



ANNUAL REPORT & ACCOUNTS

for the year ended
30 September 2017

Janus Henderson
— INVESTORS —

Henderson OEIC

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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Authorised Corporate Director's (ACD) report

We are pleased to present the Annual Report and Accounts for Henderson OEIC (the "company") for the year ended 30 September 2017.

Authorised Status

The company is an open-ended investment company with variable capital incorporated in Scotland under registered number SI3 and authorised by the Financial Conduct Authority (FCA) with effect from 26 May 1998.

Shareholders are not liable for the debts of the company.

The company is structured as an umbrella company comprising 2 sub-funds ("funds"). 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 policy applicable to that fund.

The objectives of each fund are stated within the pages of this report relating to that fund.

The company is a UCITS Scheme complying with chapter 5 of the Collective Investment Scheme Sourcebook (COLL) issued by the Financial Conduct Authority.

Fund Liabilities

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

Other information

On 4 June 2015, the ACD transferred the assets and liabilities of Henderson European Special Situations fund by a Scheme of Arrangement into FP CRUX European Special Situations Fund.


The fund has remained open to recover outstanding withholding tax reclaims which will be paid to FP CRUX European Special Situations Fund. The fund will be wound up when these are recovered.

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

On 15 December 2017, the company changed its name from Henderson OEIC to Janus Henderson OEIC.

Director's statement

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 report and financial statements on behalf of the Directors of Henderson Investment Funds Limited.



C Chaloner
(Director)

19 December 2017

Authorised Corporate Director's (ACD) report

Service Providers

	Name	Address	Regulator
Authorised Corporate Director (ACD)	Henderson Investment Funds Limited Member of The Investment Association The ultimate holding company is Janus Henderson Group plc	Registered Office: 201 Bishopsgate, London EC2M 3AE. Registered in England No 2678531 Telephone - 020 7818 1818 Dealing - 0845 608 8703 Enquiries - 0800 832 832	Authorised and regulated by the Financial Conduct Authority
Directors of the ACD	C Chaloner G Foggin G Kitchen H J de Sausmarez M Skinner (to 29.06.17) P Wagstaff R Chaudhuri (from 27.09.17)		
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	DST Financial Services Europe Limited	DST House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
Depository	National Westminster Bank plc 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
Independent Auditor	PricewaterhouseCoopers LLP	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
Legal Adviser	Eversheds LLP	One Wood Street London EC2V 7WS	The Law Society

Statement of Authorised Corporate Director's (ACD) responsibilities of Henderson OEIC

for the year ended 30 September 2017

The Financial Conduct Authority's Collective Investment Schemes sourcebook requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland), of the financial affairs of the Company and of its revenue 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 Statement of Recommended Practice for Authorised Funds issued by the Investment Managers Association (IMA) in May 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements, as prepared by Henderson Investment Fund Limited, comply with the above requirements;
- make judgements and estimates that are reasonable and prudent; 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.

The ACD confirms that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 September 2017. The ACD also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis with the exception of the one sub-fund listed on the Basis of accounting note on page 7. The European Special Situations Fund has been prepared on a basis other than going concern as it merged with FP CRUX European Special Situations Fund on 4 June 2015.

Statement of the Depositary's responsibilities and report of the Depositary to the Shareholders of Henderson OEIC (the "Company") for the year ended 30 September 2017

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 carried out in accordance with the Regulations;
- The value of shares of the Company are 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 Authorised Fund Manager ("the AFM") 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 AFM:

- (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.

National Westminster Plc
London
19 December 2017

Independent Auditor's report to the shareholders of Henderson OEIC (the "Company")

for the year ended 30 September 2017

Report on the audit of the financial statements

Opinion

In our opinion, Henderson OEIC's financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 September 2017 and of the net revenue and the net capital gains 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.

Henderson OEIC (the "company") is an Open Ended Investment Company ('OEIC') with 2 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 (the "Annual Report"), which comprise: the balance sheets as at 30 September 2017; the statement of total return, and the statement of change in net assets attributable to shareholders; 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 – Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the basis of accounting for Henderson European Special Situations Fund which ceased investment activity on 4 June 2015 by transferring the assets and liabilities of Henderson European Special Situations Fund by a Scheme of Arrangement to FP CRUX European Special Situations Fund. The fund has remained open to recover outstanding withholding tax claims which will be paid to FP CRUX European Special Situations Fund. The fund will be wound up when these are recovered and paid. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements for this sub-fund have been prepared on a basis other than going concern as described in Note 1. Costs in relation to the termination of the fund will be met by the ACD of the FP Crux European Special Situations Fund. No adjustments were necessary in the sub-fund's financial statements to adjust the assets or liabilities to their realisable values or to reclassify long-term assets and liabilities as current assets and liabilities.

Conclusions relating to going concern

With the exception of the circumstances described in the Emphasis of Matter – Basis of preparation paragraph above regarding the sub-fund, Henderson European Special Situations Fund, we have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised 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.

Independent Auditor's report to the Shareholders of Henderson OEIC ("the Company")

(continued)

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

Authorised Corporate Director's Report

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

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Directors' Responsibilities set out on page 5, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

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

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow

19 December 2017

1 Accounting policies

(a) Basis of preparation

The financial statements of Henderson OEIC (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 Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association ('IMA') in May 2014 (the 'SORP'), the Financial Reporting Standard 102 ('FRS 102'), the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('COLL') and the Company's Instrument of Incorporation.

The financial statements for Henderson Global Financials Fund have been prepared on a going concern basis which is consistent with the prior year financial statements.

On 4 June 2015 the Authorised Corporate Director ('ACD') transferred the assets and liabilities of Henderson European Special Situations Fund by a Scheme of Arrangement to FP CRUX European Special Situations Fund. The fund has remained open to recover outstanding withholding tax claims which will be paid to FP CRUX European Special Situations Fund. The fund will be wound up when these have been recovered and paid to FP CRUX European Special Situations Fund. Accordingly the going concern basis of preparation is no longer appropriate for the fund and its financial statements have been prepared on a basis other than going concern. Accruals have been recorded for costs of keeping the fund open until termination. Costs in relation to the termination of the fund will be met by the ACD of the FP Crux European Special Situations Fund. No adjustments have been required to bring assets and liabilities to their realisable value or to reclassify long-term assets and liabilities as current assets and liabilities. The prior year comparative figures have been prepared on a basis other than going concern.

(b) Basis of valuation of investments

The valuation of listed investments has been at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of debt securities, at close of business on the last valuation day of the accounting year (30 September 2017) in accordance with the provisions of the scheme particulars.

Suspended, defaulted, delisted, unquoted or manually priced securities are valued by the ACD taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

(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.

Bank interest is recognised on an accruals basis.

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

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

Dividends received from US REITs are allocated between revenue and capital for distribution purposes. The split is based on the year end tax reporting data issued by the US REIT. Where the split of revenue and capital has not been announced at the accounting date, a provisional split will be used. The provision is calculated on the prior year's aggregated dividend split for each US REIT.

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.

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

(d) Treatment of expenses (including ACD expenses)

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

Aggregated notes to the financial statements (continued)

1 Accounting policies (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 property, calculated as a percentage of the relevant value of the property of each class of each fund. The AMC is accrued on a daily basis by reference to the net asset value of each share class on that dealing day and the amount due for each month is payable on the last working day of the month.

The investment objective of Henderson Global Financials Fund concentrates on the generation of income as a higher priority than capital growth. The ACD and Depositary have agreed that 100% of the AMC for Class A income of this fund is to be taken to capital for the purpose of calculating the distribution, as permitted by the OEIC regulations and in accordance with the Prospectus. The distribution currently payable reflects this treatment together with any associated tax effect.

General Administration Charge

All fees with the exception of the annual management charge, Depositary, professional fees 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.

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

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

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

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

(g) Cash flow statement

The funds are not required to produce a cash flow statement as they meet the exemption criteria set out in FRS102.7.1A.

(h) Treatment of derivatives

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

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

Aggregated notes to the financial statements (continued)

1 Accounting policies (continued)

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.

(i) Dilution adjustment

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

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

Marginal tax relief has been taken into account when determining the amount available for distribution on Henderson Global Financials Fund.

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.

Henderson Global Financial Fund makes both annual for all share classes (31 January) and semi-annual for income only share classes (30 November and 31 May) distributions to shareholders.

In the event that the income yielded is low (generally less than 1% p.a.) the ACD has the discretion not to make an income allocation in respect of a particular interim income allocation date and instead to hold over that payment until the final income allocation 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 only applies to Class A income of Henderson Global Financials 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 its investment objective the funds hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the funds' operations. The funds may also enter into derivatives for the purpose of efficient portfolio management (EPM) only.

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

Aggregated notes to the financial statements (continued)

3 Risk (continued)

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

The risk management systems to which the 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;
- OneSumX (formerly ArcLogics) operational risk database;
- RiskMetrics, UBS Delta, Style Research, FinAnalytica and Barra Aegis for market risk measurement; and
- Bloomberg for market data and price checking.

These are supplemented by an in-house development, the 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, collective investment schemes, money market instruments, cash and deposits and derivatives in pursuance of the investment objectives and policies as set out in the Prospectus. Whilst equity investments carry potential for attractive returns over the longer term, the volatility of these returns can also be relatively high. Additionally, the Henderson Global Financials Fund invests in stocks from specialist sector which can increase volatility.

The funds may use derivatives instruments solely for the purpose of efficient portfolio management, and they are not intended to increase the risk profile of a fund. Efficient portfolio management (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 efficient portfolio management. It is not intended that using derivatives for efficient portfolio management will increase the volatility of the funds and indeed EPM is intended to reduce volatility. In adverse situations, however, a fund's use of derivatives may become ineffective in EPM and a fund may suffer significant loss as a result.

The funds do not employ significant leverage.

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. There a proportion of a fund's assets and income may be denominated in currencies other than sterling (the fund's functional currency in which results are reported). The fund's total return and balance sheet can be significantly affected by currency fluctuations. This risk is managed by the Investment Manager using hedging transactions in line with each fund's investment objective, powers and limits, though this will not eliminate the relevant 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.

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

3 Risk (continued)

Other market price risk

Other 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 as set out in the Prospectus.

(b) Credit and counterparty risk

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

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 broker's financial ratings are periodically reviewed by the Janus Henderson Credit Risk Committee along with set limits and new counterparty approval.

The fund's assets that are held with banks are also exposed to credit risk. The banks used by the funds and ACD are subject to regular reviews. Only counterparties that have been approved by Janus Henderson's Credit Risk Committee are used for derivative transactions and stock lending, as detailed in the individual funds accounts.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook 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.

(c) 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. When investments cannot be realised in time to meet any potential liability, the funds may borrow up to 10% of their value to ensure settlement.

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

4 Cross holdings

There were no cross holdings within the funds of Henderson OEIC at the year end (2016: nil).

Henderson European Special Situations Fund

Authorised Corporate Director's report for the year ended 30 September 2017

On 4 June 2015, the ACD transferred the assets and liabilities of Henderson European Special Situations fund by a Scheme of Arrangement into FP CRUX European Special Situations Fund.

The fund has remained open to recover outstanding withholding tax reclaims which will be paid to FP CRUX European Special Situations Fund. The fund will be wound up when these are recovered.

As there has been no significant activity in the year, standard disclosure relating to the Risk and reward profile, Significant purchases and sales, Comparative tables and Distribution table have not been presented within the financial statements.

Investment objective and policy up to 4 June 2015

The fund aims to achieve long term capital growth by investing in European (excluding the UK) equities of companies in special situations.

The fund aims to achieve its objective primarily through investment in equity securities of European (excluding the UK) companies in special situations where it is believed the company is considered undervalued as well as in other European (excluding the UK) equities to mitigate the volatility of the Fund. The Fund will be able to invest without restriction by market cap or sector.

The fund may also invest in other transferable securities, units or shares in collective investment schemes, money market instruments, cash and near cash, and deposits. Derivatives and forward transactions will be invested in by the Fund for the purposes of efficient portfolio management only.

Investors should note that while the investment objective of the fund is to achieve long term capital growth there may be situations in which an income return is also achieved.

Performance summary

	30 Sep 14- 04 Jun 15	30 Sep 13- 30 Sep 14	30 Sep 12- 30 Sep 13	30 Sep 11- 30 Sep 12	30 Sep 10- 30 Sep 11
	%	%	%	%	%
Henderson European Special Situations Fund	18.5	0.8	27.6	18.1	(6.8)
FTSE World Europe ex UK Index	12.0	6.2	28.3	12.6	(13.6)

Source: Morningstar, bid to bid, net revenue reinvested, net of fees at 12 noon valuation point, GBP, based on Class A accumulation.

The fund merged into the FP CRUX European Special Situations Fund on the 4 June 2015.

Please remember that past performance is not a guide to future performance. The value of an investment and the income 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 30 September 2017

		2017		2016	
	Note	£000	£000	£000	£000
Income					
Net capital gains	2		8		5
Revenue	3	60		243	
Expenses	4	-	-		
Net revenue before taxation		60		243	
Taxation	5	(89)		643	
Net revenue after taxation			(29)		886
Total return before distributions			(21)		891
Distributions			-		-
Change in net assets attributable to shareholders from investment activities			(21)		891

Statement of change in net assets attributable to shareholders

for the year ended 30 September 2017

		2017		2016	
		£000	£000	£000	£000
Opening net assets attributable to shareholders			-		-
Movement in balance payable to FP CRUX European Special Situations Fund		21		(891)	
			21		(891)
Change in net assets attributable to shareholders from investment activities			(21)		891
Closing net assets attributable to shareholders			-		-

* The fund closed following its merger with FP CRUX European Special Situations Fund on 4 June 2015.

Balance sheet as at 30 September 2017

	Note	2017 £000	2016 £000
Assets:			
Current assets:			
Debtors	6	298	693
Cash and bank balances	7	1,650	1,628
Total assets		1,948	2,321
Liabilities:			
Creditors:			
Bank overdrafts		1,471	439
Other creditors	8	477	1,882
Total liabilities		1,948	2,321
Net assets attributable to shareholders		-	-

Notes to the financial statements for the year ended 30 September 2017

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2017 £000	2016 £000
Other currency gains	8	5
Net capital gains	8	5

3 Revenue

	2017 £000	2016 £000
Bank interest	1	2
Interest on overseas withholding tax	51	148
Overseas dividends	8	93
Total revenue	60	243

4 Expenses

There were no expenses in the current year (2016: nil).

The current audit fee is £3,879 (2016: £3,708). Provisions for audit and third party administration expenses in relation to the winding up of Henderson European Special Situations Fund following the fund's merger with FP CRUX European Special Situations Fund on 4 June 2015 were accrued in the year to 30 September 2015.

5 Taxation

(a) Analysis of charge in the year

The tax charge comprises:

	2017 £000	2016 £000
Current tax		
Overseas withholding tax	89	(643)
Total tax (note 5b)	89	(643)

Notes to the financial statements (continued)

5 Taxation (continued)

(b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2016: 20%). The differences are explained below:

	2017 £000	2016 £000
Net revenue before taxation	60	243
Corporation tax at 20% (2016: 20%)	12	49
Effects of:		
Non taxable overseas withholding tax reclaims	(2)	(19)
Overseas withholding tax	89	(643)
Unused management expenses	(10)	(30)
Tax charge for the year (note 5a)	89	(643)

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 (2016: nil).

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £7,057,844 (2016: £7,068,164) 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 in the current or prior year.

Withholding tax reclaims

The fund has filed withholding tax reclaims in respect of withholding tax applied on French dividends during the years 2010 to 2012. An amount of £291,245 (2016: £616,061) has been received in relation to these claims together with £51,380 (2016: £147,736) of interest. The legal costs of pursuing these claims has been borne by the fund.

6 Debtors

	2017 £000	2016 £000
Overseas withholding tax reclaimable	298	693
Total debtors	298	693

7 Cash and bank balances

	2017 £000	2016 £000
Cash and bank balances	1,650	1,628
Total cash and bank balances	1,650	1,628

Notes to the financial statements (continued)

8 Other creditors

	2017 £000	2016 £000
Amounts due to FP CRUX European Special Situations Fund - unfunded*	321	1,722
Accrued other expenses	156	160
Total other creditors	477	1,882

*The amount payable to FP CRUX European Special Situations Fund includes an accrued balance for withholding tax reclaimable, which has been translated into sterling at the year end exchange rate. The ACD will pay out these amounts to FP CRUX European Special Situations Fund when they have been received from the tax authorities.

9 Contingent liabilities and commitments

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

10 Related party transactions

Henderson Investment Funds Limited as ACD to the fund is deemed to be a related party because it provides key management personnel services to the fund. There were no transactions with the ACD in the current or prior year and there were no balances with the ACD held at the end of the current or the prior year.

11 Shareholders funds

The fund is in the process of terminating and has no shareholders at the year end (2016 : nil).

12 Risk

Currency risk

The overseas WHT reclaimable amount is offset by a creditor to the merger host fund and therefore any risk on foreign exchange movements is to the host fund. The fund's exposure to currency risk is therefore 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 proportion of the fund's net assets is cash at bank. However floating rate interest on these balances is received on the net of the cash assets and liabilities and is immaterial. This is consistent with the exposure during the 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
2017				
Bank overdrafts	1,471	-	-	-
Other creditors	-	4	477	-
Total	1,471	4	477	-

Notes to the financial statements (continued)

12 Risk (continued)

Liquidity risk (continued)

	On demand	Within one year	Over one year but not more than five years	Over five years
	£000	£000	£000	£000
2016				
Bank overdrafts	439	-	-	-
Other creditors	-	1,862	20	-
Total	439	1,862	20	-

13 Events after the Balance sheet date

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

Henderson Global Financials Fund

Authorised Corporate Director's report for the year ended 30 September 2017

Investment Fund Manager

John Jordan and Barrington Pitt-Miller

Other information

With effect from 1 September 2017 the fund is managed by John Jordan and Barrington Pitt-Miller.

Investment objective and policy

To achieve long term capital growth.

The fund will invest principally in the securities of financial services companies both in the UK and internationally. In addition to ordinary shares, the fund may also invest in fixed interest securities, preference shares, debt securities convertible into ordinary stock, money-market instruments and deposits.

Performance summary

	30 Sep 16- 30 Sep 17 %	30 Sep 15- 30 Sep 16 %	30 Sep 14- 30 Sep 15 %	30 Sep 13- 30 Sep 14 %	30 Sep 12- 30 Sep 13 %
Henderson Global Financials Fund	20.6	16.0	(2.8)	9.2	30.3
FTSE World Financials Total Return Index	24.4	21.5	0.4	9.9	26.6

Source: Morningstar, bid to bid, net revenue reinvested, net of fees at 12 noon valuation point, GBP, based on Class A accumulation. Benchmark values are 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 year ended 30 September 2017

Largest purchases	£000	Largest sales	£000
Visa	2,419	Goldman Sachs	2,736
Wells Fargo	2,371	Berkshire Hathaway 'B'	2,560
ABN AMRO	2,045	Citizens Financial	2,435
MetLife	1,976	American Tower	2,220
Charles Schwab	1,892	MetLife	2,049
TD Ameritrade Holdings	1,850	State Street	2,035
Mastercard	1,789	MarketAxess	1,882
Synchrony Financial	1,596	First Republic Bank	1,810
UniCredit	1,593	Itau Unibanco	1,741
KBC Bank	1,532	ABN AMRO	1,683
Total purchases	53,905	Total sales	59,681

Investment review

Early in the year under review, the global financials sector benefited from expectations of improving economic growth and higher interest rates following the surprise election of Donald Trump as US president. Trump's reflationary rhetoric, echoing his personal mantra of 'borrow and build', led to increasing expectations for rising US interest rates and steepening yield curves (prices move inversely to yields), which led to improving bank profitability. Consequently, bank stocks, particularly in the US, rallied sharply over the final quarter of 2016. While US banks gave back some of this performance during the first quarter of 2017, other regions remained strong, benefiting from improving economic data in Europe and China.

The second half of the year under review saw "Trump mania" continue to dissipate in the US, with treasury yield curves flattening and expectations for tax cuts deferred. However, the rising undercurrent of global economic strength supported the financials sector through the summer months, along with positive results for US banks' Dodd Frank Act Stress Tests, which permitted them to return further capital to shareholders. European banks and insurance companies also continued to benefit from stronger economic growth as analysts forecast rising demand for credit and steeper yield curves, while Asian financials benefited from positive Chinese economic growth.

Performance

Over the year, the fund underperformed its benchmark, returning 20.6% (A share class, net of fees, midday priced) versus the FTSE All World Financials index of 24.4% (gross of withholding tax, end of day priced). All the underperformance came in the first six months of the year under review, as financials rallied on the prospects of Trump-inspired economic growth. Following a period of correction in the sector during the second quarter, fundamentals began to recover and reflect underlying economic growth, and stock selection in the strategy added value through to the end of September.

Early in the year under review, Trump's reflationary rhetoric, promising tax cuts and fiscal spending, led to increasing expectations of interest rate rises underpinning a strong rally in bank stocks. Consequently, the main detractor from performance was the fund's cautious stance towards European and US banks. The fund invested in higher quality US banks, including Citizens Financial, Goldman Sachs and State Street, but was generally underweight the bank sector, which saw several heavyweight components rally strongly. Concurrently, real estate holdings also detracted from relative performance. The sector is traditionally a yield producing 'bond-proxy', and the steepening of the yield curve meant that investors took profits in expectation of falling prices. Vonovia, the German owner of apartment buildings, and US Real Estate Investment Trusts (REITs) American Tower and Regency Centers, were the largest detractors from relative performance in the sub-sector; however, the underweight to the largest REIT, Simon Property, was positive. Finally, Fairfax Financial, which was a strong performer for much of 2016, saw the value of its shares fall sharply during this period as the firm's investment portfolio was positioned for a continuation of the deflationary environment.

During the second half of the year under review, positions in emerging markets (or emerging market focused) and European financials underpinned the outperformance relative to benchmark. Austrian bank Erste Bank rallied strongly on the back of stronger than expected loan growth. Analysts are forecasting a trough in net interest income and rising dividends on top of an attractive valuation. The position in PT Bank Rakyat Indonesia was also positive. The bank's earnings in the third quarter were boosted by robust loan growth to government entities, microfinance and corporate segments.

Improving economic data in Europe supported financials, especially benefiting positions in Unicredit and KBC Group. Unicredit remains a core international position, reflecting our confidence in management execution of a cost-oriented return on equity improvement plan. From here, improving asset quality trends and rising profitability will underpin the reinstatement of the dividend, driving a medium-term re-rating (stock/sector reassessment by the market) of the bank.

In the US, the positions in PayPal Holdings and MasterCard added significant value as investors reacted positively to continued strong growth in payments volumes and revenues at both firms.

During the year, the fund moved from the Global Equity team to be managed by John Jordan and Barrington Pitt-Miller, who are portfolio managers dedicated to the financials sector. They assumed responsibility for the fund on 1 September 2017.

While they implemented changes to the portfolio, there was no shift in the risk parameters. Changes included playing to the secular theme of Asia and emerging market long term savings growth (eg Hong Kong based insurer AIA). China Construction Bank reflects conviction on the rebalancing of China growth away from capital intensive state-owned enterprises, particularly when the current valuation gives no credit for improving fundamentals. In Japan, MUFG offers one of the least expensive multiple opportunities to gain from higher global interest rates. We also focus on idiosyncratic management-led self-help stories (e.g. Unicredit, AXA and Bank of America). In addition, the fund's access to secular growth opportunities in payments were increased (e.g. MasterCard and Visa).

Outlook

Looking forward, we remain constructive on the investment opportunities in global financial services, underpinned by the broadening global growth backdrop, which is generally supportive to credit growth, sound asset quality and higher rates. From such a low Volatility Index starting point, we are mindful that an unwinding of quantitative easing (central bank liquidity measures) could increase volatility (sharper fluctuations in prices). However, global financials may be a relative beneficiary of this, if rate biased.

We are optimistic that moderating financial regulation, even if initiated in the US, may spread geographically. Secularly, we remain invested in the shift of payments from cash to electronic; as well as the deepening of Asian and emerging market savings.

Comparative tables for the year ended 30 September 2017

	Class A accumulation		
	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in net assets per share			
Opening net asset value per share	334.42	289.32	294.16
Return before operating charges*	73.48	50.28	0.43
Operating charges	(6.49)	(5.18)	(5.27)
Return after operating charges*	66.99	45.10	(4.84)
Distributions on accumulation shares	(1.85)	(2.66)	(2.49)
Retained distributions on accumulation shares	1.85	2.66	2.49
Closing net asset value per share	401.41	334.42	289.32
* after direct transaction costs of:	0.71	0.82	0.16
Performance			
Return after charges	20.03%	15.59%	(1.65%)
Other information			
Closing net asset value (£000s)	41,371	37,866	46,017
Closing number of shares	10,306,317	11,322,900	15,905,404
Operating charges	1.71%	1.72%	1.71%
Direct transaction costs	0.19%	0.27%	0.05%
Prices			
Highest share price (pence)	410.40	340.10	330.60
Lowest share price (pence)	338.00	256.40	276.10
	Class A income		
	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in net assets per share			
Opening net asset value per share	60.07	53.16	55.37
Return before operating charges*	13.14	9.11	0.10
Operating charges	(1.16)	(0.95)	(0.99)
Return after operating charges*	11.98	8.16	(0.89)
Distributions on income shares	(1.32)	(1.25)	(1.32)
Closing net asset value per share	70.73	60.07	53.16
* after direct transaction costs of:	0.13	0.15	0.03
Performance			
Return after charges	19.94%	15.35%	(1.61%)
Other information			
Closing net asset value (£000s)	504	486	555
Closing number of shares	712,638	809,290	1,044,466
Operating charges	1.71%	1.72%	1.71%
Direct transaction costs	0.19%	0.27%	0.05%
Prices			
Highest share price (pence)	73.07	61.90	61.74
Lowest share price (pence)	60.71	47.12	51.97

Comparative tables (continued)

Class I accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in net assets per share			
Opening net asset value per share	380.29	326.87	330.21
Return before operating charges*	83.71	57.14	0.42
Operating charges	(4.63)	(3.72)	(3.76)
Return after operating charges*	79.08	53.42	(3.34)
Distributions on accumulation shares	(5.23)	(5.00)	(4.17)
Retained distributions on accumulation shares	5.23	5.00	4.17
Closing net asset value per share	459.37	380.29	326.87
* after direct transaction costs of:	0.81	0.93	0.18

Performance

Return after charges	20.79%	16.34%	(1.01%)
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Other information

Closing net asset value (£000s)	18,970	16,659	8,502
Closing number of shares	4,129,546	4,380,714	2,600,961
Operating charges	1.07%	1.09%	1.08%
Direct transaction costs	0.19%	0.27%	0.05%

Prices

Highest share price (pence)	469.30	386.70	372.40
Lowest share price (pence)	384.30	290.40	310.00

Class A Euro accumulation

	2017 (pence per share)	2016 (pence per share)	2015 (pence per share)
Change in net assets per share			
Opening net asset value per share	475.57	411.40	418.24
Return before operating charges*	104.43	71.54	0.50
Operating charges	(9.23)	(7.37)	(7.34)
Return after operating charges*	95.20	64.17	(6.84)
Distributions on accumulation shares	(4.82)	(3.83)	-
Retained distributions on accumulation shares	4.82	3.83	-
Closing net asset value per share	570.77	475.57	411.40
* after direct transaction costs of:	1.01	1.17	0.22

Performance

Return after charges	20.02%	15.60%	(1.64%)
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Other information

Closing net asset value (£000s)	91	75	69
Closing number of shares	15,928	15,808	16,888
Operating charges	1.71%	1.72%	1.71%
Direct transaction costs	0.19%	0.27%	0.05%

Prices

Highest share price (Euro cents)	655.89	631.12	660.64
Lowest share price (Euro cents)	547.80	465.88	492.41

Comparative tables (continued)

	Class A US Dollar accumulation		
	2017	2016	2015
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	379.84	328.59	334.09
Return before operating charges*	83.15	57.14	0.50
Operating charges	(7.10)	(5.89)	(6.00)
Return after operating charges*	76.05	51.25	(5.50)
Distributions on accumulation shares	-	(3.01)	(2.75)
Retained distributions on accumulation shares	-	3.01	2.75
Closing net asset value per share	455.89	379.84	328.59
* after direct transaction costs of:	0.77	0.94	0.18
Performance			
Return after charges	20.02%	15.60%	(1.65%)
Other information			
Closing net asset value (£000s)	58	1,852	1,597
Closing number of shares	12,772	487,436	485,911
Operating charges	1.71%	1.72%	1.71%
Direct transaction costs	0.19%	0.27%	0.05%
Prices			
Highest share price (USD cents)	609.51	535.42	577.81
Lowest share price (USD cents)	485.80	421.92	488.80

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 share class.

Share class launches and closures

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

Ongoing charge figure

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

	2017 %	2016 %
Class A	1.71	1.72
Class I	1.07	1.09
Class A Euro	1.71	1.72
Class A US Dollar	1.71	1.72

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 5 types of shares in issue; A (accumulation & income), A Euro accumulation, I accumulation and A US Dollar accumulation. Each share class has the same risk and reward profile which is as follows:

All shares classes except A Euro accumulation risk and reward is as follows:

Typically Lower potential risk/reward				Typically Higher potential risk/reward		
Lower Risk				Higher Risk		
1	2	3	4	5	6	7

A Euro accumulation risk and reward profile is as follows:

Typically Lower potential risk/reward				Typically Higher potential risk/reward		
Lower Risk				Higher Risk		
1	2	3	4	5	6	7

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

The value of an investment in the fund 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 share classes appear at 5 or 6 out of 7. Share 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.

All share classes except A Euro accumulation risk rating changed from 6 to 5 in the year.

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

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

Portfolio statement as at 30 September 2017

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 99.14% (2016: 97.20%)		
	Australia 1.20% (2016: 3.68%)		
	Financials 1.20% (2016: 3.68%)		
	Banks 0.61% (2016: 0.00%)		
19,686	Westpac Banking	368	0.61
	Financial Services 0.59% (2016: 2.85%)		
47,526	Suncorp	362	0.59
	Life Insurance 0.00% (2016: 0.83%)		
	Austria 1.37% (2016: 2.42%)		
	Financials 1.37% (2016: 2.42%)		
	Banks 1.37% (2016: 2.42%)		
25,878	Erste Bank	836	1.37
	Belgium 1.04% (2016: 0.50%)		
	Financials 1.04% (2016: 0.50%)		
	Banks 1.04% (2016: 0.50%)		
10,023	KBC Bank	633	1.04
	Brazil 1.44% (2016: 8.00%)		
	Financials 1.44% (2016: 8.00%)		
	Banks 1.44% (2016: 7.42%)		
85,855	Itau Unibanco	876	1.44
	Real Estate Investment & Services 0.00% (2016: 0.58%)		
	Canada 4.83% (2016: 5.88%)		
	Financials 4.83% (2016: 5.88%)		
	Banks 2.81% (2016: 2.69%)		
5,539	Bank of Montreal	312	0.51
14,411	Bank of Nova Scotia	689	1.13
5,380	Canadian Imperial Bank of Commerce	350	0.57
8,722	Toronto-Dominion Bank	365	0.60
		1,716	2.81
	Nonlife Insurance 2.02% (2016: 3.19%)		
3,201	Fairfax Financial	1,232	2.02
	China 2.23% (2016: 0.00%)		
	Financials 2.23% (2016: 0.00%)		
	Banks 2.23% (2016: 0.00%)		
2,203,000	China Construction Bank	1,362	2.23
	Nonlife Insurance 0.00% (2016: 0.00%)		
	France 3.63% (2016: 1.35%)		
	Financials 3.63% (2016: 1.35%)		
	Banks 1.91% (2016: 0.00%)		
19,348	BNP Paribas	1,164	1.91
	Nonlife Insurance 1.72% (2016: 1.35%)		
46,526	AXA	1,048	1.72

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Germany 3.22% (2016: 5.42%) Financials 3.22% (2016: 5.42%)		
	Financial Services 0.00% (2016: 1.84%)		
	Nonlife Insurance 1.82% (2016: 0.53%)		
6,658	Allianz	1,109	1.82
	Real Estate Investment & Services 1.40% (2016: 3.05%)		
159,998	Aroundtown Property	853	1.40
	Hong Kong 2.96% (2016: 0.12%) Financials 2.96% (2016: 0.12%) Banks 1.51% (2016: 0.00%)		
254,500	BOC Hong Kong Holdings	921	1.51
	Life Insurance 1.45% (2016: 0.00%)		
161,400	AIA	886	1.45
	Real Estate Investment & Services 0.00% (2016: 0.12%)		
	India 2.85% (2016: 2.00%) Financials 2.85% (2016: 2.00%) Banks 1.91% (2016: 2.00%)		
16,248	HDFC Bank ADS	1,167	1.91
	Financial Services 0.94% (2016: 0.00%)		
80,203	LIC Housing Finance	574	0.94
	Indonesia 1.95% (2016: 2.12%) Financials 1.95% (2016: 2.12%) Banks 1.95% (2016: 2.12%)		
1,410,507	Bank Rakyat	1,190	1.95
	Italy 4.12% (2016: 0.00%) Financials 4.12% (2016: 0.00%) Banks 4.12% (2016: 0.00%)		
348,118	Intesa Sanpaolo	917	1.50
100,598	UniCredit	1,597	2.62
		2,514	4.12
	Japan 3.90% (2016: 4.29%) Financials 3.90% (2016: 4.29%) Banks 1.48% (2016: 0.11%)		
187,716	Mitsubishi UFJ Financial	908	1.48
	Financial Services 0.00% (2016: 1.90%)		
	Life Insurance 1.45% (2016: 0.32%)		
72,249	Sony Financial	883	1.45
	Nonlife Insurance 0.97% (2016: 1.96%)		
20,290	Tokio Marine Holdings	591	0.97

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Malaysia 0.67% (2016: 1.26%) Financials 0.67% (2016: 1.26%) Banks 0.67% (2016: 1.26%)		
112,477	Public Bank	406	0.67
	Mexico 1.98% (2016: 0.00%) Financials 1.98% (2016: 0.00%) Banks 1.98% (2016: 0.00%)		
235,591	Grupo Financiero Banorte	1,210	1.98
	Netherlands 2.50% (2016: 0.00%) Financials 2.50% (2016: 0.00%) Banks 2.50% (2016: 0.00%)		
26,195	ABN AMRO	583	0.96
68,389	ING	939	1.54
		1,522	2.50
	Peru 0.86% (2016: 1.27%) Financials 0.86% (2016: 1.27%) Banks 0.86% (2016: 1.27%)		
3,446	Credicorp	527	0.86
	Poland 0.00% (2016: 0.68%) Financials 0.00% (2016: 0.68%) Nonlife Insurance 0.00% (2016: 0.68%)		
	Russian Federation 0.00% (2016: 1.06%) Financials 0.00% (2016: 1.06%) Banks 0.00% (2016: 1.06%)		
	South Korea 1.02% (2016: 0.97%) Financials 1.02% (2016: 0.97%) Banks 1.02% (2016: 0.97%)		
19,070	Shinhan Financial	623	1.02
	Spain 1.18% (2016: 0.76%) Financials 1.18% (2016: 0.76%) Banks 1.18% (2016: 0.76%)		
138,821	Banco Santander	722	1.18
	Sweden 2.88% (2016: 0.59%) Financials 2.88% (2016: 0.59%) Banks 2.88% (2016: 0.59%)		
31,348	Nordea Bank	316	0.52
69,994	Swedbank 'A'	1,438	2.36
		1,754	2.88
	Switzerland 1.20% (2016: 0.00%) Financials 1.20% (2016: 0.00%) Banks 1.20% (2016: 0.00%)		
57,485	UBS	732	1.20

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Thailand 0.75% (2016: 0.00%)		
	Financials 0.75% (2016: 0.00%)		
	Banks 0.75% (2016: 0.00%)		
109,100	Bangkok Bank	455	0.75
	United Kingdom 4.46% (2016: 4.85%)		
	Financials 4.46% (2016: 4.85%)		
	Banks 1.84% (2016: 3.49%)		
151,522	Standard Chartered	1,124	1.84
	Financial Services 0.00% (2016: 1.14%)		
	Life Insurance 0.71% (2016: 0.00%)		
37,633	St James's Place	431	0.71
	Nonlife Insurance 1.91% (2016: 0.22%)		
243,333	Beazley	1,167	1.91
	United States 46.90% (2016: 49.98%)		
	Financials 46.90% (2016: 48.37%)		
	Banks 13.83% (2016: 11.94%)		
127,782	Bank of America	2,412	3.96
12,765	Citizens Financial	360	0.59
4,533	First Republic Bank	353	0.58
41,457	JPMorgan Chase	2,951	4.83
57,427	Wells Fargo	2,360	3.87
		8,436	13.83
	Financial Services 24.63% (2016: 14.41%)		
4,722	Affiliated Managers	668	1.09
41,971	Charles Schwab	1,368	2.24
11,452	CME 'A'	1,158	1.90
5,847	Equifax	462	0.76
18,869	Intercontinental Exchange	966	1.58
3,152	MarketAxess	433	0.71
25,046	Mastercard	2,634	4.33
19,865	Morgan Stanley	713	1.17
5,405	S&P Global	630	1.03
9,990	State Street	711	1.17
70,233	Synchrony Financial	1,625	2.66
29,696	TD Ameritrade Holdings	1,080	1.77
32,785	Visa	2,571	4.22
		15,019	24.63
	Life Insurance 0.00% (2016: 0.45%)		
	Nonlife Insurance 4.55% (2016: 7.67%)		
7,596	AON	827	1.36
14,961	Marsh & McLennan	935	1.53
28,124	Progressive	1,014	1.66
		2,776	4.55

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Real Estate Investment & Services 0.80% (2016: 0.00%)		
17,357	CBRE 'A'	490	0.80
	Real Estate Investment Trusts 3.09% (2016: 13.90%)		
8,561	American Tower	871	1.43
1,951	Equinix	649	1.06
13,413	Starwood Waypoint Homes	364	0.60
		1,884	3.09
	Industrials 0.00% (2016: 1.61%)		
	Support Services 0.00% (2016: 1.61%)		
	Investment assets	60,471	99.14
	Other net assets	523	0.86
	Total net assets	60,994	100.00

All investments are listed on recognised stock exchanges and are "approved securities" within the meaning of the FCA rules.

Statement of total return for the year ended 30 September 2017

		2017		2016	
	Note	£000	£000	£000	£000
Income					
Net capital gains	2		10,848		6,875
Revenue	3	1,470		1,504	
Expenses	4	(935)		(851)	
Interest payable and similar charges	5	(1)		-	
Net revenue before taxation		534		653	
Taxation	6	(124)		(114)	
Net revenue after taxation			410		539
Total return before distributions			11,258		7,414
Distributions	7		(417)		(546)
Change in net assets attributable to shareholders from investment activities			10,841		6,868

Statement of change in net assets attributable to shareholders

for the year ended 30 September 2017

		2017		2016	
		£000	£000	£000	£000
Opening net assets attributable to shareholders			56,938		56,740
Amounts receivable on issue of shares		5,364		3,590	
Amounts payable on cancellation of shares		(12,557)		(10,795)	
			(7,193)		(7,205)
Change in net assets attributable to shareholders from investment activities			10,841		6,868
Retained distributions on accumulation shares			408		535
Closing net assets attributable to shareholders			60,994		56,938

Balance sheet as at 30 September 2017

	Note	2017 £000	2016 £000
Assets:			
Investments		60,471	55,346
Current assets:			
Debtors	8	177	210
Cash and bank balances	9	1,569	1,586
Total assets		62,217	57,142
Liabilities:			
Creditors:			
Bank overdrafts		1,070	-
Distributions payable		5	6
Other creditors	10	148	198
Total liabilities		1,223	204
Net assets attributable to shareholders		60,994	56,938

Notes to the financial statements for the year ended 30 September 2017

1 Accounting policies

The accounting policies, distribution policy and risk policies are set out in notes 1 to 3 of the fund's aggregated notes to the financial statements.

2 Net capital gains

Net capital gains on investments during the year comprise:

	2017 £000	2016 £000
Forward currency contracts	(21)	(90)
Non-derivative securities	10,930	7,054
Other currency losses	(55)	(81)
Transaction costs	(6)	(8)
Net capital gains	10,848	6,875

3 Revenue

	2017 £000	2016 £000
Bank interest	2	8
Overseas dividends	1,332	1,187
Overseas REIT revenue	73	191
Stock lending revenue	1	13
UK dividends	62	95
UK REIT revenue - PID	-	10
Total revenue	1,470	1,504

4 Expenses

	2017 £000	2016 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	834	757
GAC*	86	79
	<u>920</u>	<u>836</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	4	6
Safe custody fees	7	9
	<u>11</u>	<u>15</u>
Other expenses:		
Dividend collection expenses	3	-
Professional fees	1	-
	<u>4</u>	<u>-</u>
Total expenses	935	851

Irrecoverable VAT is included in the above expenses where relevant.

*The current audit fee, which is levied through the GAC, is £7,458 (2016: £7,030).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2017 £000	2016 £000
Interest payable	1	-
Total interest payable and similar charges	1	-

6 Taxation

(a) Analysis of charge in the year

The tax charge comprises:

	2017 £000	2016 £000
Current tax		
Overseas withholding tax	124	114
Total tax (note 6b)	124	114

(b) Factors affecting current tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised open ended investment companies (OEICS) of 20% (2016: 20%). The differences are explained below:

	2017 £000	2016 £000
Net revenue before taxation	533	653
Corporation tax at 20% (2016: 20%)	107	131
Effects of:		
Irrecoverable overseas tax	124	114
Overseas dividends*	(244)	(224)
Tax effect of expensed double taxation relief	(6)	(7)
UK dividends**	(12)	(19)
Unused management expenses	155	119
Tax charge for the year (note 6a)	124	114

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

**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 (2016: 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 £1,602,908 (2016: £1,447,801) 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 in the current or prior year.

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:

	2017 £000	2016 £000
Interim income	4	4
Final income	5	6
Final accumulation	408	535
	<u>417</u>	<u>545</u>
Amounts deducted on cancellation of shares	-	1
Total distributions	<u>439</u>	<u>546</u>
Net revenue after taxation	410	539
Annual management charge borne by the capital account	8	7
Revenue shortfall	(1)	-
Total distributions	<u>417</u>	<u>546</u>

Details of the distribution per share are set out in the distribution tables on page 44.

8 Debtors

	2017 £000	2016 £000
Accrued revenue	58	115
Amounts receivable for issue of shares	11	-
Overseas withholding tax reclaimable	108	95
Total debtors	<u>177</u>	<u>210</u>

9 Cash and bank balances

	2017 £000	2016 £000
Cash and bank balances	1,569	1,586
Total cash and bank balances	<u>1,569</u>	<u>1,586</u>

Notes to the financial statements (continued)

10 Other creditors

	2017 £000	2016 £000
Accrued annual management charge	67	63
Accrued Depositary's fee	-	1
Accrued other expenses	10	8
Amounts payable for cancellation of shares	71	126
Total other creditors	148	198

11 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 and the amount receivable is not certain. The fund is party to a claim against HMRC, the Franked Investment Group (FII GLO) litigation, against the retrospective legislation issued by HMRC, which may result in a remedy to claimants. A contingent asset has not been recognised in the current or prior year as the amount receivable is not certain.

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

12 Related party transactions

Henderson Investment Funds Limited as ACD to the fund is deemed to be a related party because it provides key management personnel services to the fund. All transactions and balances associated with the 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 31 and 32 and notes 4, 7, 8 and 10 on pages 33 to 36 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 (2016: nil).

13 Shareholder funds

The fund currently has 4 share classes available; Class A, Class I, Class A Euro and Class A US Dollar. The annual management charge on each share class is as follows:

	2017 %	2016 %
Class A	1.50	1.50
Class I	1.00	1.00
Class A Euro	1.50	1.50
Class A US Dollar	1.50	1.50

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 21 to 23. The distribution per share class is given in the distribution tables on page 44. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

13 Shareholder funds (continued)

Shares reconciliation as at 30 September 2017

	Class A accumulation	Class A income	Class I accumulation
Opening number of shares	11,322,900	809,290	4,380,714
Creations during the year	453,572	40,378	631,224
Cancellations during the year	(1,206,048)	(153,644)	(1,111,054)
Shares converted during the year	(264,107)	16,614	228,662
Closing shares in issue	10,306,317	712,638	4,129,546

	Class A Euro accumulation	Class A US Dollar accumulation
Opening number of shares	15,808	487,436
Creations during the year	16,544	201,678
Cancellations during the year	(16,424)	(676,342)
Shares converted during the year	-	-
Closing shares in issue	15,928	12,772

14 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 30 September 2017 (2016: nil).

The fund had no exposure to derivatives at 30 September 2017 (2016:nil).

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 income.

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

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

Notes to the financial statements (continued)

15 Stock lending (continued)

2017

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral
ABN Amro	369	394	Equity
Deutsche Bank	587	652	Equity
Natixis	2,040	2,267	Equity
	2,996	3,313	

Recipient	Relationship	Gross income £000	Direct and indirect expenses £000	Net income £000
BNP Paribas	Stock lending agent	1	-	1

2016

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral
Deutsche Bank	602	667	Equity
	602	667	

Recipient	Relationship	Gross income £000	Direct and indirect expenses £000	Net income £000
BNP Paribas	Stock lending agent	15	2	13

Notes to the financial statements (continued)

16 Risk

Currency risk

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

	Investment assets	Net other assets/ (liabilities)	Net assets
	£000	£000	£000
2017			
Currency			
Australian dollar	730	-	730
Canadian dollar	2,948	4	2,952
Euro	10,402	69	10,471
Hong Kong dollar	3,169	13	3,182
Indonesian rupiah	1,190	-	1,190
Indian rupee	574	1,221	1,795
Japanese yen	2,382	20	2,402
Korean won	623	-	623
Mexican nuevo peso	1,210	-	1,210
Malaysian ringgit	406	-	406
Norwegian krone	-	14	14
Polish zloty	-	3	3
Swedish krona	1,754	-	1,754
Swiss franc	732	8	740
Thai baht	455	-	455
UK sterling	2,722	(862)	1,860
US dollar	31,174	33	31,207
Total	60,471	523	60,994

	Investment assets	Net other assets	Net assets
	£000	£000	£000
2016			
Currency			
Australian dollar	2,096	52	2,148
Brazilian real	2,846	2	2,848
Canadian dollar	3,346	12	3,358
Euro	5,947	56	6,003
Hong Kong dollar	70	3	73
Indonesian rupee	1,208	-	1,208
Japanese yen	2,444	89	2,533
Korean won	552	21	573
Malaysian ringgit	716	-	716
Norwegian krone	-	16	16
Polish zloty	388	32	420
Swedish krona	334	-	334
Swiss franc	-	8	8
UK sterling	2,760	1,212	3,972
US dollar	32,639	89	32,728
Total	55,346	1,592	56,938

Notes to the financial statements (continued)

16 Risk (continued)

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £59,134,000 (2016: £52,966,000). A 10% increase in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing the return and the net assets as at 30 September 2017 by £5,913,400 (2016: £5,296,600). A 10% decrease in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of decreasing the return and the net assets as at 30 September 2017 by £5,913,400 (2016: £5,296,600).

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
2017	£000	£000	£000	£000
Bank overdrafts	1,070	-	-	-
Distribution payable	-	5	-	-
Other creditors	-	148	-	-
Total	1,070	153	-	-

	On demand	Within one year	Over one year but not more than five years	Over five years
2016	£000	£000	£000	£000
Distribution payable	-	6	-	-
Other creditors	-	198	-	-
Total	-	204	-	-

Notes to the financial statements (continued)

17 Fair value disclosure

Fair value measurement

The fund has early adopted the March 2016 amendment to section 34 of FRS102 (Fair Value Hierarchy disclosures that simplify the preparation of financial instrument disclosure), which is applicable to accounting periods beginning on or after 1 January 2017 with earlier application permitted.

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

Valuation technique	2017		2016	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	60,471	-	55,346	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	60,471	-	55,346	-

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2017	2016	2017	2016
	£000	£000	£000	£000
Trades in the year				
Equities	53,841	55,325	59,733	63,166
Trades in the year before transaction costs	53,841	55,325	59,733	63,166
Transaction costs				
Commissions				
Equities	42	68	49	67
Total commissions	42	68	49	67
Taxes				
Equities	13	13	1	2
Total taxes	13	13	1	2
Other expenses				
Equities	9	1	2	1
Total other expenses	9	1	2	1
Total transaction costs	64	82	52	70
Total net trades in the year after transaction costs	53,905	55,407	59,681	63,096

	Purchases		Sales	
	2017	2016	2017	2016
	%	%	%	%
Total transaction cost expressed as a percentage of asset type cost				
Commissions				
Equities	0.08	0.12	0.08	0.11
Taxes				
Equities	0.02	0.02	-	-
Other expenses				
Equities	0.02	-	-	-
	2017	2016		
	%	%		
Total transaction cost expressed as a percentage of net asset value				
Commissions	0.15	0.24		
Taxes	0.02	0.03		
Other expenses	0.02	-		
Total costs	0.19	0.27		

There were no in specie transfers identified during the year (2016: nil). There were corporate actions identified during the year of £3,714 (2016: nil).

There were no direct transaction costs associated with derivatives in the year (2016: 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 September 2017 is 0.07% (2016: 0.12%). The portfolio dealing spread is calculated at the fund's 12 noon valuation point.

Notes to the financial statements (continued)

19 Events after the Balance sheet date

On 15 December 2017, the fund changed its name to Janus Henderson Global Financials Fund. There were no other material post Balance sheet events which require disclosure within these financial statements.

Distribution tables for the year ended 30 September 2017 (in pence per share)

Interim dividend distribution (accounting date 31 March 2017, paid on 31 May 2017)

Group 1: shares purchased prior to 1 October 2016

Group 2: shares purchased on or after 1 October 2016

	Distribution per share	Equalisation	Total distribution per share 31/05/17	Total distribution per share 31/05/16
Class A income				
Group 1	0.6040	-	0.6040	0.4842
Group 2	0.2431	0.3609	0.6040	0.4842

* Distribution is shown net of 10% notional tax credit.

Final dividend distribution (accounting date 30 September 2017, paid on 30 November 2017)

Group 1 : shares purchased prior to 1 April 2017

Group 2 : shares purchased on or after 1 April 2017

	Distribution per share	Equalisation	Total distribution per share 30/11/17	Total distribution per share 30/11/16
Class A income				
Group 1	0.7165	-	0.7165	0.7682
Group 2	0.4142	0.3023	0.7165	0.7682

* Distribution is shown net of 10% notional tax credit.

Final dividend distribution (accounting date 30 September 2017, paid on 31 January 2018)

Group 1 : shares purchased prior to 1 October 2016

Group 2 : shares purchased on or after 1 October 2016

	Distribution per share	Equalisation	Total distribution per share 31/01/18	Total distribution per share 31/01/17
Class A accumulation				
Group 1	1.8546	-	1.8546	2.6564
Group 2	1.8546	-	1.8546	2.6564
Class I accumulation				
Group 1	5.2315	-	5.2315	4.9978
Group 2	5.2315	-	5.2315	4.9978
Class A Euro accumulation¹				
Group 1	4.8203	-	4.8203	4.3866
Group 2	4.8203	-	4.8203	4.3866
Class A USD accumulation²				
Group 1	-	-	-	3.8630
Group 2	-	-	-	3.8630

¹ in Euro cents per share

² in USD cents per share

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 accounting year ended 30 September 2017 are detailed below.

Global Data

The table lists the amount of securities on loan as a proportion of total lendable assets and the funds' assets under management (AUM) as at 30 September 2017:

Stock lending			
Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Henderson Global Financials Fund	2,996	4.95%	4.91%

Concentration Data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for each fund as at 30 September 2017:

Issuer	Market value of collateral received £000
Henderson Global Financials Fund	
Anheuser-Busch InBev	236
Banco Santander Central Hispano	185
Siemens	164
ASML	147
Canon	111
Banco Bilbao Vizcaya Argentaria	92
EADS	83
GDF Suez	82
CRH	79
Alphabet	65

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for each fund as at 30 September 2017:

Counterparty	Market value of securities on loan £000	Settlement basis
Henderson Global Financials Fund		
Natixis	2,040	Tri-party
Deutsche Bank	587	Tri-party
ABN Amro	311	Bilateral
ABN Amro	58	Tri-party
	2,996	

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 30 September 2017:

Counterparty	Counterparty country of origin	Type	Quality	Collateral CCY	Settlement basis	Custodian	Market value of collateral received £000
Henderson Global Financials Fund							
ABN Amro	Netherlands	Equity	Main market listing	CHF	Triparty	BNP Paribas	3
ABN Amro	Netherlands	Equity	Main market listing	EUR	Triparty	BNP Paribas	50
ABN Amro	Netherlands	Equity	Main market listing	GBP	DBV	BNP Paribas	326
ABN Amro	Netherlands	Equity	Main market listing	GBP	Triparty	BNP Paribas	9
ABN Amro	Netherlands	Equity	Main market listing	CAD	Triparty	BNP Paribas	3
ABN Amro	Netherlands	Equity	Main market listing	SEK	Triparty	BNP Paribas	3
Deutsche Bank	Germany	Equity	Main market listing	CHF	Triparty	BNP Paribas	130
Deutsche Bank	Germany	Equity	Main market listing	EUR	Triparty	BNP Paribas	400
Deutsche Bank	Germany	Equity	Main market listing	GBP	Triparty	BNP Paribas	25
Deutsche Bank	Germany	Equity	Main market listing	HKD	Triparty	BNP Paribas	24
Deutsche Bank	Germany	Equity	Main market listing	USD	Triparty	BNP Paribas	73
Natixis	France	Equity	Main market listing	CHF	Triparty	BNP Paribas	69
Natixis	France	Equity	Main market listing	EUR	Triparty	BNP Paribas	1,597
Natixis	France	Equity	Main market listing	GBP	Triparty	BNP Paribas	196
Natixis	France	Equity	Main market listing	JPY	Triparty	BNP Paribas	111
Natixis	France	Equity	Main market listing	USD	Triparty	BNP Paribas	253
Natixis	France	Equity	Main market listing	SEK	Triparty	BNP Paribas	41
							3,313

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

All collateral is held in segregated accounts.

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 ending 30 September 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 Global Financials Fund	1	-^	15%	1	85%

^ Due to rounding to nearest £1,000

Appendix 1 – Additional information (unaudited)

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 Remuneration Committee of Henderson Group plc* in its oversight of Henderson Investment Funds Limited ("HIFL") must make relevant remuneration disclosures in the first full performance year following the implementation date.

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 Henderson Group plc* Remuneration 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.

Henderson Global Financials Fund is managed by HIFL, which is a subsidiary of Janus Henderson Group plc.

The Remuneration Committee of 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 AFM and the funds they manage. This policy applies to HIFL and Henderson Global Financials Fund.

Further information on the Henderson Group plc* Remuneration Policy is available in the Henderson Group plc* annual report and accounts.

	Headcount [1]	Total Remuneration (£'000s) [2,3]
Henderson Global Financials Fund	828	49
of which		
Fixed Remuneration	828	32
Variable Remuneration	821	17
Carried Interest	n/a	-
Henderson Global Financials Fund Remuneration Code Staff	34	19
of which		
Senior Management [4]	19	6
Other Code Staff [5]	15	13

1. The is actual number of employees who are fully or partly involved in the activities of Henderson Global Financials Fund – no attempt has been made to apportion the time spent specifically in support of Henderson Global Financials Fund as this data is not captured as part of the Company's normal processes.
2. Please note that due to the employment structure and resourcing of the Henderson Group plc*, the staff indicated in this table may provide services to other companies in the Henderson Group plc*.
3. The remuneration disclosed is only in respect of the provision of services to Henderson Global Financials Fund for the year, rather than the total remuneration for the year – for this purpose, remuneration has been apportioned between the provision of services to Henderson Global Financials Fund and to other entities in the Henderson Group plc*, as follows:
 - in respect of fixed pay and annual/long term incentive bonuses:
 - for fund managers, pro-rated using the average AUM of Henderson Global Financials Fund managed by the relevant fund manager (as a proportion of the total AUM managed by that individual) as a proxy.
 - for other individuals, pro-rated using the average AUM of Henderson Global Financials Fund (as a proportion of the aggregate average AUM of Henderson Group plc*) as a proxy.
4. Senior Management includes the 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 Henderson Global Financials Fund.

*Henderson Group plc merged with Janus Capital on 30 May 2017 to become Janus Henderson Group plc, the employee and compensation metrics and the average AUM across the preceding 12 months are largely based on the Henderson Group plc prior to the merger.

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

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

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), AlphaGen Capital Limited (reg. no. 962757), Henderson Equity Partners Limited (reg. no.2606646), (each incorporated and registered in England and Wales with registered office at 201 Bishopsgate, London EC2M 3AE) are authorised and regulated by the Financial Conduct Authority to provide investment products and services. © 2017, Janus Henderson Investors. The name Janus Henderson Investors includes HGI Group Limited, Henderson Global Investors (Brand Management) Sarl and Janus International Holding LLC.