200,000 : Sell RUB 174,120,760 December 2020	16	0.01
	Buy USD 276,848 : Sell GBP 211,386 December 2020	3	-
	Buy USD 285,264 : Sell GBP 216,670 December 2020	4	-
	Buy USD 3,160,428 : Sell IDR 47,744,580,000 December 2020	(43)	(0.02)
	Buy USD 57,749,869 : Sell GBP 44,800,010 December 2020	(152)	(0.06)
	Buy USD 5,865,882 : Sell GBP 4,510,000 December 2020	25	0.01
	Buy USD 6,096,242 : Sell GBP 4,701,768 December 2020	11	-
	Buy USD 71,500 : Sell GBP 55,484 December 2020 ¹	-	-
		<u>1,047</u>	<u>0.46</u>
	Investment assets including investment liabilities	221,076	97.09
	Other net assets	6,623	2.91
	Total net assets	227,699	100.00

¹ Due to rounding to nearest £1,000

² Unquoted securities

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

Statement of total return for the year ended 31 October 2020

	Note	2020		2019	
		£000	£000	£000	£000
Income					
Net capital gains	2		12,938		18,496
Revenue	3	3,644		3,617	
Expenses	4	(117)		(99)	
Interest payable and similar charges	5	(9)		(59)	
Net revenue before taxation		3,518		3,459	
Taxation	6	(124)		(8)	
Net revenue after taxation			<u>3,394</u>		<u>3,451</u>
Total return before distributions			16,332		21,947
Distributions	7		(3,394)		(3,451)
Change in net assets attributable to shareholders from investment activities			<u>12,938</u>		<u>18,496</u>

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		227,588		219,862
Amounts receivable on issue of shares	33,947		3,272	
Amounts payable on cancellation of shares	<u>(50,223)</u>		<u>(17,455)</u>	
		(16,276)		(14,183)
Dilution adjustment		137		-
Change in net assets attributable to shareholders from investment activities		12,938		18,496
Retained distributions on accumulation shares		3,312		3,413
Closing net assets attributable to shareholders		<u>227,699</u>		<u>227,588</u>

Balance sheet as at 31 October 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		221,908	218,722
Current assets:			
Debtors	8	15,515	2,134
Cash and bank balances	9	4,935	14,641
Total assets		242,358	235,497
Liabilities:			
Investment liabilities		832	3,792
Creditors:			
Amounts held at derivative clearing houses and brokers		169	272
Bank overdrafts		-	3,831
Distributions payable		7	5
Other creditors	10	13,651	9
Total liabilities		14,659	7,909
Net assets attributable to shareholders		227,699	227,588

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2020	2019
	£000	£000
Derivative securities	2,354	3,546
Forward currency contracts	(920)	498
Non-derivative securities	11,501	14,949
Other currency gains/(losses)	9	(492)
Transaction costs	(6)	(5)
Net capital gains	12,938	18,496

3 Revenue

	2020	2019
	£000	£000
Bank interest	39	113
Derivative revenue	(6)	(39)
Interest on debt securities	3,585	3,496
Interest on margin	-	6
Stock lending revenue	26	41
Total revenue	3,644	3,617

4 Expenses

	2020	2019
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	20	13
GAC*	61	54
	<u>81</u>	<u>67</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	17	19
Safe custody fees	19	13
	<u>36</u>	<u>32</u>
Total expenses	117	99

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £8,861 (2019: £7,912).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2020	2019
	£000	£000
Interest payable	7	59
Interest on margin	2	-
Total interest payable and similar charges	9	59

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2020	2019
	£000	£000
Current tax		
Overseas withholding tax	124	8
Total tax (note 6b)	124	8

b) Factors affecting tax charge for year

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

	2020	2019
	£000	£000
Net revenue before taxation	3,518	3,459
Corporation tax at 20% (2019: 20%)	704	692
Effects of:		
Overseas withholding tax	124	8
Revenue being paid as interest distributions	(679)	(690)
Tax effect of expensed double taxation relief	(25)	(2)
Tax charge for the year (note 6a)	124	8

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

c) Deferred tax

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

d) Factors that may affect future tax charges

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

Notes to the financial statements (continued)

7 Distributions

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

	2020	2019
	£000	£000
Interim income	25	12
Interim accumulation	2,443	2,612
Final income	7	5
Final accumulation	869	801
	<u>3,344</u>	<u>3,430</u>
Amounts deducted on cancellation of shares	130	25
Amounts received on issue of shares	(80)	(4)
Total distributions	<u>3,394</u>	<u>3,451</u>

Details of the distribution per share are set out in the Distribution tables on pages 125 to 128.

8 Debtors

	2020	2019
	£000	£000
Accrued revenue	1,887	2,095
Amounts receivable for issue of shares	63	39
Currency transactions awaiting settlement	9,065	-
Sales awaiting settlement	4,500	-
Total debtors	<u>15,515</u>	<u>2,134</u>

9 Cash and bank balances

	2020	2019
	£000	£000
Amounts held at derivative clearing houses and brokers	990	1,040
Cash and bank balances	3,915	11,071
Collateral accounts	30	2,530
Total cash and bank balances	<u>4,935</u>	<u>14,641</u>

10 Other creditors

	2020	2019
	£000	£000
Accrued annual management charge	1	1
Accrued Depository's fee	2	2
Accrued other expenses	10	6
Amounts payable for cancellation of shares	45	-
Currency transactions awaiting settlement	9,047	-
Purchases awaiting settlement	4,546	-
Total other creditors	<u>13,651</u>	<u>9</u>

11 Contingent liabilities and commitments

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

Notes to the financial statements (continued)

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 110 and 111 and notes 4, 7, 8 and 10 on pages 112 to 114 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

HSBC Global Custody Nominee (UK) Ltd, as a material shareholder, is a related party holding shares comprising 98.65% of the total net assets of the fund as at the year end (2019: 98.51%).

13 Shareholders' funds

The fund currently has 5 share classes available; Class 3 (Institutional), Class A (Retail), Class E (Retail), Class I (Institutional) and Class Z (Institutional). The annual management charge on each share class is as follows:

	2020	2019
	%	%
Class 3	0.15	0.15
Class A	0.75	0.75
Class E	0.50	0.50
Class I	0.50	0.50
Class Z ¹	0.00	0.00

¹ Charges for managing Z class shares are levied outside the fund and are agreed between the ACD and investors.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 98 to 101. The distribution per share class is given in the Distribution tables on pages 125 to 128. All share classes have the same rights on winding up.

Shares reconciliation as at 31 October 2020

	Class 3 accumulation	Class A income	Class E income	Class I accumulation
Opening number of shares	1,509	295,106	187,867	10,609
Issues during the year	-	239,924	74,734	9,641
Cancellations during the year	-	(236,408)	(41,671)	(12,398)
Shares converted during the year	-	(30,838)	28,511	-
Closing shares in issue	1,509	267,784	249,441	7,852

	Class I income	Class Z accumulation
Opening number of shares	713,635	98,183,607
Issues during the year	2,504,027	11,840,109
Cancellations during the year	(2,336,686)	(18,652,108)
Shares converted during the year	2,286	-
Closing shares in issue	883,262	91,371,608

Notes to the financial statements (continued)

14 Financial derivatives

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

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

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

There was cash of £30,000 pledged as collateral as at 31 October 2020 (2019: £2,530,000). There were bonds with a market value of £986,220 held as collateral in respect of derivatives as at 31 October 2020 (2019: £757,124).

2020

At 31 October 2020 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	157	-	157
Citigroup	7	-	7
Goldman Sachs	16	-	16
HSBC	18	-	18
JP Morgan	1,241	-	1,241
Merrill Lynch	129	-	129
Société Générale	25	-	25
UBS	40	170	210
	1,633	170	1,803

2019

At 31 October 2019 the underlying exposure for each category of derivatives held was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	1,430	-	1,430
Citigroup	41	-	41
UBS	772	264	1,036
	2,243	264	2,507

Notes to the financial statements (continued)

15 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with BNP Paribas acting as the stock lending agent in order to generate additional revenue.

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

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

2020 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Barclays Bank	719	876	Government Bond
BNP Paribas	341	434	Corporate Bond
JP Morgan	1,114	1,403	Corporate Bond
JP Morgan	2,944	3,673	Government Bond
	4,057	5,076	
Société Générale	7,121	7,915	Equity
	12,238	14,301	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	31	5	26

2019 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Barclays	11,367	11,975	Government Bond
ING Bank	468	528	Equity
NatWest	5,380	5,671	Government Bond
Société Générale	25,388	28,214	Equity
	42,603	46,388	

Notes to the financial statements (continued)

15 Stock lending (continued)

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	48	7	41

16 Risk

Currency risk

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

	Investment assets including (investment liabilities) £000	Other net assets £000	Total net assets £000
2020			
Currency			
Australian dollar	4,426	5	4,431
Canadian dollar	3,859	20	3,879
Danish krone	861	-	861
Euro	64,306	994	65,300
Indonesian rupiah	6,546	220	6,766
Japanese yen	48,279	161	48,440
Mexican nuevo peso	(601)	604	3
New Zealand dollar	96	-	96
Russian ruble	1,667	-	1,667
Swedish krona	581	7	588
UK sterling	(3,848)	3,915	67
US dollar	94,904	697	95,601
Total	221,076	6,623	227,699
	Investment assets including (investment liabilities) £000	Other net assets £000	Total net assets/(liabilities) £000
2019			
Currency			
Australian dollar	355	10	365
Canadian dollar	3,030	141	3,171
Danish krone	1,137	-	1,137
Euro	62,620	712	63,332
Indonesian rupiah	5,560	195	5,755
Japanese yen	59,574	46	59,620
Mexican nuevo peso	585	527	1,112
New Zealand dollar	213	6	219
Swedish krona	(93)	186	93
UK sterling	(10,118)	9,591	(527)
US dollar	92,067	1,244	93,311
Total	214,930	12,658	227,588

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk

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

2020	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
Australian dollar	-	3,263	5	3,268
Canadian dollar	-	2,219	20	2,239
Euro	294	112,527	9,747	122,568
Indonesian rupiah	-	9,032	221	9,253
Japanese yen	7,224	14,821	254	22,299
Mexican peso	-	24,045	604	24,649
Swedish krona	-	723	7	730
UK sterling	3,945	-	5,945	9,890
US dollar	554	46,393	515	47,462
Total	12,017	213,023	17,318	242,358

2019	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
Australian dollar	-	4,108	11	4,119
Canadian dollar	-	15,580	140	15,720
Euro	141	71,164	913	72,218
Indonesian rupiah	-	5,560	195	5,755
Japanese yen	7,228	25,636	154	33,018
Mexican peso	-	17,793	527	18,320
New Zealand dollar	-	7,600	6	7,606
Swedish krona	-	20,444	186	20,630
UK sterling	13,397	-	2,281	15,678
US dollar	3,209	38,996	228	42,433
Total	23,975	206,881	4,641	235,497

2020	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
Australian dollar	-	-	76	76
Canadian dollar	-	-	18	18
Danish krone	-	-	21	21
Euro	-	-	9,260	9,260
Japanese yen	13	-	1	14
New Zealand dollar	-	-	5	5
Russian ruble	-	-	125	125
Swedish krona	-	-	12	12
UK sterling	-	-	4,644	4,644
US dollar	156	-	328	484
Total	169	-	14,490	14,659

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk (continued)

2019	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
Australian dollar	-	-	1	1
Canadian dollar	-	-	5	5
Danish krone	-	-	33	33
Euro	174	-	119	293
Japanese yen	98	-	1,278	1,376
UK sterling	3,831	-	13	3,844
US dollar	-	-	2,357	2,357
Total	4,103	-	3,806	7,909

Credit Ratings

2020

	Market value £000	Percentage of total net assets %
Investments		
Investment grade (AAA - BBB)	219,135	96.24
Unrated	970	0.42
Total debt securities	220,105	96.66
Derivatives	971	0.43
Investment assets including investment liabilities	221,076	97.09
Other net assets	6,623	2.91
Total net assets	227,699	100.00

2019

	Market value £000	Percentage of total net assets %
Investments		
Investment grade (AAA - BBB)	216,215	95.00
Total debt securities	216,215	95.00
Derivatives	(1,285)	(0.56)
Investment assets including investment liabilities	214,930	94.44
Other net assets	12,658	5.56
Total net assets	227,588	100.00

Other market price risk

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

Notes to the financial statements (continued)

16 Risk (continued)

Sensitivity analysis

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

VaR Results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%		%	%	%
2020	4.57	9.23	6.06	20.00	22.83	46.17	30.31
2019	4.21	5.98	4.97	20.00	21.05	29.89	24.87

Leverage

	Minimum	Maximum	Average
	%	%	%
	2020	15.32	72.23
2019	13.52	43.41	26.83

Liquidity risk

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

	On demand	Within one year	Over one year but not more than five years	Over five years
	£000	£000	£000	£000
2020				
Amounts held at derivatives clearing houses and brokers	169	-	-	-
Derivative financial liabilities	-	832	-	-
Distribution payable	-	7	-	-
Other creditors	-	13,651	-	-
Total	169	14,490	-	-
2019				
Amounts held at derivatives clearing houses and brokers	272	-	-	-
Bank overdrafts	3,831	-	-	-
Derivative financial liabilities	-	3,792	-	-
Distribution payable	-	5	-	-
Other creditors	-	9	-	-
Total	4,103	3,806	-	-

Notes to the financial statements (continued)

17 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	108,635*	246	127,669*	395
Level 2	113,273	586	91,053	3,397
Level 3	-	-	-	-
	<u>221,908</u>	<u>832</u>	<u>218,722</u>	<u>3,792</u>

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £108,465,734 as at 31 October 2020 (2019: £127,404,993).

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trades in the year				
Debt securities	207,754	280,105	213,726	280,461
Trades in the year before transaction costs	207,754	280,105	213,726	280,461
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	207,754	280,105	213,726	280,461

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

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

There were direct transaction costs associated with derivatives in the year of £6,931 (2019: £12,656) which is 0.00% of the average net asset value of the fund (2019: 0.01%).

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

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

The portfolio dealing spread as at 30 October 2020 was 0.12% (2019: 0.13%). The portfolio dealing spread is calculated at a 12 noon valuation point.

Notes to the financial statements (continued)

19 Events after the Balance sheet date

The duration of the COVID-19 pandemic and its effects cannot be determined with certainty, and could prevent a fund from executing advantageous decisions in a timely manner and negatively impact a fund's ability to achieve its investment objective. The COVID-19 pandemic has persisted after the fund's year end and its impact on the fund continues to be monitored by the Investment Manager. As at 18 January 2021, the Net Asset Value is £220,241,609 which is a drop of 3.3% from the balance sheet date. The fall in NAV is due to the fall in value of the underlying investments and net outflows from the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

Distribution tables for the year ended 31 October 2020 (in pence per share)

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

Group 1: shares purchased prior to 1 November 2019

Group 2: shares purchased on or after 1 November 2019

	Distribution per share	Equalisation	Total distribution per share 31/03/20	Total distribution per share 29/03/19
Class 3 accumulation				
Group 1	0.4771	-	0.4771	0.3439
Group 2	0.4771	-	0.4771	0.3439
Class A income				
Group 1	0.4043	-	0.4043	0.2385
Group 2	0.1814	0.2229	0.4043	0.2385
Class E income¹				
Group 1	0.5304	-	0.5304	n/a
Group 2	0.4025	0.1279	0.5304	n/a
Class I accumulation				
Group 1	0.8000	-	0.8000	0.5587
Group 2	0.5879	0.2121	0.8000	0.5587
Class I income				
Group 1	0.5954	-	0.5954	0.4189
Group 2	0.2086	0.3868	0.5954	0.4189
Class Z accumulation				
Group 1	0.9452	-	0.9452	0.7260
Group 2	0.6501	0.2951	0.9452	0.7260

¹ Class E income launched on 24 June 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 30 April 2020, paid on 30 June 2020)

Group 1: shares purchased prior to 1 February 2020

Group 2: shares purchased on or after 1 February 2020

	Distribution per share	Equalisation	Total distribution per share 30/06/20	Total distribution per share 28/06/19
Class 3 accumulation				
Group 1	0.4155	-	0.4155	0.4214
Group 2	0.4155	-	0.4155	0.4214
Class A income				
Group 1	0.2944	-	0.2944	0.3622
Group 2	-	0.2944	0.2944	0.3622
Class E income¹				
Group 1	0.4252	-	0.4252	n/a
Group 2	-	0.4252	0.4252	n/a
Class I accumulation				
Group 1	0.6550	-	0.6550	0.7265
Group 2	-	0.6550	0.6550	0.7265
Class I income				
Group 1	0.4892	-	0.4892	0.5424
Group 2	0.0004	0.4888	0.4892	0.5424
Class Z accumulation				
Group 1	0.8379	-	0.8379	0.8547
Group 2	0.8379	-	0.8379	0.8547

¹ Class E income launched on 24 June 2019.

Distribution tables (continued)

Interim interest distribution (accounting date 31 July 2020, paid on 30 September 2020)

Group 1: shares purchased prior to 1 May 2020

Group 2: shares purchased on or after 1 May 2020

	Distribution per share	Equalisation	Total distribution per share 30/09/20	Total distribution per share 30/09/19
Class 3 accumulation				
Group 1	0.4307	-	0.4307	0.4831
Group 2	0.4307	-	0.4307	0.4831
Class A income				
Group 1	0.2778	-	0.2778	0.4165
Group 2	-	0.2778	0.2778	0.4165
Class E income				
Group 1	0.4154	-	0.4154	0.4686
Group 2	-	0.4154	0.4154	0.4686
Class I accumulation				
Group 1	0.6817	-	0.6817	0.8312
Group 2	0.1864	0.4953	0.6817	0.8312
Class I income				
Group 1	0.4999	-	0.4999	0.6117
Group 2	0.2110	0.2889	0.4999	0.6117
Class Z accumulation				
Group 1	0.8664	-	0.8664	0.9577
Group 2	-	0.8664	0.8664	0.9577

Distribution tables (continued)

Final interest distribution (accounting date 31 October 2020, paid on 31 December 2020)

Group 1: shares purchased prior to 1 August 2020

Group 2: shares purchased on or after 1 August 2020

	Distribution per share	Equalisation	Total distribution per share 31/12/20	Total distribution per share 31/12/19
Class 3 accumulation				
Group 1	0.4804	-	0.4804	0.4088
Group 2	0.4804	-	0.4804	0.4088
Class A income				
Group 1	0.3548	-	0.3548	0.2741
Group 2	0.0793	0.2755	0.3548	0.2741
Class E income				
Group 1	0.4910	-	0.4910	0.4049
Group 2	0.1857	0.3053	0.4910	0.4049
Class I accumulation				
Group 1	0.7799	-	0.7799	0.6378
Group 2	0.7799	-	0.7799	0.6378
Class I income				
Group 1	0.5611	-	0.5611	0.4715
Group 2	0.2306	0.3305	0.5611	0.4715
Class Z accumulation				
Group 1	0.9515	-	0.9515	0.8157
Group 2	0.0482	0.9033	0.9515	0.8157

Janus Henderson Japan Opportunities Fund

Authorised Corporate Director's report

Investment Fund Managers

Junichi Inoue

Investment objective and policy

The fund aims to provide capital growth over the long term.

Performance target: To outperform the Tokyo Stock Exchange First Section Index (TOPIX) Index by 2% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in a concentrated portfolio of shares (also known as equities) of companies, of any size, in any industry in Japan. Companies will be incorporated, headquartered, listed on an exchange in, or deriving significant revenue from Japan.

The portfolio may be concentrated in terms of its number of holdings and/or the size of its largest holdings.

The fund is actively managed with reference to the TOPIX Index, which is broadly representative of the companies in which it may invest, as this forms the basis of the fund's performance target. The investment manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

As an additional means of assessing the performance of the fund, the IA Japan Sector average, which is based on a peer group of broadly similar funds, may also provide a useful comparator.

Performance summary

Cumulative performance

	One year	Three years	Five years	Since inception
	31 Oct 19 -	31 Oct 17 -	31 Oct 15 -	4 Oct 74 -
	31 Oct 20	31 Oct 20	31 Oct 20	31 Oct 20
	%	%	%	%
Class I accumulation (Net)	10.3	16.2	74.3	5,589.1
Tokyo Stock Exchange First Section Index (TOPIX)	0.4	7.2	56.6	6,374.1
IA Japan Sector	4.2	9.3	60.9	5,667.6
Class I accumulation (Gross)	11.2	19.2	81.8	8,364.4
Tokyo Stock Exchange First Section Index (TOPIX) + 2%	2.4	13.7	72.9	16,025.2

Discrete performance

	31 Oct 19 -	31 Oct 18 -	31 Oct 17 -	31 Oct 16 -	31 Oct 15 -
	31 Oct 20	31 Oct 19	31 Oct 18	31 Oct 17	31 Oct 16
	%	%	%	%	%
Class I accumulation (Net)	10.3	7.6	(2.1)	8.7	38.0
Tokyo Stock Exchange First Section Index (TOPIX)	0.4	7.1	(0.4)	10.1	32.8
IA Japan Sector	4.2	7.3	(2.3)	11.1	32.4
Class I accumulation (Gross)	11.2	8.5	(1.3)	9.6	39.2
Tokyo Stock Exchange First Section Index (TOPIX) + 2%	2.4	9.2	1.6	12.3	35.5

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

Source: Morningstar

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

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

Benchmark values are at close of business.

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

Authorised Corporate Director's report (continued)

Performance summary (continued)

Benchmark usage:

Index: Tokyo Stock Exchange First Section Index (TOPIX)

Index usage: Target

Index description: The Tokyo Stock Exchange First Section Index (TOPIX) is a measure of the combined performance of a large number of the companies listed on the Tokyo Stock Exchange. It forms the basis of the fund's performance target.

Peer group: IA Japan Sector

Peer group usage: Comparator

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

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

Significant portfolio changes for the year ended 31 October 2020

Largest purchases	£000	Largest sales	£000
Orix	1,179	Takeda Pharmaceutical	1,368
Tokio Marine	849	Mitsubishi UFJ Financial	830
Mitsubishi	788	Orix	613
Persol	775	Daiwa House Industry	612
Subaru	754	Inpex	565
Olympus	736	Daiichi Sankyo	538
Daikin Industries	715	Koito Manufacturing	500
Renesas Electronics	689	Sony	498
SMC	439	Denso	482
Nintendo	388	Kao	438
Total purchases	9,066	Total sales	11,260

Investment review

The fund returned 10.3% (Net), 11.2% (Gross) based on Class I accumulation over the year under review, compared with a return of 0.4% in the Tokyo Stock Exchange First Section Index (TOPIX), a return of 2.4% in the Target Index +2% and a return of 4.2% in the IA Japan Sector peer group benchmark.

It was a dramatic year. During the first few months, markets gradually advanced, despite an economic slowdown, as central banks eased monetary policy globally. Just as investors expected an earnings recovery from 2020, COVID-19 spread globally, dragging down equity markets as well as the value of other risk assets. The sell-down in equities was as dramatic as any in recent years, in terms of both speed and severity. However, unlike the global financial crisis, this was followed by a very quick and remarkably large monetary and fiscal policy response across the globe, which resulted in a rally in the latter half of the reporting year.

In Japan, the slowing global economy initially impacted the manufacturing sector, a situation that was exacerbated by the pandemic as demand disappeared due to lockdown restrictions. On the other hand, the domestic non-manufacturing sector was resilient. While the transportation and hospitality sectors faced a severe impact from travel restrictions, information technology and locally operated businesses enjoyed elevated demand during the lockdowns. Economic activity bottomed during the second quarter of the reporting year and steadily recovered during the third quarter. We expect corporate earnings to take two years to reach the 2018 financial year's profit levels, which was the peak of the previous cycle. Despite these difficulties, the TOPIX Index outperformed most other major indices over the reporting year, thanks to fiscal support and the Bank of Japan's exchange-traded fund purchasing programme.

We maintained our investment style and focused on cash-generative companies that could create shareholders value over time. Our discipline on valuation and investment style continued to pay good dividends during the reporting year. Amid an uncertain outlook because of the pandemic, the market recovery was led by high-quality growth stocks, which had idiosyncratic earnings drivers that did not hugely rely on macroeconomic factors. These were the types of companies we owned as core holdings in the portfolio. Each of our long-term holdings, such as Z (formerly Yahoo Japan), Softbank, Sony, Pan Pacific International (formerly Don Quijote), Nitori, Daiichi Sankyo, Nintendo and Nomura Research Institute, added more than 1.0% of alpha to the fund's performance. In contrast, businesses that were severely disrupted by the pandemic detracted from performance. These included Asahi, a global brewing company, and Mitsui Fudosan, one of the largest property developers and investors in Japan. We took advantage of the sell-off in equities in March and initiated positions in several high-quality businesses, such as Daikin Industries and Olympus. We had conducted thorough research on these companies and had waited until their valuations had reached levels at which we felt we could invest. In order to buy these companies, we divested stocks where the pandemic had invalidated their investment cases.

The duration of the COVID-19 pandemic and the outcome of the US presidential election were the two biggest uncertainties that weighed on market sentiment during the last six months of the reporting year. With the election result largely settled and favourable news on the development of a COVID-19 vaccine, investors may become more constructive on the outlook for a worldwide economic recovery. This is good news for Japanese equities, which remain very sensitive to the global economy.

We believe that the market is at an attractive level. The TOPIX Index was trading at 14 times full-year March 2019 earnings per share, while the price-to-book ratio was 1.2 times and the dividend yield was 2.2%. It is worth noting that dividends have been much more resilient than other markets as Japanese companies have managed their balance sheets very conservatively. We believe that the undemanding valuations and strong balance sheets suggest that the risk/reward balance looks attractive for Japanese equities.

Our approach remains the same. We believe that our investment philosophy will work in good times as well as more difficult times, as we focus on companies that we think can create shareholder value by delivering excess free cash flow returns over the cost of capital. This requires excellent business models and strong management teams. These types of companies may not only sustain their profits during the downturn but can take advantage of the challenging environment and become even better positioned. We have strong confidence in the stocks that we own and will continue to focus on stock picking, which will be a key determinant of the fund's future performance.

Comparative tables for the year ended 31 October 2020

	Class A accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	372.51	349.19	356.60
Return before operating charges*	41.71	29.15	(1.31)
Operating charges	(6.57)	(5.83)	(6.10)
Return after operating charges*	35.14	23.32	(7.41)
Distributions on accumulation shares	(0.80)	(0.92)	(0.35)
Retained distributions on accumulation shares	0.80	0.92	0.35
Closing net asset value per share	407.65	372.51	349.19
* after direct transaction costs of:	0.09	0.12	0.26
Performance			
Return after charges	9.43%	6.68%	(2.08%)
Other information			
Closing net asset value (£000s)	4,267	5,509	12,449
Closing number of shares	1,046,681	1,478,993	3,565,000
Operating charges	1.73%	1.71%	1.71%
Direct transaction costs	0.02%	0.03%	0.07%
Prices			
Highest share price (pence)	423.30	379.90	382.30
Lowest share price (pence)	293.80	312.40	333.70
	Class E accumulation		
	2020	24/06/19 - 31/10/19	
	(pence per share)	(pence per share)	
Change in net assets per share			
Opening net asset value per share	373.17	351.09 ¹	
Return before operating charges*	41.98	23.66	
Operating charges	(4.71)	(1.58)	
Return after operating charges*	37.27	22.08	
Distributions on accumulation shares	(2.73)	(1.78)	
Retained distributions on accumulation shares	2.73	1.78	
Closing net asset value per share	410.44	373.17	
* after direct transaction costs of:	0.10	0.13	
Performance			
Return after charges	9.99%	6.29%	
Other information			
Closing net asset value (£000s)	7,974	7,305	
Closing number of shares	1,942,870	1,957,426	
Operating charges	1.23%	1.21%	
Direct transaction costs	0.02%	0.03%	
Prices			
Highest share price (pence)	426.00	380.50	
Lowest share price (pence)	294.90	348.30	

¹ Class E accumulation launched on 24 June 2019 and this is the first published price.

Comparative tables (continued)

	Class I accumulation		
	2020 (pence per share)	2019 (pence per share)	2018 (pence per share)
Change in net assets per share			
Opening net asset value per share	422.62	392.78	397.69
Return before operating charges*	47.66	33.19	(1.47)
Operating charges	(3.74)	(3.35)	(3.44)
Return after operating charges*	43.92	29.84	(4.91)
Distributions on accumulation shares	(4.53)	(3.81)	(4.31)
Retained distributions on accumulation shares	4.53	3.81	4.31
Closing net asset value per share	466.54	422.62	392.78
* after direct transaction costs of:	0.11	0.14	0.29
Performance			
Return after charges	10.39%	7.60%	(1.23%)
Other information			
Closing net asset value (£000s)	17,007	17,095	11,131
Closing number of shares	3,645,325	4,044,993	2,834,052
Operating charges	0.86%	0.85%	0.86%
Direct transaction costs	0.02%	0.03%	0.07%
Prices			
Highest share price (pence)	484.00	430.80	427.10
Lowest share price (pence)	334.40	351.90	373.50

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

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

Operating charges

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

Share class launches and closures

There were no share classes launched or closed during the year.

Ongoing charge figure

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

	2020 %	2019 %	Estimated OCF from 5 May 2020¹ %
Class A accumulation	1.73 ²	1.71	1.75
Class E accumulation³	1.23 ²	1.21	1.25
Class I accumulation	0.86 ⁴	0.85	0.87

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

¹ The estimated ongoing charge is based on the new GAC rates to the year ended 31 October 2020.

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

³ Class E accumulation launched on 24 June 2019. An annualised OCF rate has been disclosed in the prior year comparative.

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

Risk and reward profile

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

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



The share class appears at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in net asset value in the past 5 years than those in lower categories. The lowest category does not mean risk free.

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

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

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

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

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

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

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

* Class E accumulation was launched on 24 June 2019 and as it does not have a 5 year history, a synthetic history has been created using the A accumulation share class.

Portfolio statement as at 31 October 2020

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 98.84% (2019: 96.00%)		
	Japan 98.84% (2019: 96.00%)		
	Communication Services 15.67% (2019: 9.63%)		
3,600	Nintendo	1,518	5.19
35,500	SoftBank 'A'	1,784	6.10
238,900	Z	1,281	4.38
		<u>4,583</u>	<u>15.67</u>
	Consumer Discretionary 20.20% (2019: 23.90%)		
7,200	Nitori	1,146	3.92
60,600	Pan Pacific International	996	3.40
30,700	Sony	1,969	6.74
46,100	Subaru	649	2.22
22,800	Toyota Motor	1,147	3.92
		<u>5,907</u>	<u>20.20</u>
	Consumer Staples 5.72% (2019: 9.23%)		
31,500	Asahi	751	2.57
16,800	Kao	922	3.15
		<u>1,673</u>	<u>5.72</u>
	Energy 0.00% (2019: 2.97%)		
	Financials 10.17% (2019: 10.11%)		
31,200	Orix	280	0.96
27,000	Sumitomo Mitsui Financial	575	1.97
81,300	T&D	622	2.13
43,500	Tokio Marine	1,499	5.11
		<u>2,976</u>	<u>10.17</u>
	Health Care 7.72% (2019: 9.45%)		
66,500	Daiichi Sankyo	1,352	4.63
61,600	Olympus	905	3.09
		<u>2,257</u>	<u>7.72</u>
	Industrials 11.91% (2019: 2.14%)		
7,400	Daikin Industries	1,066	3.64
43,500	Mitsubishi	748	2.56
61,800	Persol	718	2.45
13,100	Recruit	385	1.32
800	SMC	326	1.12
12,400	Toshiba	241	0.82
		<u>3,484</u>	<u>11.91</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Information Technology 20.34% (2019: 17.60%)		
1,400	Disco	290	0.99
25,100	Fujifilm	988	3.38
19,900	Murata Manufacturing	1,068	3.65
40,100	Nomura Research Institute	917	3.13
22,000	Otsuka 'A'	783	2.68
117,700	Renesas Electronics	749	2.56
12,800	TDK	1,154	3.95
		<u>5,949</u>	<u>20.34</u>
	Materials 5.27% (2019: 4.42%)		
15,000	Shin-Etsu Chemical	<u>1,541</u>	<u>5.27</u>
	Real Estate 1.84% (2019: 6.55%)		
41,000	Mitsui Fudosan	<u>538</u>	<u>1.84</u>
	Investment assets	28,908	98.84
	Other net assets	<u>340</u>	<u>1.16</u>
	Total net assets	<u>29,248</u>	<u>100.00</u>

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

Statement of total return for the year ended 31 October 2020

	Note	2020		2019	
		£000	£000	£000	£000
Income					
Net capital gains	2		2,373		1,634
Revenue	3	591		549	
Expenses	4	<u>(305)</u>		<u>(294)</u>	
Net revenue before taxation		286		255	
Taxation	5	<u>(59)</u>		<u>(53)</u>	
Net revenue after taxation			<u>227</u>		<u>202</u>
Total return before distributions			2,600		1,836
Distributions	6		(227)		(202)
Change in net assets attributable to shareholders from investment activities			<u>2,373</u>		<u>1,634</u>

Statement of change in net assets attributable to shareholders

for the year ended 31 October 2020

	2020		2019	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		29,909		23,580
Amounts receivable on issue of shares	3,323		7,438	
Amounts payable on cancellation of shares	<u>(6,588)</u>		<u>(2,945)</u>	
		(3,265)		4,493
Dilution adjustment		4		-
Change in net assets attributable to shareholders from investment activities		2,373		1,634
Retained distributions on accumulation shares		227		202
Closing net assets attributable to shareholders		<u>29,248</u>		<u>29,909</u>

Balance sheet as at 31 October 2020

	Note	2020 £000	2019 £000
Assets:			
Investments		28,908	28,713
Current assets:			
Debtors	7	444	293
Cash and bank balances	8	85	1,352
Total assets		29,437	30,358
Liabilities:			
Creditors:			
Bank overdrafts		-	407
Other creditors	9	189	42
Total liabilities		189	449
Net assets attributable to shareholders		29,248	29,909

Notes to the financial statements for the year ended 31 October 2020

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2020	2019
	£000	£000
Forward currency contracts	3	(4)
Non-derivative securities	2,389	1,633
Other currency (losses)/gains	(16)	8
Transaction costs	(3)	(3)
Net capital gains	2,373	1,634

3 Revenue

	2020	2019
	£000	£000
Bank interest	2	4
Overseas dividends	588	543
Stock lending revenue	1	2
Total revenue	591	549

4 Expenses

	2020	2019
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	264	260
GAC*	37	31
	<u>301</u>	<u>291</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	2	2
Safe custody fees	2	1
	<u>4</u>	<u>3</u>
Total expenses	305	294

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £8,861 (2019: £7,912).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2020 £000	2019 £000
Current tax		
Overseas withholding tax	59	53
Total tax (note 5b)	<u>59</u>	<u>53</u>

b) Factors affecting tax charge for year

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

	2020 £000	2019 £000
Net revenue before taxation	286	255
Corporation tax at 20% (2019: 20%)	57	51
Effects of:		
Overseas withholding tax	59	53
Overseas dividends	(118)	(108)
Unused management expenses	61	57
Tax charge for the year (note 5a)	<u>59</u>	<u>53</u>

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

c) Deferred tax

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

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £2,644,030 (2019: £2,583,429) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

6 Distributions

	2020 £000	2019 £000
Final accumulation	227	202
Total distributions	<u>227</u>	<u>202</u>

Details of the distribution per share are set out in the Distribution table on page 147.

7 Debtors

	2020 £000	2019 £000
Accrued revenue	209	192
Amounts receivable for issue of shares	14	101
Currency transactions awaiting settlement	65	-
Sales awaiting settlement	156	-
Total debtors	<u>444</u>	<u>293</u>

Notes to the financial statements (continued)

8 Cash and bank balances

	2020	2019
	£000	£000
Cash and bank balances	85	1,352
Total cash and bank balances	85	1,352

9 Other creditors

	2020	2019
	£000	£000
Accrued annual management charge	23	24
Accrued other expenses	4	4
Amounts payable for cancellation of shares	6	14
Currency transactions awaiting settlement	65	-
Purchases awaiting settlement	91	-
Total other creditors	189	42

10 Contingent liabilities and commitments

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

11 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 138 and 139 and notes 4, 7 and 9 on pages 140 to 142 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

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

12 Shareholders' funds

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

	2020	2019
	%	%
Class A	1.50	1.50
Class E	1.00	1.00
Class I	0.75	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 132 and 133. The distribution per share class is given in the Distribution table on page 147. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

12 Shareholders' funds (continued)

Shares reconciliation as at 31 October 2020

	Class A accumulation	Class E accumulation	Class I accumulation
Opening number of shares	1,478,993	1,957,426	4,044,993
Issues during the year	44,021	17,896	703,208
Cancellations during the year	(399,056)	(106,287)	(1,105,499)
Shares converted during the year	(77,277)	73,835	2,623
Closing shares in issue	1,046,681	1,942,870	3,645,325

13 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 31 October 2020 (2019: nil).

The fund had no exposure to derivatives as at 31 October 2020 (2019: nil) with a positive market value.

14 Stock lending

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

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

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

2020

The fund had no stock on loan as at 31 October 2020.

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

Notes to the financial statements (continued)

14 Stock lending (continued)

2019

The fund had no stock on loan as at 31 October 2019.

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	2	-	2

15 Risk

Currency risk

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

	Investment assets £000	Other net assets £000	Total net assets £000
2020			
Currency			
Japanese yen	28,908	209	29,117
UK sterling	-	131	131
Total	28,908	340	29,248
2019			
Currency			
Japanese yen	28,713	192	28,905
UK sterling	-	1,004	1,004
Total	28,713	1,196	29,909

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £29,117,183 (2019: £28,905,025). A 10% increase/(decrease) in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing/(decreasing) the return for the year ended 31 October 2020 and the net assets as at 31 October 2020 by £2,911,718 (2019: £2,890,502).

Interest rate risk

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

Other market price risk

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

Leverage

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

Notes to the financial statements (continued)

15 Risk (continued)

Liquidity risk

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

	On demand	Within one year	Over one year but not more than five years	Over five years
2020	£000	£000	£000	£000
Other creditors	-	189	-	-
Total	-	189	-	-
	On demand	Within one year	Over one year but not more than five years	Over five years
2019	£000	£000	£000	£000
Bank overdrafts	407	-	-	-
Other creditors	-	42	-	-
Total	407	42	-	-

16 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	28,908	-	28,713	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	28,908	-	28,713	-

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2020 £000	2019 £000	2020 £000	2019 £000
Trades in the year				
Equities	9,061	11,056	11,266	7,431
Trades in the year before transaction costs	9,061	11,056	11,266	7,431
Transaction costs				
Commissions				
Equities	5	6	6	4
Total commissions	5	6	6	4
Taxes				
Equities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Equities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	5	6	6	4
Total net trades in the year after transaction costs	9,066	11,062	11,260	7,427

	Purchases		Sales	
	2020 %	2019 %	2020 %	2019 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.06	0.05	0.05	0.05
Taxes				
Equities	-	-	-	-
Other expenses				
Equities	-	-	-	-
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.04	0.03		
Taxes	-	-		
Other expenses	-	-		
Total costs	0.04	0.03		

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

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

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

The portfolio dealing spread as at 30 October 2020 was 0.29% (2019: 0.17%). The portfolio dealing spread is calculated at a 12 noon valuation point.

Notes to the financial statements (continued)

18 Events after the Balance sheet date

The duration of the COVID-19 pandemic and its effects cannot be determined with certainty, and could prevent a fund from executing advantageous decisions in a timely manner and negatively impact a fund's ability to achieve its investment objective. The COVID-19 pandemic has persisted after the fund's year end and its impact on the fund continues to be monitored by the Investment Manager. As at 18 January 2021, the Net Asset Value of the fund had increased.

Distribution table for the year ended 31 October 2020 (in pence per share)

Final dividend distribution (accounting date 31 October 2020, paid on 31 December 2020)

Group 1: shares purchased prior to 1 November 2019

Group 2: shares purchased on or after 1 November 2019

	Distribution per share	Total distribution per share 31/12/20	Total distribution per share 31/12/19
Class A accumulation			
Group 1	0.7973	0.7973	0.9154
Group 2	0.7973	0.7973	0.9154
Class E accumulation			
Group 1	2.7279	2.7279	1.7761
Group 2	2.7279	2.7279	1.7761
Class I accumulation			
Group 1	4.5330	4.5330	3.8076
Group 2	4.5330	4.5330	3.8076

Appendix - additional information (unaudited)

Securities financing transactions

The funds engage in securities financing transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the funds' involvement in and exposures related to securities lending for the year ended 31 October 2020 are detailed below.

Global data

The table lists the amount of securities on loan as a proportion of total lendable assets and the funds' AUM as at 31 October 2020:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson Institutional Overseas Bond Fund	12,238	5.56%	5.37%

Concentration data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for each fund as at 31 October 2020:

Issuer	Market value of collateral received £000
Janus Henderson Institutional Overseas Bond Fund	
UK Treasury	2,210
Bank Nederlandse Gemeenten	1,204
US Treasury	1,000
Trigano	792
Gamesys Group	792
ConvaTec	791
Group 4 Securicor Lambert	791
Kingdom of Spain	787
Paddy Power Betfair	774
Serco	762

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for each fund as at 31 October 2020:

Counterparty	Market value of securities on loan £000	Settlement basis
Janus Henderson Institutional Overseas Bond Fund		
Société Générale	7,121	Triparty
JP Morgan	4,057	Triparty
Barclays	719	Triparty
BNP Paribas	341	Triparty
	12,238	

All counterparties have been included.

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Aggregate transaction data

The following table provides an analysis of the collateral received by each fund in respect of each type of SFTs as at 31 October 2020:

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
Janus Henderson Institutional Overseas Bond Fund							
Barclays	United Kingdom	Government Bond	Investment grade	GBP	Triparty	BNP Paribas	876
BNP Paribas	France	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	231
BNP Paribas	France	Corporate Bond	Investment grade	USD	Triparty	BNP Paribas	15
BNP Paribas	France	Corporate Bond	Investment grade	ZAR	Triparty	BNP Paribas	188
JP Morgan	United States	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	1,403
JP Morgan	United States	Government Bond	Investment grade	CHF	Triparty	BNP Paribas	131
JP Morgan	United States	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	1,092
JP Morgan	United States	Government Bond	Investment grade	GBP	Triparty	BNP Paribas	1,335
JP Morgan	United States	Government Bond	Investment grade	NOK	Triparty	BNP Paribas	114
JP Morgan	United States	Government Bond	Investment grade	USD	Triparty	BNP Paribas	1,001
Société Générale	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	2,762
Société Générale	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	5,153
							14,301

All collateral is held in segregated accounts.

The lending and collateral transactions are on an open basis and can be recalled on demand.

Re-use of collateral

The funds do not engage in any re-use of collateral.

Return and cost on securities lending activities

The following table details the funds' return and costs for each type of SFTs for the year ended 31 October 2020:

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 retained by the securities lending agent	% return retained by the fund
Janus Henderson Asia Pacific Capital Growth Fund	5	1	4	15%	85%
Janus Henderson Institutional Overseas Bond Fund	31	5	26	15%	85%
Janus Henderson Japan Opportunities Fund	1	-	1	15%	85%

Appendix - additional information (unaudited) (continued)

Remuneration policy

Following the implementation of the UCITS V in the UK from 18 March 2016, all authorised UCITS Management Companies are required to comply with the UCITS Remuneration Code. Under the Code, the Compensation Committee of Janus Henderson Group plc in its oversight of HIFL must make relevant remuneration disclosures.

The disclosures must split remuneration between fixed and variable remuneration and must break down remuneration for categories of UCITS Code Staff (defined as all staff whose professional activities have a material impact on the risk profiles of the funds it manages). The Janus Henderson Group plc Compensation Committee approves the list of UCITS Code Staff annually. In addition, identified UCITS Code Staff are notified of their status and the associated implications annually.

Janus Henderson Global Funds is managed by HIFL, which is a subsidiary of Janus Henderson Group plc.

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

Further information with respect to Janus Henderson Group plc's Remuneration Policy is available in Janus Henderson Group plc's annual report as at 31 December 2019.

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson Asia Pacific Capital Growth Fund	2,012	849
of which		
Fixed Remuneration	2,012	340
Variable Remuneration	2,000	509
Janus Henderson Asia Pacific Capital Growth Fund Remuneration Code Staff	50	581
of which		
Senior Management (4)	25	25
Other Code Staff (5)	25	556
Janus Henderson Global Technology Leaders Fund	2,012	1,728
of which		
Fixed Remuneration	2,012	771
Variable Remuneration	2,000	957
Janus Henderson Global Technology Leaders Fund Remuneration Code Staff	50	479
of which		
Senior Management (4)	25	114
Other Code Staff (5)	25	365
Janus Henderson Institutional Global Buy & Maintain Fund	2,012	156
of which		
Fixed Remuneration	2,012	69
Variable Remuneration	2,000	87
Janus Henderson Institutional Global Buy & Maintain Fund Remuneration Code Staff	50	47
of which		
Senior Management (4)	25	10
Other Code Staff (5)	25	37
Janus Henderson Institutional Overseas Bond Fund	2,012	365
of which		
Fixed Remuneration	2,012	172
Variable Remuneration	2,000	193
Janus Henderson Institutional Overseas Bond Fund Remuneration Code Staff	50	94
of which		
Senior Management (4)	25	25
Other Code Staff (5)	25	69

Appendix - additional information (unaudited) (continued)

Remuneration policy (continued)

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson Japan Opportunities Fund	2,012	279
of which		
Fixed Remuneration	2,012	102
Variable Remuneration	2,000	177
Janus Henderson Japan Opportunities Fund Remuneration Code Staff	50	246
of which		
Senior Management (4)	25	3
Other Code Staff (5)	25	243

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

Further information

Shareholder enquiries

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

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

The following line is also available:

Client Services: **0800 832 832**

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

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

Important Information

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

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