



# INTERIM REPORT & ACCOUNTS

for the six months ended  
15 October 2017

Janus Henderson  
— INVESTORS —

Henderson Sterling Bond Unit Trust



# Who are Janus Henderson Investors?

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

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

We are proud to offer a highly diversified range of products, harnessing the intellectual capital of some of the industry's most innovative and formative thinkers. Our expertise encompasses the major asset classes, we have investment teams situated around the world and we serve intermediary, institutional and individual investors globally. As at 30 September 2017, we had approximately US\$360.5bn in assets under management, more than 2,000 employees and offices in 27 cities worldwide\*. Headquartered in London, we are an independent asset manager that is dual-listed on the New York Stock Exchange and the Australian Securities Exchange.

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

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

# Henderson Sterling Bond Unit Trust

## Authorised Fund Manager's report

We are pleased to present the Report and Accounts for Henderson Sterling Bond Unit Trust (the "fund") for the six months ended 15 October 2017.

### Authorised status

The fund is an authorised unit trust scheme and a UCITS scheme operating under chapter 5 of the Collective Investment Schemes sourcebook (COLL) issued by the Financial Conduct Authority.

The fund was established on 5 April 1988 and authorised by the FCA on 7 April 1988.

Unitholders are not liable for the debts of the fund.

### Other information

Henderson Group plc and Janus Capital Group merged on 30 May 2017 to form Janus Henderson Group plc.

### Service providers

	Name	Address	Regulator
<b>Authorised Fund Manager</b>	<b>Henderson Investment Funds Limited</b> Member of The Investment Association The ultimate holding company is Janus Henderson Group plc	Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531 Telephone - 020 7818 1818 Dealing - 0845 608 8703 Enquiries - 0800 832 832	Authorised and regulated by the Financial Conduct Authority
<b>Directors of the Authorised Fund Manager</b>	C Chaloner G Foggin G Kitchen H J de Sausmarez P Wagstaff	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
<b>Investment Adviser</b>	<b>Henderson Global Investors Limited</b> The ultimate holding company is Janus Henderson Group plc	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
<b>Unitholder Administrator</b>	<b>DST Financial Services Europe Limited</b>	DST House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
<b>Trustee/Depositary</b>	<b>National Westminster Bank plc</b> The ultimate holding company is the Royal Bank of Scotland Group plc	135 Bishopsgate London EC2M 3UR	Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
<b>Independent Auditors</b>	<b>PricewaterhouseCoopers LLP</b>	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
<b>Legal Advisers</b>	<b>Eversheds LLP</b>	One Wood Street London EC2V 7WS	The Law Society

## Authorised Fund Manager's report (continued)

### Investment Fund Managers

Philip Payne and Hartej Singh

### Other information

Effective from 1 October 2017 Hartej Singh became co-fund manager for this fund.

### Investment objective and policy

To achieve a high and stable income.

The fund will invest principally in sterling denominated fixed interest securities including preference shares. The fund may also invest in securities acquired on the conversion of convertible securities held within the portfolio, derivatives and forward transactions, warrants originally acquired with fixed interest investments, or under a scheme of reconstruction affecting securities in the fund, money market instruments and deposits. The fund concentrates on investment grade corporate bonds. Derivatives may be used for meeting the investment objective of the fund and for efficient portfolio management.

### Performance summary

#### Cumulative performance

	Six months	One year	Five years	Since launch
	15 Apr 17 - 15 Oct 17	15 Oct 16 - 15 Oct 17	15 Oct 12 - 15 Oct 17	22 Apr 88 - 15 Oct 17
	%	%	%	%
<b>Henderson Sterling Bond Unit Trust</b>	0.6	3.0	25.2	482.0
<b>Morningstar IA £ Corporate Bond</b>	0.8	3.1	25.9	419.6

#### Discrete performance

	15 Oct 16 - 15 Oct 17	15 Oct 15 - 15 Oct 16	15 Oct 14 - 15 Oct 15	15 Oct 13 - 15 Oct 14	15 Oct 12 - 15 Oct 13
	%	%	%	%	%
<b>Henderson Sterling Bond Unit Trust</b>	3.0	9.6	1.1	7.2	2.2

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

Benchmark values are as at close of business.

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

## Significant portfolio changes for the six months ended 15 October 2017

Largest purchases	£000	Largest sales/maturities	£000
LVMH 1.00% 14/06/2022	5,757	UK Treasury 4.50% 07/09/2034	7,170
UK Treasury 4.50% 07/12/2042	5,015	UK Treasury 4.50% 07/12/2042	5,373
Anheuser-Busch InBev 2.85% 25/05/2037	4,984	UK Treasury 3.25% 22/01/2044	4,947
Phoenix 4.125% 20/07/2022	4,208	Kennedy Wilson Europe Real Estate 3.95% 30/06/2022	4,162
Severn Trent Water Utilities 3.625% 16/01/2026	3,169	UK Treasury 4.25% 07/12/2040	3,902
Électricité de France 6.00% Perpetual	3,133	UK Treasury 4.25% 07/12/2027	3,539
Barclays 2.375% 06/10/2023	3,092	PGH Capital 4.125% 20/07/2022	3,112
ABN AMRO Bank 1.375% 07/06/2022	2,889	UK Treasury 0.50% 22/07/2022	2,851
Wells Fargo 1.375% 30/06/2022	2,792	Network Rail Infrastructure Finance 4.375% 09/12/2030	2,742
Anheuser-Busch InBev 1.75% 07/03/2025	2,706	Legal & General 6.385% Perpetual	2,650
<b>Total purchases</b>	<b>122,772</b>	<b>Total sales/maturities</b>	<b>124,167</b>

### Investment review

Sterling corporate bonds saw positive returns over the period, but the strength in corporate bonds was partly offset by weakness in UK government bonds, where returns were negative and yields rose (prices move inversely to yields) on average by 30 basis points. The weakness in government bonds was due to stronger inflation data, with the annualised increase in the consumer price index rising to 3% in September, and a change in sentiment at the Bank of England's (BoE) September Monetary Policy Committee meeting suggesting a rise in interest rates may be appropriate in the coming months. The gilt market is now pricing in an 80% chance of a rise in interest rates occurring in early November 2017. Corporate bonds outperformed over this period, with spreads (difference between yields on corporate bonds and government bonds) narrowing to the lowest levels in recent years. The main strength was in financials, with banks and insurers enjoying strong returns, and in lower rated bonds.

The political uncertainty in the UK following the snap general election and start of Brexit (the UK's exit from the European Union) negotiations has so far had limited impact on the broader market, but the increased prospect of a Labour government in the coming years negatively impacted some of the UK utility issuers due to their views on nationalisation. Corporate issuance rose sharply over the year to its highest levels in the UK since 2009, despite the end to the BoE's corporate bond purchase programme, reflecting the policy actions of the BoE and attractive funding conditions for issuers. Appetite for new issuance remained strong, benefiting from inflows into the asset class and the attractive valuations compared to the US and European corporate bond markets.

The largest sector contributor to the fund's performance over the period came from banks. The strongest contributor was HSBC, which benefited from the improved global economic outlook and the potential for some of their outstanding bonds to be repurchased early due to changing regulatory requirements. Other notable strong contributors included holdings in Lloyds Bank, Barclays and West Bromwich Building Society following speculation that the security held in the fund is not compliant with European regulation for subordinated bank capital and may have to be redeemed early or exchanged at favourable terms into a new security. The insurance sector was also a strong contributor. The holding in Aviva generated strong returns, benefiting from attractive valuations and strong and improving corporate fundamentals, while the holding in closed end insurer Phoenix benefited from strong first half earnings and a ratings upgrade by Fitch. This position has since been reduced following good performance. Overall, we increased our holdings in insurance sector, taking advantage of the weakness seen in August to add to holdings in Axa, Bupa and Scottish Widows, while the holding in Legal & General was reduced.

The most significant contributor to performance from outside the financial sector was the holding in EDF, which was increased over the period. Positive news flow in relation to its nuclear activities and the appointment of a pro-business government following the election of Emmanuel Macron as the new president of France led the bonds to outperform. UK utilities holdings were reduced through sales of holdings in Thames Water, Centrica, Yorkshire Water and PPL. This was due to expensive valuations following corporate bond purchases by the BoE, where utilities accounted for around a third of all purchases, and increased uncertainty regarding ownership and regulation of the sector. Holdings in the retail sector also contributed well, with good performance from positions in Walmart, Tesco and WM Morrison. All three benefited from an improvement in earnings over the period and were active in the market repurchasing some of their sterling corporate bonds at attractive premiums to market levels. The fund sold part of the holding in Walmart back to the company, but retained the holdings in Morrison and Tesco, with the latter on track for a return to an investment grade rating in the next 12 to 18 months.

Property bonds were very active over the period, with issuance in this area rising sharply, partly driven by Annington Finance and Land Securities repurchasing existing bonds and issuing new debt. The fund participated in some of these deals, establishing new positions in Annington, Aroundtown and Akelius (Residential property), Land Securities and Digital Realty Trust. The bonds have performed well since launch, contributing positively to performance.

The holding in Time Warner Cable (TWC) was a notable detractor from performance, as rumours of bids for Charter Communication, which is the parent of TWC, by Altice and Soft Bank saw spreads in the bonds widen sharply before recovering some of the underperformance towards the end of the period. Prior to this, the fund had reduced TWC holdings following the strong performance over the first half of the year, but the remaining holdings underperformed. Holdings in AT&T, which was impacted by new supply which the fund participated in, Heathrow and General Electric also detracted from performance. The large new issuance calendar provided plenty of new opportunities and the fund participated in a number of new deals. Other notable new holdings in the fund include Anheuser-Busch, LVMH and positions in high yield issues from Centre Parcs, Ardagh Packaging and Bank of Ireland.

The environment for corporate bonds is becoming increasingly challenged as the strong performance over recent months reduces the appeal of valuations and the recent shift in central bank rhetoric increases the probability of tighter monetary policy in the months ahead. Pockets of value still remain, and the mixed economic outlook, combined with a less accommodative monetary policy, should increase the level of dispersion in credit markets presenting new opportunities.

## Comparative tables for the six months ended 15 October 2017

	Accumulation units			
	15/10/17 (pence per unit)	15/04/17 (pence per unit)	15/04/16 (pence per unit)	15/04/15 (pence per unit)
<b>Change in net assets per unit</b>				
Opening net asset value per unit	218.35	199.09	202.84	183.72
Return before operating charges*	3.19	22.99	0.13	22.95
Operating charges	(1.39)	(2.98)	(2.76)	(2.71)
Return after operating charges*	1.80	20.01	(2.63)	20.24
Distributions on accumulation units	(2.48)	(4.99)	(5.60)	(5.59)
Retained distributions on accumulation units^	2.48	4.24	4.48	4.47
Closing net asset value per unit	220.15	218.35	199.09	202.84
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	0.82%	10.05%	(1.30%)	11.02%
<b>Other information</b>				
Closing net asset value (£000s)	166,726	173,735	174,970	249,001
Closing number of units	75,732,054	79,566,440	87,883,441	122,755,637
Operating charges (annualised)	1.26%	1.38%	1.41%	1.41%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest unit price (pence)	233.72	232.61	212.83	216.68
Lowest unit price (pence)	217.97	198.08	190.25	183.32

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

	Income units			
	15/10/17 (pence per unit)	15/04/17 (pence per unit)	15/04/16 (pence per unit)	15/04/15 (pence per unit)
<b>Change in net assets per unit</b>				
Opening net asset value per unit	65.61	61.02	63.93	59.35
Return before operating charges*	0.96	6.79	(0.66)	6.86
Operating charges	(0.42)	(0.91)	(0.86)	(0.86)
Return after operating charges*	0.54	5.88	(1.52)	6.00
Distributions on income units	(0.74)	(1.29)	(1.39)	(1.42)
Closing net asset value per unit	65.41	65.61	61.02	63.93
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	0.82%	9.64%	(2.38%)	10.11%
<b>Other information</b>				
Closing net asset value (£000s)	96,242	101,644	102,246	148,809
Closing number of units	147,135,394	154,918,997	167,558,974	232,762,694
Operating charges (annualised)	1.26%	1.38%	1.41%	1.41%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest unit price (pence)	70.13	70.86	66.73	68.29
Lowest unit price (pence)	65.44	60.71	58.63	58.84



## Comparative tables (continued)

Class I accumulation				
	15/10/17 (pence per unit)	15/04/17 (pence per unit)	15/04/16 (pence per unit)	15/04/15 (pence per unit)
<b>Change in net assets per unit</b>				
Opening net asset value per unit	129.71	117.59	119.17	107.27
Return before operating charges*	1.90	13.58	0.05	13.51
Operating charges	(0.46)	(0.88)	(0.81)	(0.79)
Return after operating charges*	1.44	12.70	(0.76)	12.72
Distributions on accumulation units	(1.85)	(3.82)	(4.12)	(4.12)
Retained distributions on accumulation units <sup>^</sup>	1.85	3.24	3.30	3.30
Closing net asset value per unit	131.15	129.71	117.59	119.17
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	1.11%	10.80%	(0.64%)	11.86%
<b>Other information</b>				
Closing net asset value (£000s)	205,568	211,897	215,393	187,953
Closing number of units	156,737,793	163,357,075	183,168,705	157,723,236
Operating charges (annualised)	0.69%	0.70%	0.70%	0.70%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest unit price (pence)	133.46	132.04	119.90	121.92
Lowest unit price (pence)	129.50	117.01	112.28	107.06

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

Class I income				
	15/10/17 (pence per unit)	15/04/17 (pence per unit)	15/04/16 (pence per unit)	15/04/15 (pence per unit)
<b>Change in net assets per unit</b>				
Opening net asset value per unit	113.05	105.13	110.34	102.38
Return before operating charges*	1.65	11.57	(1.48)	11.79
Operating charges	(0.40)	(0.78)	(0.73)	(0.74)
Return after operating charges*	1.25	10.79	(2.21)	11.05
Distributions on income units	(1.60)	(2.87)	(3.00)	(3.09)
Closing net asset value per unit	112.70	113.05	105.13	110.34
* after direct transaction costs of:	-	-	-	-
<b>Performance</b>				
Return after charges	1.11%	10.26%	(2.00%)	10.79%
<b>Other information</b>				
Closing net asset value (£000s)	51,138	53,508	79,402	58,613
Closing number of units	45,375,496	47,332,013	75,525,079	53,119,114
Operating charges (annualised)	0.69%	0.70%	0.70%	0.70%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest unit price (pence)	116.03	117.18	110.30	112.89
Lowest unit price (pence)	112.86	104.61	101.07	101.38

Performance values are at close of business and may differ from the performance summary.

### Operating charges

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

### Unit class launches and closures

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

## Ongoing charge figure

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

	15/10/17 %	15/04/17 %
Accumulation units	1.26	1.38^
Income units	1.26	1.38^
Class I	0.69	0.70

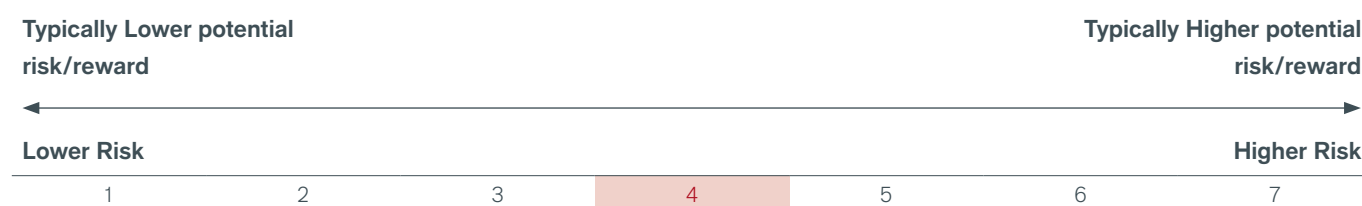
^The annual management charge was reduced from 1.25% to 1.10% with effect from 1 February 2017.

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

## Risk and reward profile

The fund currently has 4 unit classes in issue; Income units, Accumulation units, Class I income and Class I accumulation.

The risk and reward profile of each unit class is as follows:



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

The value of an investment in the fund can go up or down. When you sell your units, they may be worth less than you paid for them.

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

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

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

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

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

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

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

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

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

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

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

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

There have been no changes to the risk rating in the period.

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

## Portfolio statement as at 15 October 2017

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 0.09% (15/04/2017: 0.11%)</b>		
	<b>Norway 0.00% (15/04/2017: 0.00%)</b>		
	<b>Oil &amp; Gas 0.00% (15/04/2017: 0.00%)</b>		
109,619	Kvaerner Preference Shares~	-	-
	<b>United Kingdom 0.09% (15/04/2017: 0.11%)</b>		
	<b>Financials 0.09% (15/04/2017: 0.11%)</b>		
20	West Bromwich Building Society*	475	0.09
	<b>Bonds 95.64% (15/04/2017: 95.24%)</b>		
	<b>Australia 0.62% (15/04/2017: 2.64%)</b>		
	<b>Fixed Rate Bond 0.40% (15/04/2017: 2.28%)</b>		
GBP 2,000,000	Scentre 2.375% 08/04/2022	2,067	0.40
	<b>Variable Rate Bond 0.22% (15/04/2017: 0.36%)</b>		
GBP 1,000,000	BHP Billiton Finance VAR 22/10/2077	1,168	0.22
	<b>Belgium 1.46% (15/04/2017: 0.36%)</b>		
	<b>Fixed Rate Bond 0.00% (15/04/2017: 0.36%)</b>		
	<b>Zero / Discount Rate Bond 1.46% (15/04/2017: 0.00%)</b>		
GBP 2,720,000	Anheuser-Busch InBev 1.75% 07/03/2025	2,669	0.51
GBP 5,050,000	Anheuser-Busch InBev 2.85% 25/05/2037	4,924	0.95
		7,593	1.46
	<b>Canada 0.25% (15/04/2017: 0.24%)</b>		
	<b>Fixed Rate Bond 0.25% (15/04/2017: 0.24%)</b>		
GBP 1,118,000	Xstrata Canada Finance 7.375% 27/05/2020	1,283	0.25
	<b>France 6.07% (15/04/2017: 3.02%)</b>		
	<b>Fixed Rate Bond 3.48% (15/04/2017: 1.90%)</b>		
GBP 1,450,000	Électricité de France 5.125% 22/09/2050	1,869	0.36
GBP 1,900,000	Électricité de France 5.50% 17/10/2041	2,489	0.48
GBP 1,900,000	Électricité de France 6.00% 23/01/2114	2,709	0.52
GBP 2,050,000	Électricité de France 6.125% 02/06/2034	2,773	0.53
GBP 5,770,000	LVMH 1.00% 14/06/2022	5,698	1.09
GBP 2,100,000	Orange 1.00% 12/05/2025	2,573	0.50
		18,111	3.48
	<b>Variable Rate Bond 2.59% (15/04/2017: 1.12%)</b>		
GBP 2,700,000	AXA 5.625% 16/01/2054	3,134	0.60
GBP 3,150,000	AXA 6.772% Perpetual	3,458	0.67
GBP 500,000	Électricité de France 5.875% Perpetual	530	0.10
GBP 4,200,000	Électricité de France 6.00% Perpetual	4,588	0.89
GBP 1,561,000	Orange 5.75% Perpetual	1,735	0.33
		13,445	2.59
	<b>Germany 5.94% (15/04/2017: 5.06%)</b>		
	<b>Fixed Rate Bond 5.22% (15/04/2017: 4.22%)</b>		
GBP 2,150,000	Aroundtown 3.00% 16/10/2029	2,101	0.40
GBP 4,954,000	Deutsche Telekom International Finance 6.50% 08/04/2022	6,011	1.16
GBP 1,150,000	E.ON International Finance 5.875% 30/10/2037	1,623	0.31
GBP 1,800,000	E.ON International Finance 6.375% 07/06/2032	2,530	0.49
GBP 3,200,000	innogy Finance 4.75% 31/01/2034	3,895	0.75

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Germany (continued)</b>		
	<b>Fixed Rate Bond (continued)</b>		
GBP 1,300,000	innogy Finance 5.50% 06/07/2022	1,525	0.29
GBP 1,550,000	innogy Finance 6.125% 06/07/2039	2,258	0.43
GBP 3,545,000	innogy Finance 6.25% 03/06/2030	4,816	0.93
GBP 2,400,000	Volkswagen Financial Services 1.50% 12/04/2021	2,388	0.46
		<u>27,147</u>	<u>5.22</u>
	<b>Variable Rate Bond 0.72% (15/04/2017: 0.84%)</b>		
GBP 1,700,000	Munich Reinsurance 6.625% 26/05/2042	2,016	0.39
GBP 1,600,000	RWE Finance 7.00% Perpetual	1,708	0.33
		<u>3,724</u>	<u>0.72</u>
	<b>Hong Kong 0.29% (15/04/2017: 0.28%)</b>		
	<b>Variable Rate Bond 0.29% (15/04/2017: 0.28%)</b>		
GBP 1,500,000	HSBC Holdings 6.375% 18/10/2022	1,500	0.29
	<b>Iceland 0.00% (15/04/2017: 0.00%)</b>		
	<b>Asset Backed 0.00% (15/04/2017: 0.00%)</b>		
GBP 1,625,000	Singer & Friedlander 7.5% 13/11/2019#	-	-
	<b>Ireland 0.63% (15/04/2017: 0.02%)</b>		
	<b>Fixed Rate Bond 0.63% (15/04/2017: 0.02%)</b>		
GBP 1,700,000	Ardagh Packaging Finance 4.75% 15/07/2027	1,714	0.34
GBP 1,500,000	Bank of Ireland 3.125% 19/09/2027	1,480	0.28
GBP 3,350,000	Lambay Capital Securities 6.25% Perpetual*	75	0.01
		<u>3,269</u>	<u>0.63</u>
	<b>Italy 1.34% (15/04/2017: 0.83%)</b>		
	<b>Fixed Rate Bond 1.27% (15/04/2017: 0.83%)</b>		
GBP 2,250,000	Enel Finance International 5.625% 14/08/2024	2,726	0.52
GBP 600,000	Enel Finance International 5.75% 14/09/2040	809	0.16
GBP 1,000,000	Enel Finance International 5.75% 22/06/2037	1,332	0.26
GBP 1,232,698	Parmalat Capital Finance 9.375% Perpetual#	-	-
GBP 1,700,000	Telecom Italia 7.375% 15/12/2017	1,717	0.33
		<u>6,584</u>	<u>1.27</u>
	<b>Variable Rate Bond 0.07% (15/04/2017: 0.00%)</b>		
GBP 315,000	Enel 6.625% 15/09/2076	356	0.07
	<b>Netherlands 2.31% (15/04/2017: 0.98%)</b>		
	<b>Fixed Rate Bond 1.81% (15/04/2017: 0.49%)</b>		
GBP 1,600,000	ABN AMRO Bank 1.00% 30/06/2020	1,592	0.31
GBP 1,100,000	ABN AMRO Bank 1.00% 30/06/2020	1,095	0.21
GBP 2,900,000	ABN AMRO Bank 1.375% 07/06/2022	2,890	0.55
GBP 1,900,000	Rabobank Nederland 4.625% 23/05/2029	2,161	0.41
GBP 1,250,000	Rabobank Nederland 6.91% Perpetual	1,697	0.33
		<u>9,435</u>	<u>1.81</u>
	<b>Variable Rate Bond 0.50% (15/04/2017: 0.49%)</b>		
GBP 2,500,000	ING Bank FRN 29/05/2023	2,582	0.50

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Spain 0.32% (15/04/2017: 0.31%)</b>		
	<b>Fixed Rate Bond 0.32% (15/04/2017: 0.31%)</b>		
GBP 1,250,000	Iberdrola Finanzas 7.375% 29/01/2024	1,640	0.32
	<b>Sweden 1.02% (15/04/2017: 0.22%)</b>		
	<b>Fixed Rate Bond 1.02% (15/04/2017: 0.22%)</b>		
GBP 1,950,000	Akelius Residential Property 2.375% 15/08/2025	1,905	0.37
GBP 2,200,000	Swedbank 1.25% 29/12/2021	2,193	0.42
GBP 750,000	Vattenfall 6.875% 15/04/2039	1,186	0.23
		5,284	1.02
	<b>Switzerland 1.35% (15/04/2017: 1.10%)</b>		
	<b>Fixed Rate Bond 0.62% (15/04/2017: 0.41%)</b>		
GBP 1,100,000	Credit Suisse 2.125% 12/09/2025	1,084	0.21
GBP 1,026,000	Credit Suisse 2.75% 08/08/2025	1,048	0.20
GBP 1,100,000	LafargeHolcim Sterling Finance 3.00% 12/05/2032	1,072	0.21
		3,204	0.62
	<b>Stepped Rate Bond 0.16% (15/04/2017: 0.16%)</b>		
GBP 725,000	Glencore Finance 6.00% 03/04/2022	838	0.16
	<b>Variable Rate Bond 0.57% (15/04/2017: 0.53%)</b>		
GBP 2,500,000	Zurich Finance UK 6.625% Perpetual	2,964	0.57
	<b>United Kingdom 54.72% (15/04/2017: 60.46%)</b>		
	<b>Asset Backed 1.73% (15/04/2017: 1.89%)</b>		
GBP 600,000	Arqiva Financing 4.882% 31/12/2032	676	0.13
GBP 2,388,487	Delamare Finance 5.5457% 19/02/2029	2,646	0.50
GBP 402,547	Greene King Finance 4.0643% 15/03/2035	436	0.08
GBP 241,740	Juturna 5.0636% 10/08/2033	293	0.06
GBP 2,011,776	Longstone Finance 4.791% 19/04/2036	2,318	0.45
GBP 2,145,083	White City Property Finance 5.1202% 17/04/2035	2,646	0.51
		9,015	1.73
	<b>Fixed Rate Bond 45.00% (15/04/2017: 49.50%)</b>		
GBP 3,653,000	AA Bond 2.875% 31/01/2022	3,686	0.71
GBP 2,000,000	AA Bond 4.248% 31/07/2020	2,111	0.41
GBP 730,000	AA Bond 5.50% 31/07/2022	754	0.15
GBP 1,520,000	Anglian Water Services Finance 4.50% 22/02/2026	1,725	0.33
GBP 2,000,000	Anglian Water Services Financing 1.625% 10/08/2025	1,954	0.38
GBP 1,600,000	Anglian Water Services Financing 2.625% 15/06/2027	1,569	0.30
GBP 1,400,000	Annington Funding 2.646% 12/07/2025	1,410	0.27
GBP 700,000	Annington Funding 3.184% 12/07/2029	708	0.14
GBP 2,270,000	Annington Funding 3.685% 12/07/2034	2,341	0.45
GBP 700,000	Annington Funding 3.935% 12/07/2047	745	0.14
GBP 3,500,000	Arqiva Broadcast Finance 9.50% 31/03/2020	3,697	0.71
GBP 2,000,000	Arqiva Financing 4.04% 30/06/2020	2,108	0.41
GBP 2,300,000	A2Dominion 3.50% 15/11/2028	2,339	0.45
GBP 1,330,000	BAA Funding 6.00% 20/03/2020	1,474	0.28
GBP 5,750,000	BAA Funding 6.75% 03/12/2026	7,776	1.49
GBP 2,800,000	BAA Funding 7.125% 14/02/2024	3,543	0.68
GBP 915,000	Bank of Scotland 6.375% 19/08/2019	997	0.19
GBP 2,600,000	Bank of Scotland 9.375% 15/05/2021	3,274	0.63
GBP 1,227,000	Barclays Bank 9.50% 07/08/2021	1,539	0.30

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond (continued)</b>			
GBP 3,100,000	Barclays 2.375% 06/10/2023	3,100	0.60
GBP 3,100,000	Barclays 3.125% 17/01/2024	3,204	0.62
GBP 1,810,000	BAT International Finance 1.75% 05/07/2021	1,826	0.35
GBP 3,800,000	BAT International Finance 4.00% 04/09/2026	4,239	0.82
GBP 4,800,000	BAT International Finance 6.375% 12/12/2019	5,321	1.02
GBP 3,000,000	BUPA Finance 5.00% 08/12/2026	3,401	0.65
GBP 500,000	BUPA Finance 5.00% 25/04/2023	561	0.11
GBP 6,428,000	Cattles 6.875% Perpetual#	-	-
GBP 7,250,000	Cattles 7.125% 05/07/2017#	-	-
GBP 2,600,000	Centrica 7.00% 19/09/2018	2,741	0.53
GBP 600,000	Channel Link Enterprises Finance FRN 30/06/2050	597	0.11
GBP 400,000	Channel Link Enterprises Finance 3.848% 30/06/2050	423	0.08
GBP 2,570,000	Coventry Building Society 5.875% 28/09/2022	3,069	0.59
GBP 1,200,000	Coventry Building Society 6.00% 16/10/2019	1,313	0.25
GBP 2,730,000	CPUK Finance 2.666% 28/02/2020	2,799	0.54
GBP 1,600,000	CPUK Finance 4.25% 28/08/2022	1,634	0.31
GBP 300,000	CPUK Finance 4.875% 28/08/2025	305	0.06
GBP 3,700,000	Dunfermline Building Society 6.00% 31/03/2015#	-	-
GBP 837,000	Dwr Cymru Financing 6.015% 31/03/2028	1,135	0.22
GBP 2,174,000	Eastern Power Networks 4.75% 30/09/2021	2,449	0.47
GBP 1,750,000	Eastern Power Networks 5.75% 08/03/2024	2,134	0.41
GBP 3,300,000	EE Finance 4.375% 28/03/2019	3,450	0.66
GBP 2,950,000	Experian Finance 4.75% 23/11/2018	3,070	0.59
GBP 3,021,000	FirstGroup 8.125% 19/09/2018	3,211	0.62
GBP 1,500,000	Friends Life Holdings 8.25% 21/04/2022	1,903	0.37
GBP 1,600,000	Gatwick Funding 3.125% 28/09/2039	1,605	0.31
GBP 1,000,000	GKN 3.375% 12/05/2032	990	0.19
GBP 1,990,000	GKN 5.375% 19/09/2022	2,303	0.44
GBP 1,200,000	GlaxoSmithKline Capital 4.25% 18/12/2045	1,532	0.29
GBP 800,000	GlaxoSmithKline Capital 5.25% 19/12/2033	1,087	0.21
GBP 2,010,000	GlaxoSmithKline Capital 6.375% 09/03/2039	3,163	0.61
GBP 2,300,000	Global Switch Holdings 4.375% 13/12/2022	2,555	0.49
GBP 2,100,000	Go-Ahead 2.50% 06/07/2024	2,077	0.40
GBP 2,285,000	Great Rolling Stock 6.25% 27/07/2020	2,567	0.49
GBP 1,800,000	Heathrow Funding 2.75% Perpetual	1,680	0.32
GBP 1,000,000	HSBC Bank 4.75% 24/03/2046	1,260	0.24
GBP 3,600,000	HSBC Bank 5.375% 22/08/2033	4,623	0.89
GBP 300,000	HSBC Bank 6.25% 30/01/2041	441	0.08
GBP 450,000	HSBC Holdings 6.00% 29/03/2040	604	0.12
GBP 2,150,000	HSBC Holdings 7.00% 07/04/2038	3,161	0.61
GBP 700,000	Imperial Tobacco Finance 4.875% 07/06/2032	832	0.16
GBP 1,863,000	Imperial Tobacco Finance 5.50% 28/09/2026	2,281	0.44
GBP 592,000	Imperial Tobacco Finance 7.75% 24/06/2019	655	0.13
GBP 2,200,000	Imperial Tobacco Finance 9.00% 17/02/2022	2,857	0.55
GBP 200,000	Land Securities Capital Markets 2.625% 22/09/2037	198	0.04
GBP 1,229,000	Legal & General 5.375% 27/10/2045	1,362	0.26
GBP 2,300,000	Lloyds Bank 6.50% 17/09/2040	3,685	0.71
GBP 500,000	Lloyds Bank 7.50% 15/04/2024	668	0.13
GBP 3,339,000	Lloyds Bank 7.625% 22/04/2025	4,455	0.86
GBP 700,000	London Power Networks 6.125% 07/06/2027	922	0.18
GBP 3,110,000	Motability Operations 3.625% 10/03/2036	3,520	0.68
GBP 2,200,000	National Grid Gas Finance 2.625% 22/09/2038	2,070	0.40
GBP 1,610,000	National Westminster Bank 6.50% 07/09/2021	1,875	0.36
GBP 1,148,000	Nationwide Building Society 3.00% 06/05/2026	1,215	0.23
GBP 575,000	Nationwide Building Society 8.625% 29/03/2018	595	0.11



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond (continued)</b>			
GBP 1,900,000	Northumbrian Water Finance 1.625% 11/10/2026	1,810	0.35
GBP 1,400,000	Pennon 2.875% Perpetual	1,409	0.27
GBP 1,400,000	Pension Insurance 6.50% 03/07/2024	1,536	0.30
GBP 3,550,000	PGH Capital 4.125% 20/07/2022	3,722	0.72
GBP 3,000,000	Places for People Treasury 2.875% 17/08/2026	2,926	0.56
GBP 2,000,000	Prudential 5.00% 20/07/2055	2,138	0.41
GBP 1,700,000	RAC Bond 4.565% 06/05/2023	1,832	0.35
GBP 1,600,000	RAC Bond 4.87% 06/05/2026	1,751	0.34
GBP 3,570,000	Royal Bank of Scotland 6.625% 17/09/2018	3,751	0.72
GBP 6,010,000	Santander UK 1.875% 17/02/2020	6,114	1.17
GBP 5,100,000	Scottish Widows 5.50% 16/06/2023	5,704	1.10
GBP 600,000	Scottish Widows 7.00% 16/06/2043	771	0.15
GBP 2,800,000	Severn Trent Water Utilities 3.625% 16/01/2026	3,092	0.59
GBP 1,630,000	Society of Lloyd's 4.475% 30/10/2024	1,798	0.35
GBP 1,900,000	SP Manweb 4.875% 20/09/2027	2,312	0.44
GBP 2,120,000	Standard Chartered Bank 5.12% 06/06/2034	2,314	0.45
GBP 298,000	Tesco 5.50% 13/01/2033	334	0.06
GBP 2,740,000	Tesco 6.00% 14/12/2029	3,235	0.62
GBP 2,061,000	Tesco 6.125% 24/02/2022	2,373	0.46
GBP 3,800,000	Thames Water Utilities Cayman Finance 4.00% 19/06/2025	4,260	0.82
GBP 2,800,000	TP ICAP 5.25% 26/01/2024	2,989	0.58
GBP 1,720,000	UK Treasury 4.50% 07/09/2034	2,399	0.46
GBP 1,390,000	UK Treasury 4.50% 07/12/2042	2,097	0.40
GBP 2,800,000	Vodafone 3.00% 12/08/2056	2,371	0.46
GBP 2,100,000	Vodafone 3.375% Perpetual	1,921	0.37
GBP 1,700,000	Wessex Water Services Finance 4.00% 24/09/2021	1,872	0.36
GBP 1,700,000	Western Power Distribution East Midlands 5.25% 17/01/2023	1,985	0.38
GBP 1,100,000	Western Power Distribution South Wales 5.75% 23/03/2040	1,587	0.31
GBP 700,000	Western Power Distribution South West 5.75% 23/03/2040	1,010	0.19
GBP 2,360,000	Whitbread 3.375% 16/10/2025	2,470	0.48
GBP 2,647,000	WM Morrison Supermarkets 3.50% 27/07/2026	2,819	0.54
GBP 2,500,000	WM Morrison Supermarkets 4.75% 04/07/2029	2,891	0.56
GBP 1,700,000	Yorkshire Water Services 3.75% 22/03/2046	1,798	0.35
		<b>233,864</b>	<b>45.00</b>
<b>Stepped Rate Bond 0.20% (15/04/2017: 0.18%)</b>			
GBP 845,000	Standard Life 6.75% Perpetual	1,034	0.20
<b>Variable Rate Bond 7.79% (15/04/2017: 8.89%)</b>			
GBP 2,455,000	Aviva FRN 04/06/2050	2,667	0.51
GBP 800,000	Aviva 4.375% Perpetual	826	0.16
GBP 2,000,000	Aviva 6.125% Perpetual	2,265	0.44
GBP 1,110,000	Aviva 6.125% 14/11/2036	1,303	0.25
GBP 2,069,000	Aviva 6.625% 03/06/2041	2,359	0.45
GBP 1,427,000	Aviva 6.875% 20/05/2058	1,892	0.36
GBP 2,418,000	Barclays Bank 6.75% 16/01/2023	2,451	0.47
GBP 2,000,000	BG Energy Capital 6.50% 30/11/2072	2,013	0.39
GBP 3,005,000	CYBG 5.00% 09/02/2026	3,144	0.60
GBP 1,493,000	HBOS Capital Funding 6.461% Perpetual	1,567	0.30
GBP 1,775,000	HSBC Bank 5.375% 04/11/2030	2,130	0.41
GBP 3,789,000	HSBC Bank 5.844% Perpetual	4,898	0.95
GBP 3,234,000	National Grid Finance 5.625% 18/06/2073	3,660	0.70
GBP 1,620,000	Prudential 5.70% 19/12/2063	1,853	0.36
GBP 1,945,000	RSA Insurance VAR 10/10/2045	2,165	0.42



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Variable Rate Bond (continued)</b>			
GBP 2,400,000	Southern Water Services 4.50% 31/03/2038	2,627	0.51
GBP 2,370,000	Standard Life 5.50% 04/12/2042	2,658	0.51
		<u>40,478</u>	<u>7.79</u>
<b>United States 19.32% (15/04/2017: 19.72%)</b>			
<b>Fixed Rate Bond 19.32% (15/04/2017: 19.72%)</b>			
GBP 2,700,000	Amgen 4.00% 13/09/2029	3,055	0.59
GBP 1,000,000	Apple 3.05% 31/07/2029	1,091	0.21
GBP 2,000,000	Apple 3.60% 31/07/2042	2,329	0.45
GBP 2,200,000	AT&T 3.55% 14/09/2037	2,103	0.40
GBP 1,718,000	AT&T 4.25% 01/06/2043	1,786	0.34
GBP 4,000,000	AT&T 4.375% 14/09/2029	4,446	0.86
GBP 2,200,000	AT&T 4.875% 01/06/2044	2,507	0.48
GBP 500,000	AT&T 7.00% 30/04/2040	723	0.14
GBP 3,000,000	Bank of America 2.30% 25/07/2025	2,999	0.58
GBP 3,270,000	Bank of America 5.50% 04/12/2019	3,565	0.69
GBP 1,600,000	Bank of America 6.125% 15/09/2021	1,869	0.36
GBP 4,000,000	Bank of America 7.00% 31/07/2028	5,611	1.08
GBP 1,750,000	Citigroup 5.15% 21/05/2026	2,121	0.41
GBP 3,102,000	Citigroup 6.80% 25/06/2038	4,892	0.94
GBP 996,000	Citigroup 7.625% 03/04/2018	1,027	0.20
GBP 2,080,000	Digital Stout 2.75% 19/07/2024	2,102	0.40
GBP 2,100,000	Digital Stout 4.75% 13/10/2023	2,359	0.45
GBP 1,100,000	Fidelity National Information Services 1.70% 30/06/2022	1,094	0.21
GBP 4,112,000	GE Capital UK Funding 5.875% 18/01/2033	5,817	1.11
GBP 387,000	General Electric Capital 4.875% 18/09/2037	500	0.10
GBP 1,400,000	General Electric Capital 5.25% 07/12/2028	1,800	0.35
GBP 5,000,000	Goldman Sachs 4.25% 29/01/2026	5,586	1.07
GBP 1,496,000	Goldman Sachs 6.875% 18/01/2038	2,165	0.42
GBP 1,002,000	Goldman Sachs 7.25% 10/04/2028	1,392	0.27
GBP 2,450,000	Johnson & Johnson 5.50% 06/11/2024	3,094	0.60
GBP 1,590,000	JPMorgan Chase 1.875% 10/02/2020	1,620	0.31
GBP 2,700,000	McKesson 3.125% 17/02/2029	2,720	0.52
GBP 4,300,000	Morgan Stanley 2.625% 09/03/2027	4,308	0.83
GBP 400,000	Time Warner Cable 5.25% 15/07/2042	456	0.09
GBP 3,300,000	Time Warner Cable 5.75% 02/06/2031	3,913	0.75
GBP 2,780,000	Verizon Communications 4.073% 18/06/2024	3,088	0.59
GBP 698,000	Wal-Mart Stores 4.875% 19/01/2039	946	0.18
GBP 1,800,000	Wal-Mart Stores 5.625% 27/03/2034	2,544	0.49
GBP 3,000,000	Wal-Mart Stores 5.75% 19/12/2030	4,158	0.80
GBP 2,800,000	Wells Fargo 1.375% 30/06/2022	2,764	0.53
GBP 2,100,000	Wells Fargo 2.00% 28/07/2025	2,073	0.40
GBP 3,600,000	Wells Fargo 5.25% 01/08/2023	4,243	0.82
GBP 1,600,000	Westfield America Management 2.625% 30/03/2029	1,544	0.30
		<u>100,410</u>	<u>19.32</u>
<b>Derivatives 0.00% (15/04/2017: 0.00%)</b>			
<b>Futures 0.00% (15/04/2017: 0.00%)</b>			
32	ICE Long Gilt December 2017	4	-
<b>Investment assets</b>			
	Other net assets	22,200	4.27
	<b>Total net assets</b>	<b>519,674</b>	<b>100.00</b>

~ Suspended, delisted or unquoted securities

\* Manually priced securities

# Defaulted

## Credit ratings

<b>Investment</b> <b>15/10/17</b>	<b>Market value £000</b>	<b>Percentage of total net assets %</b>
Investment grade (AAA - BBB)	450,946	86.78
Below investment grade (BB and below)	33,657	6.48
Unrated	12,392	2.38
<b>Total debt securities</b>	<b>496,995</b>	<b>95.64</b>
Equities	475	0.09
Derivatives	4	-
<b>Investment assets</b>	<b>497,474</b>	<b>95.73</b>
Other net assets	22,200	4.27
<b>Total net assets</b>	<b>519,674</b>	<b>100.00</b>

<b>Investment</b> <b>15/04/17</b>	<b>Market value £000</b>	<b>Percentage of total net assets %</b>
Investment grade (AAA - BBB)	479,568	88.68
Below investment grade (BB and below)	24,638	4.55
Unrated	10,879	2.01
<b>Total debt securities</b>	<b>515,085</b>	<b>95.24</b>
Equities	569	0.11
<b>Investment assets</b>	<b>515,654</b>	<b>95.35</b>
Other net assets	25,130	4.65
<b>Total net assets</b>	<b>540,784</b>	<b>100.00</b>

## Statement of total return (unaudited) for the six months ended 15 October 2017

	15/10/17		15/10/16	
	£000	£000	£000	£000
Income				
Net capital (losses)/gains		(1,532)		33,882
Revenue	9,396		11,111	
Expenses	(2,628)		(3,043)	
Net revenue before taxation	6,768		8,068	
Taxation	-		-	
Net revenue after taxation		6,768		8,068
Total return before distributions		5,236		41,950
Distributions		(6,769)		(8,068)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(1,533)</b>		<b>33,882</b>

## Statement of change in net assets attributable to unitholders

(unaudited) for the six months ended 15 October 2017

	15/10/17		Restated 15/10/16	
	£000	£000	£000	£000
<b>Opening net assets attributable to unitholders*</b>		<b>540,784</b>		<b>572,011</b>
Amounts receivable on issue of units^	596		1,052	
Amounts payable on cancellation of units^	(25,108)		(46,121)	
		(24,512)		(45,069)
Dilution adjustment^		77		198
Change in net assets attributable to unitholders from investment activities		(1,533)		33,882
Retained distributions on accumulation units		4,830		4,418
Unclaimed distributions		28		33
<b>Closing net assets attributable to unitholders</b>		<b>519,674</b>		<b>565,473</b>

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

^ Prior period restated, see page 17 for details

## Balance sheet (unaudited) as at 15 October 2017

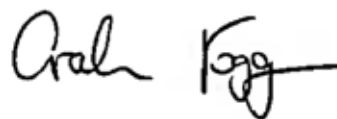
	15/10/17 £000	15/04/17 £000
<b>Assets:</b>		
Investments	497,474	515,654
Current assets:		
Debtors	18,517	19,933
Cash and bank balances	17,750	20,786
<b>Total assets</b>	<b>533,741</b>	<b>556,373</b>
<b>Liabilities:</b>		
Creditors:		
Amounts held at derivatives clearing houses and brokers	4	-
Bank overdrafts	4,370	5,031
Distribution payable	905	976
Other creditors	8,788	9,582
<b>Total liabilities</b>	<b>14,067</b>	<b>15,589</b>
<b>Net assets attributable to unitholders</b>	<b>519,674</b>	<b>540,784</b>

## Directors' statement

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



C Chaloner  
(Director)



G Foggin  
(Director)

5 December 2017

## Notes to the financial statements (unaudited) for the six months ended 15 October 2017

### Accounting policies

The accounting policies, distribution policy and potential risks are consistent with those of the financial statements for the year ended 15 April 2017 and are described in those annual accounts with the exception of the policy below.

A prior period adjustment has been made to the Statement of change in net asset attributable to unitholders on page 15 to show Dilution adjustments of £197,534 charged on the issue and cancellation of units separately. Of the £197,534 adjustment, £1,914 was previously included in Amounts receivable on issue of units and £195,620 was previously included in Amounts payable on cancellation of units in the Statement of change in net assets attributable to unitholders.

## Distribution tables for the six months ended 15 October 2017 (in pence per unit)

### Interim interest distribution (accounting date 15 July 2017, paid on 15 September 2017)

Group 1: units purchased prior to 16 April 2017

Group 2: units purchased on or after 16 April 2017

	Distribution per unit	Equalisation	Distribution paid 15/09/17	Distribution paid 15/09/16*
<b>Accumulation units</b>				
Group 1	1.2416	-	1.2416	1.2900
Group 2	0.4859	0.7557	1.2416	1.2900
<b>Income units</b>				
Group 1	0.3731	-	0.3731	0.3954
Group 2	0.1368	0.2363	0.3731	0.3954
<b>Class I accumulation</b>				
Group 1	0.9229	-	0.9229	0.9338
Group 2	0.4008	0.5221	0.9229	0.9338
<b>Class I income</b>				
Group 1	0.8044	-	0.8044	0.8349
Group 2	0.3636	0.4408	0.8044	0.8349

\*Distributions prior to 6 April 2017 are shown net of 20% income tax.

### Interim interest distribution (accounting date 15 October 2017, paid on 15 December 2017)

Group 1: units purchased prior to 16 July 2017

Group 2: units purchased on or after 16 July 2017

	Distribution per unit	Equalisation	Distribution paid 15/12/17	Distribution paid 15/12/16*
<b>Accumulation units</b>				
Group 1	1.2335	-	1.2335	0.7348
Group 2	0.5897	0.6438	1.2335	0.7348
<b>Income units</b>				
Group 1	0.3685	-	0.3685	0.2238
Group 2	0.0906	0.2779	0.3685	0.2238
<b>Class I accumulation</b>				
Group 1	0.9224	-	0.9224	0.6214
Group 2	0.4852	0.4372	0.9224	0.6214
<b>Class I income</b>				
Group 1	0.7982	-	0.7982	0.5514
Group 2	0.3099	0.4883	0.7982	0.5514

\*Distributions prior to 6 April 2017 are shown net of 20% income tax.

## Appendix - Additional information (unaudited)

### Securities Financing Transactions

The fund engages in Securities Financing Transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the fund's involvement in and exposures related to securities lending for the period ended 15 October 2017 are detailed below.

### Global Data

The table lists the amount of securities on loan as a proportion of total lendable assets and the fund's assets under management (AUM) as at 15 October 2017:

Stock lending			
Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Henderson Sterling Bond Unit Trust	20,502	4.12%	3.95%

### Concentration Data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for the fund as at 15 October 2017:

Issuer	Market value of collateral received £000
KFW	17,608
UK Treasury	1,873
RATP	543
Vodafone	140
Banque Europeenne D'Investissement	138
Banco Santander Central Hispano	116
Government of France	94
Haitong Securities	58
Petrochina	56
Rio Tinto AUD	47

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for the fund as at 15 October 2017:

Counterparty	Market value of securities on loan £000	Settlement basis
Barclays	1,889	Tri-party
J P Morgan	18,613	Tri-party
	<b>20,502</b>	

All counterparties have been included

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

### Securities Financing Transactions (continued)

#### Aggregate transaction data

The following tables provide an analysis of the collateral received by the fund in respect of each type of SFTs as at 15 October 2017:

Counterparty	Counterparty country of origin	Type	Quality	Collateral CCY	Settlement basis	Custodian	Market value of collateral received £000
Barclays	United Kingdom	Government Bond	Investment grade	EUR	Triparty	BNP Paribas	94
Barclays	United Kingdom	Government Bond	Investment grade	GBP	Triparty	BNP Paribas	1,873
J P Morgan	United States	Corporate Bond	Investment grade	EUR	Triparty	BNP Paribas	18,192
J P Morgan	United States	Corporate Bond	Investment grade	GBP	Triparty	BNP Paribas	138
J P Morgan	United States	Equity	Main market listing	AUD	Triparty	BNP Paribas	78
J P Morgan	United States	Equity	Main market listing	CHF	Triparty	BNP Paribas	183
J P Morgan	United States	Equity	Main market listing	DKK	Triparty	BNP Paribas	24
J P Morgan	United States	Equity	Main market listing	EUR	Triparty	BNP Paribas	352
J P Morgan	United States	Equity	Main market listing	GBP	Triparty	BNP Paribas	253
J P Morgan	United States	Equity	Main market listing	HKD	Triparty	BNP Paribas	332
J P Morgan	United States	Equity	Main market listing	JPY	Triparty	BNP Paribas	34
J P Morgan	United States	Equity	Main market listing	NOK	Triparty	BNP Paribas	47
J P Morgan	United States	Equity	Main market listing	SEK	Triparty	BNP Paribas	4
J P Morgan	United States	Equity	Main market listing	USD	Triparty	BNP Paribas	62
							<b>21,666</b>

All collateral is held in segregated accounts.

The lending and collateral transactions are on an open basis and can be recalled on demand.

#### Re-use of collateral

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

#### Return and cost on securities lending activities

The following table details the fund's return and costs for each type of SFTs for the period ending 15 October 2017:

Stock lending					
Fund	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	% return of the securities lending agent	Net stock lending revenue retained by the fund £000	% return of the fund
Henderson Sterling Bond Unit Trust	9	1	15%	8	85%



## Further information

### Unitholder enquiries

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

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

The following line is also available:

Client Services: **0800 832 832**

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

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





## Important Information

Janus Henderson Investors is the name under which Janus Capital International Limited (reg no. 3594615), Henderson Global Investors Limited (reg. no. 906355), Henderson Investment Funds Limited (reg. no. 2678531), Henderson Investment Management Limited (reg. no. 1795354), AlphaGen Capital Limited (reg. no. 962757), Henderson Equity Partners Limited (reg. no. 2606646), Gartmore Investment Limited (reg. no. 1508030), (each incorporated and registered in England and Wales with registered office 201 Bishopsgate, London EC2M 3AE) are authorised and regulated by the Financial Conduct Authority to provide investment products and services. Telephone calls may be recorded and monitored.

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