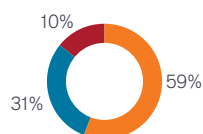


ANNUAL REPORT & ACCOUNTS

For the year ended 30 June 2023

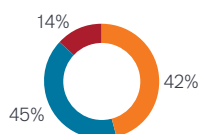
Who are Janus Henderson Investors?

Global Strength



£253.3bn
Assets under management

■ North America ■ EMEA & LatAm ■ Asia Pacific



***Over 340**
investment professionals



More than **2,000**
employees



24
Offices worldwide



4,000
company engagements
by our investment teams
in 2022

* Numbers may not cast due to rounding.

Source: Janus Henderson Investors, Staff and assets under management (AUM) data as at 30 June 2023. AUM data excludes Exchange-Traded Note (ETN) assets.

Who we are

At Janus Henderson our mission is to help clients define and achieve superior financial outcomes through differentiated insights, disciplined investments, and world-class service. This means being ever mindful of the futures of the millions of lives that our thinking and our investments help shape. Our diverse client base and robust balance sheet allow us to offer financial strength and stability with which to help investors achieve their objectives.

The human connection matters in all that we do. Teams across Janus Henderson come together every day to deliver outcomes for our clients – and their clients – that make a difference. We are proud of this responsibility as we fulfil our purpose of 'Investing in a brighter future together'. The goals we set, the strategy we create, and the way that we work are all shaped with this ultimate objective in mind.

Why us

Choosing Janus Henderson means benefiting from:

Differentiated insights

- We are proud of our deep-rooted research culture, which has underpinned our 89-year track record of investing.
- Janus Henderson's investment teams meet thousands of companies each year. Insight from these meetings combined with proprietary analysis results in original views that shape our investment positioning.
- With 340 investment professionals around the world, we benefit from a range of perspectives that we test and share as we seek to differentiate between the winners and losers on behalf of our clients.

Disciplined investments

- Our investment teams set clearly defined objectives and processes to deliver long-term risk-adjusted returns. We value the trust clients place in us and are disciplined in staying true to our investment style through all market conditions.
- We apply robust controls to ensure that risk taken is in accordance with client expectations and investment manager expectations. We have more than 150 experts in our risk and compliance teams.

World class service

- We offer global reach with our broad network of investment and client service specialists. This is combined with the responsiveness, tailored solutions, and personal touch of a local partner.
- Understanding the challenges our clients – and their clients – face globally, and working in partnership, means we can provide support as we blend our best ideas and capabilities to define appropriate tailored outcomes.
- We seek to contribute to clients' understanding and decision-making – we share knowledge through published insights, at events, and by actively participating in debate on the future of investing.

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Authorised Corporate Director's (ACD) report for the year ended 30 June 2023

We are pleased to present the Annual Report & Accounts for Janus Henderson UK & Europe Funds (the 'Company') for the year ended 30 June 2023.

Authorised status

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

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

Segregation of assets

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

Value assessment

The board of Janus Henderson Fund Management UK Limited (JHFMUKL) present the value assessment report for the period to 31 December 2022, made available on our website www.janushenderson.com.

Access by this link (<https://www.janushenderson.com/en-gb/investor/notice/value-assessment-report>).

The FCA, the UK's financial services regulator, requires all fund management groups to perform a detailed assessment of whether funds are providing value to investors, and publish an annual statement summarising the outcome of this process, known as the value assessment. Our report is published by JHFMUKL, the Board of the ACD (the body responsible for an investment fund) and summarises the period to 31 December 2022.

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

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

Macro risks

Janus Henderson continues to monitor closely macro risks, including geopolitical risks, such as the impact of the Russia/Ukraine conflict, and market risks, such as stresses in the banking sector and the higher inflationary and interest rate environment. We have established processes to be able to respond timely to changes. We have well-established and tested business continuity and crisis management processes in place, which cover a large number of disruptive scenarios, including cyber threats and market events. Janus Henderson also has embedded market risk monitoring processes, including modelling potential stressed market scenarios, to help inform our investment decisions.

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

Director's statement

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



R Chaudhuri
(Director)

18 October 2023

Authorised Corporate Director's report (continued)

Service providers

	Name	Address	Regulator
Authorised Corporate Director	Janus Henderson Fund Management UK 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 Enquiries – 0800 832 832	Authorised and regulated by the Financial Conduct Authority
Directors of the ACD	R Chaudhuri G Fogo S Hillenbrand JR Lowry (from 07.07.22) W Lucken P Shea* F Smith* R Weallans (from 30.09.22) * Independent		
Investment Manager	Janus Henderson Investors UK Limited The ultimate holding company is Janus Henderson Group plc	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
Shareholder Administrator	SS&C Financial Services International Limited and SS&C Financial Services Europe Limited	SS&C House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
Fund Administrator	BNP Paribas	10 Harewood Avenue London NW1 6AA	Authorised and regulated by the Financial Conduct Authority
Depository	NatWest Trustee and Depository Services Limited The ultimate holding company is the Royal Bank of Scotland Group plc	250 Bishopsgate London EC2M 4AA	Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and by the Prudential Regulation Authority
Independent Auditors	PricewaterhouseCoopers LLP	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
Legal Adviser	Eversheds Sutherland (International) LLP	One Wood Street London EC2V 7WS	The Law Society

Global equities, as measured by the MSCI World Index, rose by 13.8% in sterling and 19.1% in US dollar terms during the year to 30 June 2023, as inflation cooled and major central banks reduced the size of their interest rate rises. Strong interest in artificial intelligence (AI) boosted the technology sector – and broader markets – in 2023. However, bouts of uncertainty about the direction of monetary policy, coupled with anxiety about a global economic downturn, China's stuttering recovery from COVID-19 lockdowns, a potential contagion from a US regional banking crisis and a possible US government debt default – which was ultimately averted – caused significant volatility.

In the UK, the FTSE All Share Index was up by 7.9% in sterling terms, as major central banks turned less hawkish and the economic outlook brightened a little. Initially, there had been worries that the UK economy faced a deep recession. Investor alarm about the plans of the Liz Truss government for unfunded tax cuts caused volatility in the autumn, while the market largely welcomed the appointment of her successor Rishi Sunak. The improved sentiment helped the FTSE 100 Index hit a record high in February, although persistent pricing pressures unsettled investors later in the reporting year. Annual inflation peaked at a 41-year high of 11.1% in October 2022 and moderated in most months thereafter, reaching 8.7% in May. The Bank of England (BoE) slowed the pace of interest rate rises from December, although in June 2023 it announced a larger-than-expected 50 basis points (bps) hike – as inflation remained higher than expected – increasing its benchmark interest rate to 5.0%. Economic growth was weak at just 0.1% quarter on quarter in the first three months of 2023, unchanged from the fourth quarter of 2022's growth rate. Sterling strengthened against the US dollar, having recovered from a record low in September amid the turmoil over the unfunded tax cuts.

In Europe, the FTSE World Europe (Ex UK) Index increased by 19.6% in sterling and 20.8% in euro terms on economic optimism as inflation cooled, major central banks eased the pace of their rate rises and the region avoided a winter energy shortage. Fears about a crisis in the banking sector caused volatility in March and April. Eurozone annual inflation slowed, reaching 5.5% in June, which was the lowest level since January 2022 and down from October's record high of 10.6%. The European Central Bank (ECB) tightened monetary policy, and although it reduced the pace from May, it continued to insist that the pricing pressures remained too elevated. In June, it raised its deposit rate by 25 bps to 3.5% – a 22-year high – and signalled that more hikes would follow. The eurozone economy slipped into a mild recession in the first quarter, shrinking by 0.1% from the previous three months, following a contraction of the same margin in the fourth quarter of 2022. The euro was flat against sterling and strengthened against the US dollar during the year.

US equities, as measured by the S&P 500 Index, strengthened 14.2% in sterling and 19.6% in US dollar terms as a slowdown in both inflation and US Federal Reserve (Fed) rate hikes boosted sentiment. The positive mood, along with an AI-fuelled surge in technology stocks, helped the Nasdaq Composite Index achieve its best first-half performance in 40 years in the first half of 2023. The gains came despite volatility in 2023 caused by the collapse of three US regional lenders and uncertainty about the US debt ceiling negotiations, which followed sharp declines in 2022 that were fuelled by anxiety about inflation and the economy. The annual inflation rate cooled steadily, from 8.5% in July 2022 to 4.0% in May 2023. The Fed raised interest rates to 5.25% during the year following a series of aggressive increases in 2022, although it later moderated the size of its hikes and announced a pause in June. The economy remained resilient as it expanded by an annualised 2.0% in the first quarter of 2023, albeit down from 2.6% growth in the previous quarter. The Fed's rate hikes helped the US dollar to hit a more than 20-year high in September. However, the currency weakened against a basket of currencies overall as policy makers turned less hawkish.

In Japan, the TOPIX gained 12.9% in sterling and 25.7% in yen terms, buoyed by the improved global sentiment in 2023, the Bank of Japan's (BoJ) continued monetary policy support and strong interest from foreign investors. In May, some favourable corporate results helped the TOPIX hit its highest level since 1990. Equities had sold off in December as the central bank unexpectedly adjusted its yield curve control policy. Pricing pressures remained elevated: the annual core inflation rate, which excludes fresh food prices, rose to a more than 40-year high of 4.2% in January, although it eased to 3.2% in May. The BoJ kept interest rates on hold and said in June it was too early to adjust policy, despite some speculation that it might announce a change. Japan's economy grew by an annualised 2.7% in the first quarter as it emerged from a mild downturn in the second half of 2022. The yen weakened against the US dollar – it slumped to a more than 30-year low in early October – given the divergence in monetary policy between the US and Japanese central banks.

In Asia, the MSCI AC Asia Pacific ex Japan Index decreased by 3.4% in sterling, although it gained 1.2% in US dollar terms given foreign exchange fluctuations. China's economic reopening initially lifted the mood across the region, although signs that the recovery was stalling unsettled investors. Chinese equities fell heavily as extended COVID-19 restrictions and worries about geopolitical tensions hit sentiment. The subsequent easing of lockdowns and government support for the debt-laden property market spurred a rebound, which reversed course as the recovery disappointed. Shares rose in South Korea and Taiwan as both markets benefited from gains in technology stocks and easing worries about a global downturn. Australian equities advanced on optimism about an end to major central banks' rate hikes, although high inflation and the Reserve Bank of Australia's continued monetary tightening caused jitters in 2023.

The MSCI Emerging Markets Index declined by 2.4% in sterling, but was up by 2.2% in US dollar terms. Economic worries and China's stuttering recovery weighed on sentiment during the year. Indian shares rose – the benchmark S&P BSE Sensex Index hit record highs in June – as inflation cooled and the economy grew. Brazilian equities were sharply higher as concerns about the government's economic policies abated, while the economy expanded by more than expected in the first quarter of 2023. South African stocks dropped in sterling and US dollar terms as economically damaging power cuts dragged down the rand, which hit a record low against the US currency in May. Turkish shares surged higher, buoyed by strong investment flows from domestic investors keen to protect their money from soaring inflation. The lira hit all-time lows against the US dollar, with a large interest rate rise in June falling short of expectations.

Market review (continued)

Within fixed income, the JPM Global Government Bond Index dropped by 7.2% in sterling and 2.8% in US dollar terms. Yields on core government bond markets – including the US, UK, Germany and Japan – rose (prices fell, reflecting their inverse relationship) as most major central banks tightened monetary policy to bring inflation under control. Growing expectations that interest rates would stay higher for longer, given still-high inflation, underpinned further increases towards the end of the reporting year. The yield on US benchmark 10-year Treasuries ended the year above 3.8%, up from about 3.0% at the start of July 2022. Corporate credit markets, as measured by the Barclays Global Aggregate Corporate Bond Index, were modestly higher in US dollar terms. Corporate bonds sold off in 2022 as policy makers hiked rates, and while there was some improvement in 2023, the gains fell short of expectations.

In commodity markets, oil prices weakened as worries about demand offset disruptions caused by the Ukraine conflict. US crude benchmark West Texas Intermediate ended the year down by more than 30%. Spot gold prices rose – they neared a record high level in early May amid the banking turmoil – as major central banks slowed the pace of monetary tightening and the US dollar weakened in the latter part of the year. Copper prices were slightly higher, having climbed in late 2022, although disappointment about China's relatively subdued economic growth drove them lower in the first half of 2023.

Statement of Authorised Corporate Director's (ACD) responsibilities for the year ended 30 June 2023

The FCA's COLL requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view, in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014 and amended in June 2017, UK Generally Accepted Accounting Practice (UK GAAP) (UK Accounting Standards, comprising the Financial Reporting Standard 102 (FRS 102) applicable in the UK and Republic of Ireland), of the financial affairs of the Company and each of the sub-funds, and their revenue/expenditure for the year. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the SORP for Authorised Funds issued by the IMA in May 2014 and amended in June 2017;
- 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 JHFMUKL, comply with the above requirements;
- make best judgements and estimates that are reasonable; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

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

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

for the year ended 30 June 2023

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited
London
18 October 2023

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 June 2023 and of the net revenue and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Janus Henderson UK & Europe Funds is an Open-Ended Investment Company ('OEIC') with twelve sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report & Accounts (the "Annual Report"), which comprise: the Balance sheets as at 30 June 2023; the Statements of total return, the Statements of change in net assets attributable to shareholders and the Statement of cash flows for the year then ended; the Distribution tables; the Accounting policies; and the Notes to the financial statements.

Basis for opinion

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

Independence

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

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

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1(a) Basis of Preparation which describes the Authorised Corporate Directors' (ACD) reasons why the financial statements for Janus Henderson Index Linked Bond Fund, Janus Henderson Institutional Long Dated Gilt Fund and Janus Henderson Institutional UK Gilt Fund (the "terminating sub-funds"), sub-funds of Janus Henderson UK and Europe Funds, have been prepared on a basis other than going concern. The financial statements of the remaining sub-funds of the Company (the 'continuing sub-funds') have been prepared on a going concern basis.

Conclusions relating to going concern

In respect of the Company as a whole and the continuing sub funds, based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or the continuing sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

With the exception of the terminating sub-funds, in auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or its continuing sub-funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Reporting on other information

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

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

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

Reporting on other information (continued)

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's (ACD) 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 Director's (ACD) responsibilities, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company or the sub-funds. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically manual journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

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

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
18 October 2023

1 Accounting policies

(a) Basis of preparation

The financial statements of Janus Henderson UK & Europe Funds (the 'Company') comprise the financial statements of each of the funds. They have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the SORP for UK Authorised Funds issued by the IMA in May 2014 and amended in June 2017, FRS 102, the FCA's COLL, the Company's Instrument of Incorporation and Prospectus.

The financial statements for all funds, with the exception of the Janus Henderson Index Linked Bond Fund, the Janus Henderson Institutional Long Dated Gilt Fund and the Janus Henderson Institutional UK Gilt Fund, have been prepared on a going concern basis.

The financial statements for the Janus Henderson Index Linked Bond Fund, the Janus Henderson Institutional Long Dated Gilt Fund, and the Janus Henderson Institutional UK Gilt Fund have been prepared on a basis other than going concern. The ACD is considering the future of these funds and Shareholders will be contacted in due course. It is anticipated that there will be further reductions in net asset values over the next 12 months and therefore it may not be possible to manage the funds on an ongoing basis. Investments have been reclassified as current assets within the financial statements to reflect this uncertainty. There was no requirement to adjust assets or liabilities to their realisable values or to provide for liabilities. The costs relating to any activities regarding the future of the fund will be attributed in line with the funds' prospectus.

(b) Basis of valuation of investments

The valuation of listed investments has been at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of debt securities, at close of business on the last working day of the accounting year (30 June 2023) in accordance with the provisions of the scheme particulars.

The ACD reviews and approves fair value pricing decisions on a regular basis with the support of the Janus Henderson EMEA Pricing Committee (EPC). The Committee reports to the Board of Directors on suspended, defaulted, delisted, unquoted or manually priced securities, taking into consideration where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

Investments in collective investment schemes (CIS) have been valued at bid prices. For those CIS funds that are not dual priced, single prices are used.

The realised and unrealised gains and losses derived from investments in Non-derivative securities are included in Net capital gains/(losses) in the Statement of total return.

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

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

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

(c) Revenue recognition

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

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

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

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

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

Under the UK Reporting Regime, an offshore fund with reporting status is required on an annual basis to calculate its excess reportable income (ERI) which is broadly a calculation of its revenue income (interest and dividends received) less its revenue expenses such as management fees (but not performance fees or incentive allocations). The ERI will be recognised in the fund as income when the ERI is made public by the offshore fund.

Aggregated notes to the financial statements (continued)

1 Accounting policies (continued)

(c) Revenue recognition (continued)

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

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

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

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

Stock lending revenue is accounted for on an accruals basis, net of bank charges, agent fees and any withholding tax deducted.

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

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

Where an Index Future or a Bond Future is deemed to be tracking the total return, including dividend/coupon yield, on an underlying instrument, a future bifurcation adjustment is manually calculated and transferred from capital to revenue to be accounted for within derivative revenue. The adjustment for the total return of each position considers the difference between the yield of the underlying index of each future and the cost of borrowing based on risk free rates over the reporting period.

Any annual management charge rebates from underlying funds, including offshore, are recognised on an accruals basis when the entitlement arises in accordance with the treatment of the annual management charge on the underlying CIS.

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

(d) Treatment of expenses (including ACD expenses)

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

Annual Management Charge

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

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

General Administration Charge

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

(e) Exchange rates

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

1 Accounting policies (continued)

(f) Taxation

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

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

Deferred tax is provided on all timing differences that have originated but not reversed at the Balance sheet date other than those recorded as permanent differences. Deferred tax is provided at the standard rate of 20%. 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

With the exception of the Janus Henderson Asset-Backed Securities Fund, the funds are not required to produce a cash flow statement as they meet the exemption criteria set out in FRS 102 7.1A as the funds' investments are highly liquid, are carried at market value and a Statement of change in net assets attributable to shareholders is provided for each fund. A cash flow statement has been included for Janus Henderson Asset-Backed Securities Fund as the fund holds asset backed securities with low levels of liquidity.

(h) Hedged share classes

The following hedged share classes are available within the funds:

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

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

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

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

(i) Treatment of derivatives

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

Forward foreign currency contracts

Open forward currency contracts are shown in the Portfolio statement at fair value and the net gains/(losses) are reflected in Forward currency contracts in Net capital gains/(losses).

Forward foreign currency contracts on hedged share classes

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

Bond, Equity and Index future contracts

The unrealised gain/(loss) on open future contracts is disclosed in the Portfolio statement. The margins paid on these contracts are included in amounts held at derivative clearing houses and brokers. The net gains/(losses) are apportioned between the revenue account and derivative securities in Net capital gains/(losses), reflecting the nature of the return. The basis of the apportionment is typically made by reference to the yield on the underlying security or index or other appropriate source.

Swaps

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

1 Accounting policies (continued)

(j) Dilution adjustment

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

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

2 Distribution policy

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

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

Marginal tax relief is not taken into account when determining the amount available for distribution on the funds that charge AMC fees to capital.

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

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

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

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

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

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

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

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

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

Equalisation

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

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

3 Risk

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

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

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

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

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

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

(a) Market risk

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

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

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

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

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

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

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

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

3 Risk (continued)

(a) Market risk (continued)

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

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

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

Currency risk

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

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

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

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

Hedged share classes

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

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

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

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

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

Interest rate risk

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

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

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

3 Risk (continued)

(a) Market risk (continued)

Interest rate risk (continued)

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

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

Other market price risk

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

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

The Russia/Ukraine conflict and market risks, such as stresses in the banking sector are closely monitored and assessed by various business units which has not required activation of the business continuity plans or a change from regular business processes. The sub-funds did not have any direct exposure to Russia or Ukraine. The secondary market impact resulting in an increase in overall market volatility influences risk levels of the sub-funds. The sub-funds continue to be managed according to their investment objectives through this period of uncertainty with currently no areas of concern identified. Fund valuations are carried out without any necessary deviation from the valuation policy, the sub-funds' risk profiles remain within pre-defined ranges and redemptions and subscriptions continue to be met in the normal course of business.

(b) Credit and counterparty risk

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

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

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

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

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

(c) Operational risk

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

(d) Liquidity risk

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

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

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

Aggregated notes to the financial statements (continued)

3 Risk (continued)

(d) Liquidity risk (continued)

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

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

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

4 Cross holdings

30 June 2023

As at 30 June 2023 there were no sub-fund cross holdings within the Janus Henderson UK & Europe Funds.

		Fund Held	
		Janus Henderson Asset-Backed Securities Fund	
		Number of Shares	Market Value £000
Investor Fund	Janus Henderson Index Linked Bond Fund	6,379,764	6,370
Investor Fund	Janus Henderson Institutional UK Gilt Fund	3,228,607	3,224

Janus Henderson Absolute Return Fixed Income Fund

Authorised Corporate Director's report

Investment Fund Managers

Daniel Siluk and Jason England

Investment objective and policy

The fund aims to generate a positive return (more than zero), after the deduction of costs and charges, over a rolling 12 month period. An absolute return performance is not guaranteed over this specific, or any other, time period and consequently capital is in fact at risk.

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

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

The fund may also invest in other assets including bonds of other types from any issuer, CIS (including those managed by Janus Henderson), preference shares, cash and money market instruments.

In certain market conditions, the fund may invest more than 35% of its assets in government bonds issued by any one body. The fund will not invest more than 15% of its assets in high yield (non-investment grade) bonds and will never invest in bonds rated lower than B- or B3 (credit agency ratings), or if unrated deemed to be of a comparable quality by the Investment Manager.

The Investment Manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the fund's objective, to reduce risk, to manage the fund more efficiently, or to generate additional capital or income for the fund.

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

Strategy

The Investment Manager manages the fund to act as a 'risk reducer', aiming to provide consistent positive absolute returns in excess of cash with low volatility and capital stability across economic and credit cycles. Exposure to shorter maturity investment grade bonds across global fixed income markets creates steady income generation which is balanced with tactical trades that aim to dampen overall volatility and take advantage of any market mispricing and dislocations. The fund is benchmark agnostic seeking the best risk adjusted opportunities across sectors and countries.

Performance summary

Cumulative performance

	One year 30 Jun 22 - 30 Jun 23 %	Three years 30 Jun 20- 30 Jun 23 %	Since inception 25 Feb 19* - 30 Jun 23 %
Class I accumulation (Net)	2.0	(0.3)	3.7
ICE Bank of America 3 month Sterling Government Bill Index	2.9	3.2	4.2
Class I accumulation (Gross)	2.6	1.4	6.3
ICE Bank of America 3 month Sterling Government Bill Index + 2%	5.0	9.5	13.5

Discrete performance

	30 Jun 22 - 30 Jun 23 %	30 Jun 21 - 30 Jun 22 %	30 Jun 20 - 30 Jun 21 %	30 Jun 19 - 30 Jun 20 %	25 Feb 19* - 30 Jun 19 %
Class I accumulation (Net)	2.0	(2.4)	0.1	2.8	1.2
ICE Bank of America 3 month Sterling Government Bill Index	2.9	0.2	0.0	0.7	0.3
Class I accumulation (Gross)	2.6	(1.8)	0.7	3.3	1.4
ICE Bank of America 3 month Sterling Government Bill Index + 2%	5.0	2.2	2.0	2.7	0.9

Authorised Corporate Director's report (continued)

Performance summary (continued)

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

* The fund launched on 25 February 2019.

Source: Morningstar

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

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

Benchmark values are as at close of business.

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

Benchmark usage:

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

Index usage: Target

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

Past performance does not predict future returns. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Significant portfolio changes for the year ended 30 June 2023

Largest purchases	£000	Largest sales/maturities	£000
Plains Midstream 0.00% 27/07/2022	4,148	Plains Midstream 0.00% 27/07/2022	4,150
Conagra Brands 0.00% 22/07/2022	3,964	Conagra Brands 0.00% 22/07/2022	3,975
Conagra Brands 0.00% 27/07/2022	3,733	Conagra Brands 0.00% 27/07/2022	3,735
Ovintiv 0.00% 19/07/2022	3,378	Ovintiv 0.00% 19/07/2022	3,326
FMC 0.00% 26/07/2022	2,928	Energy Transfer 0.00% 22/07/2022	2,929
Jabil 0.00% 26/07/2022	2,928	FMC 0.00% 26/07/2022	2,906
Newall Brands 0.00% 26/07/2022	2,928	Jabil 0.00% 26/07/2022	2,906
Smithfield Foods 0.00% 26/07/2022	2,928	Newall Brands 0.00% 26/07/2022	2,906
Energy Transfer 0.00% 22/07/2022	2,921	Smithfield Foods 0.00% 26/07/2022	2,906
Aviation 0.00% 20/07/2022	2,503	Aviation 0.00% 20/07/2022	2,493
Total purchases	374,006	Total sales/maturities	431,600

Investment review

The fund returned 2.0% (Net), 2.6% (Gross) based on Class I accumulation over the year under review, compared with a return of 2.9% in the ICE Bank of America 3 month Sterling Government Bill Index and a return of 5.0% in the Target Index + 2%.

Global bonds came under substantial pressure during the reporting year, with positive corporate performance more than offset by negative returns in US Treasuries and sovereign bonds. Global rates rose as central banks continued to battle inflation. The Fed, ECB and BoE all embarked on a series of consistent rate increases with mixed results. The US economy remained the most resilient, with solid first-quarter GDP expansion, consistent labour growth and moderating inflation. Inflation, however, remained elevated in the UK, and the eurozone officially entered a recession. Nonetheless, global investment-grade and high-yield credit spreads ended the year tighter, as investor risk appetite rose on resilient US economic data and moderating inflation.

The fund seeks to generate consistent returns by focusing on higher-quality, shorter-dated credit that tends to offer attractive income generation – or carry – as it nears maturity. The main contributor to performance during the year was the carry on the fund's core corporate credit holdings. Rising rates detracted from returns. As challenging as 2022 was with regard to rates rising across the curve, the end result was that bond portfolios were again able to generate attractive levels of carry, especially along the front end of the yield curve, given the inversion of the US Treasury curve. Continued interest rate volatility meant that we deployed securities with the aim of dampening the impact of future rate swings, and these generated positive returns.

Given our view that the Fed is nearing the end of its rate-hiking cycle and that a slowing economy means other central banks may not be far behind, we extended the fund's duration from 0.67 years to 0.79 years. Even if the US policy rate climbs modestly during the latter half of 2023 and other jurisdictions are compelled to hike further as they seek to rein in inflation, bond investors likely no longer face the immense duration risk that weighed on returns in 2022. By increasing duration towards the fund's neutral target, we expect to be able to capture a higher level of yield while remaining conservatively positioned should recent declines in consumer prices unexpectedly stall.

The path of inflation, interest rates and the economy will continue to play a significant role in the bond market until greater visibility into these forces emerges. However, after several years, we believe a fixed income allocation again has the potential to offer diversification against swings in riskier asset classes as well as levels of income generation that investors feared had been consigned to the annals of history.

Consensus has coalesced around the global economy slowing in 2023. Many have suggested that with several leading indicators – namely an inverted US Treasury yield curve – already signalling weakness, the Fed may stick to its tendency of transitioning to rate cuts in relatively short order. We do not think that will be the case, especially given that the Fed left the door open for incremental rate hikes despite a pause in June. Many of the quicker pivots occurred during the 1970s and early 1980s, when the central bank prematurely turned dovish. This only allowed inflation to become more embedded, setting the stage for policy having to ultimately become even more restrictive.

With the end of this tightening cycling likely on the horizon, bond investors can begin to think about shifting towards an opportunistic stance within the global market. Bond investors now have the ability to capture levels of income not available only a year ago and position themselves to participate in the capital appreciation that can diversify against riskier assets in times of stress. This is how US bonds performed during the volatile stretch caused by banking sector turmoil. Lastly, bond investors need to recognise that the days of chasing yield are over. A higher cost of capital has put many companies that are dependent on cheap financing on the back foot, and tightening credit standards will only exacerbate this trend. We are especially cautious of lower-quality companies and those exposed to a high degree of economic cyclicity.

Comparative tables for the year ended 30 June 2023

	Class G accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	100.09	102.42	102.53
Return before operating charges*	2.70	(1.87)	0.35
Operating charges	(0.47)	(0.46)	(0.46)
Return after operating charges*	2.23	(2.33)	(0.11)
Distributions on accumulation shares	(2.34)	(1.12)	(0.38)
Retained distributions on accumulation shares	2.34	1.12	0.38
Closing net asset value per share	102.32	100.09	102.42
* after direct transaction costs of:	-	-	-

Performance

Return after charges	2.23%	(2.27%)	(0.11%)
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Other information

Closing net asset value (£000s)	2	2	1
Closing number of shares	1,952	1,952	500
Operating charges	0.47%	0.45%	0.45%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	102.41	102.50	103.14
Lowest share price (pence)	99.62	100.07	102.36

	Class G income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	97.55	100.91	101.50
Return before operating charges*	2.62	(1.81)	0.23
Operating charges	(0.46)	(0.45)	(0.46)
Return after operating charges*	2.16	(2.26)	(0.23)
Distributions on income shares	(2.26)	(1.10)	(0.36)
Closing net asset value per share	97.45	97.55	100.91
* after direct transaction costs of:	-	-	-

Performance

Return after charges	2.21%	(2.24%)	(0.23%)
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Other information

Closing net asset value (£000s)	2	2	1
Closing number of shares	1,981	1,981	500
Operating charges	0.47%	0.45%	0.45%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	98.34	100.99	102.02
Lowest share price (pence)	96.68	97.74	101.07

Comparative tables (continued)

	Class I accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	101.62	104.08	103.97
Return before operating charges*	2.66	(1.88)	0.69
Operating charges	(0.59)	(0.58)	(0.58)
Return after operating charges*	2.07	(2.46)	0.11
Distributions on accumulation shares	(2.19)	(0.61)	(0.60)
Retained distributions on accumulation shares	2.19	0.61	0.60
Closing net asset value per share	103.69	101.62	104.08
* after direct transaction costs of:	-	-	-

Performance

Return after charges	2.04%	(2.36%)	0.11%
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Other information

Closing net asset value (£000s)	8,444	16,677	58,069
Closing number of shares	8,144,590	16,410,935	55,793,459
Operating charges	0.58%	0.56%	0.56%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	103.78	104.19	104.72
Lowest share price (pence)	101.09	101.60	103.95

	Class I income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	98.25	101.40	101.90
Return before operating charges*	2.55	(1.83)	0.67
Operating charges	(0.57)	(0.56)	(0.57)
Return after operating charges*	1.98	(2.39)	0.10
Distributions on income shares	(2.07)	(0.76)	(0.60)
Closing net asset value per share	98.16	98.25	101.40
* after direct transaction costs of:	-	-	-

Performance

Return after charges	2.02%	(2.36%)	0.10%
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Other information

Closing net asset value (£000s)	283	3,112	4,042
Closing number of shares	288,226	3,167,170	3,986,244
Operating charges	0.58%	0.56%	0.56%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	99.02	101.50	102.49
Lowest share price (pence)	97.36	98.37	101.58

Comparative tables (continued)

	Class S accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	100.79	102.90	102.50
Return before operating charges*	2.78	(1.84)	0.67
Operating charges	(0.28)	(0.27)	(0.27)
Return after operating charges*	2.50	(2.11)	0.40
Distributions on accumulation shares	(2.72)	(0.62)	(0.92)
Retained distributions on accumulation shares	2.72	0.62	0.92
Closing net asset value per share	103.29	100.79	102.90
* after direct transaction costs of:	-	-	-

Performance

Return after charges	2.48%	(2.50%)	0.39%
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Other information

Closing net asset value (£000s)	1	1	76,533
Closing number of shares	549	549	74,375,063
Operating charges	0.28%	0.26%	0.26%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	103.44	103.09	103.39
Lowest share price (pence)	100.42	100.75	102.53

	Class S income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	97.58	100.70	101.17
Return before operating charges*	2.50	(1.81)	0.66
Operating charges	(0.27)	(0.26)	(0.26)
Return after operating charges*	2.23	(2.07)	0.40
Distributions on income shares	(2.37)	(1.05)	(0.87)
Closing net asset value per share	97.44	97.58	100.70
* after direct transaction costs of:	-	-	-

Performance

Return after charges	2.29%	(2.06%)	0.40%
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Other information

Closing net asset value (£000s)	8,194	54,587	80,682
Closing number of shares	8,409,607	55,943,854	80,125,166
Operating charges	0.28%	0.26%	0.26%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	98.36	100.88	101.81
Lowest share price (pence)	96.69	97.79	100.89

Comparative tables (continued)

	Class Z accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	103.36	105.31	104.68
Return before operating charges*	2.70	(1.90)	0.68
Operating charges	(0.07)	(0.05)	(0.05)
Return after operating charges*	2.63	(1.95)	0.63
Distributions on accumulation shares	(2.77)	(1.40)	(1.14)
Retained distributions on accumulation shares	2.77	1.40	1.14
Closing net asset value per share	105.99	103.36	105.31
* after direct transaction costs of:	-	-	-

Performance

Return after charges	2.54%	(1.85%)	0.60%
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Other information

Closing net asset value (£000s)	9,825	13,689	13,252
Closing number of shares	9,269,256	13,244,831	12,583,761
Operating charges	0.07%	0.05%	0.05%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	106.08	105.56	105.71
Lowest share price (pence)	102.98	103.31	104.71

	Class Z income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	98.29	101.41	101.90
Return before operating charges*	1.80	(1.80)	0.67
Operating charges	(0.06)	(0.05)	(0.05)
Return after operating charges*	1.74	(1.85)	0.62
Distributions on income shares	(1.65)	(1.27)	(1.11)
Final cancellation	(98.38) ¹	-	-
Closing net asset value per share	-	98.29	101.41
* after direct transaction costs of:	-	-	-

Performance

Return after charges	1.77% ²	(1.82%)	0.61%
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Other information

Closing net asset value (£000s)	-	1	1
Closing number of shares	-	499	499
Operating charges	0.07%	0.05%	0.05%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	99.10 ³	101.60	102.63
Lowest share price (pence)	97.41 ³	98.56	101.62

¹ Class Z income closed on 18 May 2023.

² Return after charges relates to the period 1 July 2022 to the closure of the share class on 18 May 2023. This performance will differ from the other share classes as it does not include returns generated over the same period.

³ to 18 May 2023.

Comparative tables (continued)

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

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

Operating charges

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

Share class launches and closures

There were no share classes launched during the year.

The following share class closed during the year:

Share class	Closure date
Class Z income	18 May 2023

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.

	2023 %	2022 %
Class G accumulation	0.47	0.45
Class G income	0.47	0.45
Class I accumulation	0.58	0.56
Class I income	0.58	0.56
Class S accumulation	0.28	0.26
Class S income	0.28	0.26
Class Z accumulation	0.07	0.05
Class Z income¹	n/a	0.05

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

¹ Class Z income closed on 18 May 2023.

Risk and reward profile

The fund currently has 7 types of share class in issue: G accumulation, G income, I accumulation, I income, S accumulation, S income and Z accumulation.

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



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

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

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

The rating above is based on simulated historic volatility. Historic data may not be a reliable indication of the future risk profile of the fund. The rating is not guaranteed and may change over time.

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

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

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

* Class I accumulation, Class I income and Class Z accumulation launched on 25 February 2019, Class G accumulation and Class G income launched on 27 June 2019. Class S accumulation launched on 9 December 2019 and Class S income launched on 20 February 2020. As these share classes do not have a five year history, a synthetic history has been created using the fund's relevant sector average.

Portfolio statement as at 30 June 2023

Holding	Investment	Market value £000	Percentage of total net assets %
Bonds 90.84% (2022: 92.35%)			
Australia 22.44% (2022: 27.61%)			
Asset Backed 1.14% (2022: 0.76%)			
AUD 181,076	La Trobe Financial Capital Markets Trust FRN 11/02/2051 2A1L	95	0.35
AUD 359,876	La Trobe Financial Capital Markets Trust FRN 11/02/2051 2A2L	188	0.70
AUD 42,986	Latitude Australia Personal Loans FRN 17/06/2028 1AL	23	0.09
		<u>306</u>	<u>1.14</u>
Fixed Rate Bond 7.39% (2022: 11.86%)			
AUD 660,000	Ausgrid Finance 3.75% 30/10/2024	339	1.26
AUD 470,000	Charter Hall 2.086% 03/03/2028	200	0.75
AUD 500,000	Commonwealth Bank of Australia 4.2% 18/08/2025	257	0.96
AUD 330,000	Computershare US 3.147% 30/11/2027	154	0.58
AUD 470,000	ElectraNet 2.4737% 15/12/2028	205	0.77
AUD 500,000	Lonsdale Finance 2.10% 15/10/2027	226	0.84
AUD 200,000	Lonsdale Finance 2.45% 20/11/2026	95	0.36
AUD 430,000	Network Finance 2.25% 11/11/2026	201	0.75
AUD 200,000	Optus Finance 1.60% 01/07/2025	97	0.36
AUD 470,000	VER Finco 2.40% 21/09/2028	202	0.76
		<u>1,976</u>	<u>7.39</u>
Floating Rate Note 13.91% (2022: 12.88%)			
AUD 500,000	Australia & New Zealand Banking FRN 31/03/2026	262	0.98
AUD 350,000	Australia & New Zealand Banking FRN 26/02/2031	183	0.68
AUD 480,000	Bank Australia FRN 22/02/2027	251	0.94
AUD 300,000	Bank of Queensland FRN 19/05/2032	152	0.57
AUD 220,000	Bendigo & Adelaide Bank FRN 16/06/2026	115	0.43
AUD 500,000	Bendigo & Adelaide Bank FRN 30/11/2028	262	0.98
AUD 500,000	Commonwealth Bank of Australia FRN 20/08/2031	257	0.96
AUD 300,000	Credit Union Australia FRN 09/02/2027	157	0.59
AUD 300,000	Heritage and People's Choice FRN 16/09/2031	150	0.56
AUD 500,000	Insurance Australia FRN 15/06/2044	262	0.98
AUD 400,000	Liberty Financial FRN 17/03/2025	204	0.76
AUD 180,000	Liberty Financial FRN 25/05/2026	91	0.34
AUD 1,040,000	Macquarie Bank FRN 17/06/2031	535	2.00
AUD 250,000	National Australia Bank FRN 05/12/2026	131	0.49
AUD 550,000	National Australia Bank FRN 18/11/2031	289	1.08
AUD 300,000	Suncorp FRN 05/12/2028	157	0.59
AUD 300,000	Westpac FRN 23/06/2033	158	0.59
AUD 200,000	Westpac FRN 29/01/2031	104	0.39
		<u>3,720</u>	<u>13.91</u>
Variable Rate Bond 0.00% (2022: 2.11%)			
Canada 3.36% (2022: 3.03%)			
Fixed Rate Bond 3.36% (2022: 2.80%)			
USD 200,000	Canadian Pacific Railway 1.35% 02/12/2024	148	0.55
USD 250,000	Enbridge 2.15% 16/02/2024	192	0.72

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Fixed Rate Bond (continued)		
GBP 200,000	Royal Bank of Canada 1.125% 15/12/2025	175	0.66
USD 130,000	Royal Bank of Canada 4.95% 25/04/2025	101	0.38
USD 390,000	Toronto-Dominion Bank 1.15% 12/06/2025	282	1.05
		<u>898</u>	<u>3.36</u>
	Floating Rate Note 0.00% (2022: 0.23%)		
	Finland 0.59% (2022: 0.87%)		
	Fixed Rate Bond 0.00% (2022: 0.68%)		
	Floating Rate Note 0.59% (2022: 0.19%)		
USD 200,000	Nordea Bank FRN 06/06/2025	<u>158</u>	<u>0.59</u>
	Germany 2.44% (2022: 1.93%)		
	Fixed Rate Bond 2.44% (2022: 1.93%)		
USD 225,000	BMW 0.75% 12/08/2024	168	0.63
AUD 330,000	Mercedes-Benz Australia 0.75% 22/01/2024	169	0.63
USD 150,000	Mercedes-Benz North America 5.50% 27/11/2024	117	0.44
GBP 200,000	Volkswagen Financial Services 1.125% 18/09/2023	198	0.74
		<u>652</u>	<u>2.44</u>
	Ireland 2.11% (2022: 1.25%)		
	Fixed Rate Bond 2.11% (2022: 1.25%)		
USD 500,000	AerCap Ireland 1.65% 29/10/2024	370	1.38
USD 250,000	AerCap Ireland DAC 1.15% 29/10/2023	193	0.73
		<u>563</u>	<u>2.11</u>
	Netherlands 0.00% (2022: 0.98%)		
	Fixed Rate Bond 0.00% (2022: 0.77%)		
	Variable Rate Bond 0.00% (2022: 0.21%)		
	New Zealand 7.30% (2022: 2.70%)		
	Fixed Rate Bond 6.62% (2022: 2.25%)		
NZD 3,835,000	New Zealand (Government of) 0.50% 15/05/2024	<u>1,772</u>	<u>6.62</u>
	Floating Rate Note 0.68% (2022: 0.45%)		
AUD 350,000	Kiwibank FRN 23/09/2025	<u>183</u>	<u>0.68</u>
	Saudi Arabia 0.00% (2022: 0.26%)		
	Fixed Rate Bond 0.00% (2022: 0.26%)		
	Singapore 0.58% (2022: 1.61%)		
	Floating Rate Note 0.00% (2022: 1.42%)		
	Variable Rate Bond 0.58% (2022: 0.19%)		
USD 200,000	DBS 4.52% 11/12/2028	<u>156</u>	<u>0.58</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	South Korea 1.62% (2022: 1.73%)		
	Fixed Rate Bond 1.62% (2022: 1.73%)		
USD 301,000	Korea East-West Power 1.75% 06/05/2025	221	0.83
USD 300,000	Korea National Oil 0.875% 05/10/2025	212	0.79
		<u>433</u>	<u>1.62</u>
	Spain 1.13% (2022: 1.10%)		
	Fixed Rate Bond 1.13% (2022: 1.10%)		
USD 400,000	Santander 3.496% 24/03/2025	<u>301</u>	<u>1.13</u>
	Sweden 0.00% (2022: 0.46%)		
	Floating Rate Note 0.00% (2022: 0.46%)		
	Switzerland 0.00% (2022: 1.18%)		
	Fixed Rate Bond 0.00% (2022: 0.49%)		
	Floating Rate Note 0.00% (2022: 0.69%)		
	United Arab Emirates 0.00% (2022: 0.34%)		
	Fixed Rate Bond 0.00% (2022: 0.34%)		
	United Kingdom 2.10% (2022: 2.60%)		
	Fixed Rate Bond 0.00% (2022: 0.58%)		
	Variable Rate Bond 2.10% (2022: 2.02%)		
USD 300,000	Lloyds Bank 3.87% 09/07/2025	230	0.86
USD 215,000	NatWest 5.847% 02/03/2027	167	0.62
USD 210,000	Santander 6.833% 21/11/2026	<u>165</u>	<u>0.62</u>
		<u>562</u>	<u>2.10</u>
	United States 47.17% (2022: 44.70%)		
	Asset Backed 2.70% (2022: 0.00%)		
USD 56,005	Connecticut Avenue Securities Trust 2022-R01 FRN 25/12/2041	44	0.16
USD 53,758	Connecticut Avenue Securities Trust 2022-R08 FRN 25/07/2042	43	0.16
USD 108,184	Connecticut Avenue Securities Trust 2022-R09 FRN 25/09/2042	86	0.32
USD 55,021	Connecticut Avenue Securities Trust 2023-R01 FRN 25/04/2043	44	0.16
USD 93,547	Connecticut Avenue Securities Trust 2023-R01 FRN 25/12/2042	74	0.28
USD 60,210	Connecticut Avenue Securities Trust 2023-R04 FRN 25/05/2043	48	0.18
USD 162,821	Freddie Mac STACR FRN 25/06/2043	128	0.48
USD 80,463	Freddie Mac STACR FRN 25/08/2033	63	0.24
USD 34,793	Freddie Mac STACR REMIC Trust 2022-DNA6 FRN 25/09/2042	27	0.10
USD 89,612	Freddie Mac STACR REMIC Trust 2022-HQA3 FRN 25/08/2042	71	0.27
USD 67,840	Freddie Mac STACR REMIC Trust 2023-DNA1 FRN 25/03/2043	53	0.20
USD 39,599	Freddie Mac STACR REMIC Trust 2023-HQA1 FRN 25/04/2043	31	0.11
USD 14,353	Freddie Mac STACR FRN 25/04/2023	<u>11</u>	<u>0.04</u>
		<u>723</u>	<u>2.70</u>
	Fixed Rate Bond 35.55% (2022: 34.68%)		
USD 200,000	Air Lease 0.80% 18/08/2024	148	0.55
USD 275,000	Air Lease 1.875% 15/08/2026	192	0.72
USD 75,000	Amgen 5.25% 02/03/2025	59	0.22

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
USD 325,000	Amgen 5.507% 02/03/2026	255	0.95
USD 375,000	AT&T 5.539% 20/02/2026	295	1.10
USD 380,000	Athene Global Funding 0.914% 19/08/2024	279	1.05
USD 100,000	Avery Dennison 0.85% 15/08/2024	74	0.28
USD 200,000	Aviation Capital 1.95% 20/09/2026	136	0.51
USD 200,000	Aviation Capital 1.95% 30/01/2026	140	0.52
CAD 155,000	Bank of America 2.932% 25/04/2025	90	0.34
USD 290,000	Cardinal Health 3.079% 15/06/2024	222	0.83
USD 100,000	Cargill 3.50% 22/04/2025	76	0.28
USD 40,000	Cargill 4.50% 26/06/2026	31	0.12
USD 125,000	Cargill 4.875% 10/10/2025	97	0.36
USD 35,000	Celanese US 5.90% 05/07/2024	28	0.10
USD 230,000	Celanese US 6.05% 15/03/2025	180	0.67
USD 100,000	Conagra Brands 0.50% 11/08/2023	78	0.29
USD 100,000	Constellation Brands 5.00% 02/02/2026	78	0.29
USD 180,000	Corebridge Financial 3.5% 04/04/2025	135	0.51
USD 100,000	CVS Health 5.00% 20/02/2026	78	0.29
USD 65,000	DTE Energy 4.875% 01/06/2028	50	0.19
USD 175,000	Duke Energy 5.00% 08/12/2025	137	0.51
USD 200,000	Elevance Health 4.90% 08/02/2026	155	0.58
USD 100,000	Fidelity National Information Services 4.50% 15/07/2025	77	0.29
USD 375,000	Fiserv 3.80% 01/10/2023	294	1.10
USD 375,000	GE Healthcare Technologies 5.55% 15/11/2024	294	1.10
USD 350,000	General Motors Financial 6.05% 10/10/2025	276	1.03
USD 395,000	Georgia-Pacific 0.625% 15/05/2024	298	1.12
USD 270,000	Goldman Sachs 3.50% 01/04/2025	204	0.76
USD 365,000	HCA 5.875% 15/02/2026	287	1.07
USD 375,000	Humana 5.70% 13/03/2026	295	1.10
USD 395,000	Hyundai Capital America 0.80% 08/01/2024	303	1.13
USD 130,000	Hyundai Capital America 5.65% 26/06/2026	102	0.38
USD 375,000	Illumina 5.80% 12/12/2025	296	1.11
USD 220,000	Intuit 0.65% 15/07/2023	173	0.65
USD 90,000	Lowe's 4.40% 08/09/2025	69	0.26
USD 100,000	Lowe's 4.80% 01/04/2026	78	0.29
USD 340,000	LPL 4.625% 15/11/2027	251	0.94
CAD 450,000	McDonald's 3.125% 04/03/2025	258	0.96
CAD 350,000	Mondelez International 3.25% 07/03/2025	200	0.75
USD 75,000	NASDAQ 5.65% 28/06/2025	59	0.22
USD 275,000	PerkinElmer 0.85% 15/09/2024	203	0.76
USD 400,000	Pfizer Investment Enterprises 4.45% 19/05/2026	311	1.16
USD 230,000	Roche 1.882% 08/03/2024	176	0.66
USD 400,000	Thermo Fisher Scientific 1.215% 18/10/2024	298	1.11
USD 250,000	Verizon Communications 0.85% 20/11/2025	177	0.66
USD 160,000	Vistra Operations 4.875% 13/05/2024	123	0.46
USD 325,000	VMware 1.40% 15/08/2026	226	0.84
USD 220,000	Warnermedia 3.428% 15/03/2024	170	0.64
USD 50,000	Warnermedia 6.412% 15/03/2026	39	0.15
AUD 1,150,000	Wells Fargo 3.70% 27/07/2026	566	2.12

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
USD 165,000	Williams Companies 5.40% 02/03/2026	129	0.48
USD 345,000	Willis North America 3.60% 15/05/2024	265	0.99
		<u>9,510</u>	<u>35.55</u>
Floating Rate Note 0.00% (2022: 0.89%)			
Stepped Rate Bond 0.86% (2022: 0.00%)			
USD 300,000	DTE Energy 4.22% 01/11/2024	<u>231</u>	<u>0.86</u>
Variable Rate Bond 8.06% (2022: 9.13%)			
USD 360,000	American Express 4.99% 20/05/2026	280	1.05
USD 70,000	Bank of America 3.841% 25/04/2025	54	0.20
USD 50,000	Bank of America 3.864% 23/07/2024	39	0.15
USD 100,000	Bank of America 5.08% 20/01/2027	77	0.29
USD 145,000	Bank of America 5.202% 25/04/2029	113	0.42
USD 275,000	Bank of America FRN 11/03/2027	195	0.73
USD 550,000	Citigroup 3.106% 08/04/2026	413	1.54
USD 600,000	JPMorgan Chase FRN 23/06/2025	448	1.67
USD 650,000	Morgan Stanley 1.164% 21/10/2025	478	1.79
USD 75,000	Morgan Stanley 5.05% 28/01/2027	<u>58</u>	<u>0.22</u>
		<u>2,155</u>	<u>8.06</u>
Collective Investment Schemes 0.00% (2022: 4.69%)			
1,000	Deutsche Global Liquidity Managed Platinum Sterling Fund	<u>1</u>	<u>-</u>
Commercial Paper 1.03% (2022: 2.10%)			
United States 1.03% (2022: 2.10%)			
350,000	Global Payments 0.00% 13/07/2023	<u>275</u>	<u>1.03</u>
Derivatives 1.57% (2022: (0.81%))			
Futures 0.10% (2022: 0.04%)			
(6)	CBT US 2 Year Note September 2023	13	0.05
(5)	CBT US 5 Year Note September 2023	8	0.03
(15)	SFE Australia 10 Year Bond September 2023	<u>6</u>	<u>0.02</u>
		<u>27</u>	<u>0.10</u>
Swaps (0.07%) (2022: 0.02%)¹			
Credit Default Index Swaps (0.24%) (2022: (0.03%))¹			
5,300,000	CDX 1.00% 20/06/2028 NAIGS40V Pay USD	<u>(63)</u>	<u>(0.24)</u>
Overnight Index Swaps 0.17% (2022: 0.05%)¹			
310,000	OIS 0.6935% SONIA 1 Day - Receive Floating - GBP	<u>44</u>	<u>0.17</u>
Forward Foreign Exchange Contracts 1.54% (2022: (0.87%))¹			
	Buy AUD 1,978,000 : Sell GBP 1,038,235 July 2023	(2)	(0.01)
	Buy AUD 300,000 : Sell GBP 159,442 July 2023	(2)	(0.01)
	Buy AUD 300,000 : Sell GBP 161,561 July 2023	(4)	(0.02)
	Buy AUD 400,000 : Sell GBP 210,256 July 2023	(1)	-
	Buy GBP 117,917 : Sell AUD 220,000 July 2023	<u>3</u>	<u>0.01</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy GBP 133,258 : Sell AUD 250,000 July 2023	2	0.01
	Buy GBP 16,257,102 : Sell USD 20,300,000 July 2023	294	1.10
	Buy GBP 1,787,349 : Sell NZD 3,650,000 July 2023	29	0.11
	Buy GBP 214,374 : Sell AUD 400,000 July 2023	5	0.02
	Buy GBP 470,567 : Sell CAD 800,000 July 2023	(5)	(0.02)
	Buy GBP 557,898 : Sell USD 700,000 July 2023	7	0.03
	Buy GBP 708,859 : Sell USD 900,000 July 2023	1	-
	Buy GBP 8,272,965 : Sell AUD 15,600,000 July 2023	99	0.37
	Buy GBP 88,639 : Sell CAD 151,600 July 2023	(2)	(0.01)
	Buy USD 500,000 : Sell GBP 391,213 July 2023	2	0.01
	Buy USD 500,000 : Sell GBP 401,551 July 2023	(8)	(0.03)
	Buy USD 600,000 : Sell GBP 478,149 July 2023	(6)	(0.02)
		<u>412</u>	<u>1.54</u>
	Investment assets including investment liabilities	24,995	93.44
	Other net assets	<u>1,756</u>	<u>6.56</u>
	Total net assets	26,751	100.00

¹ Not listed on an official stock exchange

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

The collective investment schemes held are approved regulated collective investment schemes within the meaning of the FCA rules.

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

Statement of total return for the year ended 30 June 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital losses	2		(202)		(3,921)
Revenue	3	877		1,493	
Expenses	4	(111)		(516)	
Interest payable and similar charges	5	<u>(3)</u>		<u>(8)</u>	
Net revenue before taxation		763		969	
Taxation	6	<u>-</u>		<u>(3)</u>	
Net revenue after taxation			<u>763</u>		<u>966</u>
Total return before distributions			561		(2,955)
Distributions	7		(763)		(1,425)
Change in net assets attributable to shareholders from investment activities			<u>(202)</u>		<u>(4,380)</u>

Statement of change in net assets attributable to shareholders for the year ended 30 June 2023

	2023		2022	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		88,071		232,581
Amounts receivable on issue of shares	2,510		5,641	
Amounts payable on cancellation of shares	<u>(64,176)</u>		<u>(146,513)</u>	
		(61,666)		(140,872)
Dilution adjustment		48		72
Change in net assets attributable to shareholders from investment activities		(202)		(4,380)
Retained distributions on accumulation shares		500		670
Closing net assets attributable to shareholders		<u>26,751</u>		<u>88,071</u>

Balance sheet as at 30 June 2023

	Note	2023 £000	2022 £000
Assets:			
Investments		25,088	87,519
Current assets:			
Debtors	8	1,121	395
Cash and bank balances	9	996	3,471
Total assets		27,205	91,385
Liabilities:			
Investment liabilities		93	912
Creditors:			
Amounts held at derivative clearing houses and brokers		190	519
Bank overdrafts		1	-
Distributions payable		72	140
Other creditors	10	98	1,743
Total liabilities		454	3,314
Net assets attributable to shareholders		26,751	88,071

Notes to the financial statements for the year ended 30 June 2023

1 Accounting policies

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

2 Net capital losses

Net capital losses on investments during the year comprise:

	2023 £000	2022 £000
Capital management fee rebates	-	1
Derivative securities	221	6,849
Forward currency contracts	312	(13,658)
Non-derivative securities	(992)	2,261
Other currency gains	266	637
Transaction costs	(9)	(11)
Net capital losses	(202)	(3,921)

3 Revenue

	2023 £000	2022 £000
Bank interest	58	14
Derivative revenue	(127)	(744)
Interest on debt securities	929	2,215
Interest on margin	7	-
Overseas dividends*	10	8
Total revenue	877	1,493

* Includes distributions from overseas funds.

4 Expenses

	2023 £000	2022 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	88	430
GAC*	19	65
	<u>107</u>	<u>495</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	3	15
Safe custody fees	1	6
	<u>4</u>	<u>21</u>
Total expenses	111	516

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £13,503 (2022: £12,249).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2023 £000	2022 £000
Interest payable	2	5
Interest on margin	1	3
Total interest payable and similar charges	3	8

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2023 £000	2022 £000
Current tax		
Corporation tax	-	1
Overseas withholding tax	-	2
Total tax (note 6b)	-	3

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICs of 20% (2022: 20%). The differences are explained below:

	2023 £000	2022 £000
Net revenue before taxation	763	969
Corporation tax at 20% (2022: 20%)	153	194
Effects of:		
Overseas withholding tax	-	2
Revenue being paid as interest distributions	(153)	(193)
Tax charge for the year (note 6a)	-	3

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2022: nil).

d) Factors that may affect future tax charges

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

Notes to the financial statements (continued)

7 Distributions

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

	2023 £000	2022 £000
Interim income	158	614
Interim accumulation	345	604
Final income	72	140
Final accumulation	155	66
	<u>730</u>	<u>1,424</u>
Amounts deducted on cancellation of shares	41	1
Amounts received on issue of shares	(8)	-
Total distributions	<u>763</u>	<u>1,425</u>
Net revenue after taxation	763	966
Adjustment for coupon basis distribution	-	403
Revenue shortfall	-	56
Total distributions	<u>763</u>	<u>1,425</u>

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

8 Debtors

	2023 £000	2022 £000
Accrued revenue	168	376
Amounts receivable for issue of shares	-	19
Currency transactions awaiting settlement	1	-
Sales awaiting settlement	952	-
Total debtors	<u>1,121</u>	<u>395</u>

9 Cash and bank balances

	2023 £000	2022 £000
Amounts held at derivative clearing houses and brokers	376	1,021
Cash and bank balances	620	1,620
Cash pledged as collateral	-	830
Total cash and bank balances	<u>996</u>	<u>3,471</u>

Notes to the financial statements (continued)

10 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	6	18
Accrued Depositary's fee	-	1
Accrued other expenses	2	6
Amounts payable for cancellation of shares	87	886
Corporation tax payable	-	1
Derivative revenue payable	3	6
Purchases awaiting settlement	-	825
Total other creditors	98	1,743

11 Contingent liabilities and commitments

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

12 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 35 and 36 and notes 4, 7, 8 and 10 on pages 37 to 40 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

There were no material shareholders at the year end (2022: nil).

13 Shareholders' funds

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

	2023 %	2022 %
Class G	0.40	0.40
Class I	0.45	0.45
Class S	0.25	0.25
Class Z ¹	0.00	0.00

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

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

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation as at 30 June 2023

	Class G accumulation	Class G income	Class I accumulation	Class I income
Opening number of shares	1,952	1,981	16,410,935	3,167,170
Issues during the year	-	-	632,952	338,051
Cancellations during the year	-	-	(8,899,297)	(3,216,995)
Shares converted during the year	-	-	-	-
Closing shares in issue	1,952	1,981	8,144,590	288,226

	Class S accumulation	Class S income	Class Z accumulation	Class Z income
Opening number of shares	549	55,943,854	13,244,831	499
Issues during the year	-	1,575,780	1,019	-
Cancellations during the year	-	(49,110,027)	(3,976,594)	(499)
Shares converted during the year	-	-	-	-
Closing shares in issue	549	8,409,607	9,269,256	-

14 Financial derivatives

The fund may use financial derivatives with the aim of making investment gains in line with the fund's objective, to reduce risk, to manage the fund more efficiently, or to generate additional capital or income for the fund.

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

As at 30 June 2023 there was cash collateral held in respect of forward foreign exchange contracts of £351,374 (2022: nil) and no cash collateral pledged (2022: £830,000). There was no bonds held as collateral in respect of forward foreign exchange contracts and swaps as at 30 June 2023 (2022: nil).

The fund had cash assets of £375,931 (2022: £1,020,836) and cash liabilities of £189,603 (2022 £518,938) held in margin accounts at derivative clearing houses and brokers as at 30 June 2023. These balances are held as collateral on the fund's futures contracts and swaps.

2023

As at 30 June 2023 the counterparty exposure calculated using the positive marked-to-market value for the derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Overnight index swaps £000	Total by counterparty £000
Citigroup	17	-	-	17
Goldman Sachs	-	-	44	44
JPMorgan Chase	3	-	-	3
Morgan Stanley	422	-	-	422
UBS	-	27	-	27
	442	27	44	513

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2022

As at 30 June 2022 the counterparty exposure calculated using the positive marked-to-market value for the derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Credit default index swaps £000	Futures £000	Overnight index swaps £000	Total by counterparty £000
Goldman Sachs	-	-	45	45
JPMorgan Chase	1	-	-	1
Morgan Stanley	1	-	-	1
UBS	-	154	-	154
	2	154	45	201

15 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with JPMorgan Chase Bank, National Association (London branch) acting as the stock lending agent in order to generate additional revenue.

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

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by an EU Member State, a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. 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% to 110% of the value of the stock on loan.

2023

There was no stock on loan as at 30 June 2023 and no stock lending revenue received in the year to 30 June 2023.

2022

The fund had no stock on loan as at 30 June 2022.

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	-	-	-*

* Stock lending revenue for the year is less than £500.

16 Risk

Currency risk

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

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2023				
Australian dollar	4,441	2,711	1,111	8,263
Canadian dollar	-	549	5	554
New Zealand dollar	-	1,772	30	1,802
UK sterling	593	373	12	978
US dollar	3,969	11,206	433	15,608
Total	9,003	16,611	1,591	27,205
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2022				
Australian dollar	14,291	13,376	149	27,816
Canadian dollar	-	841	9	850
New Zealand dollar	-	1,888	1	1,889
UK sterling	2,478	955	4,158	7,591
US dollar	15,628	37,250	361	53,239
Total	32,397	54,310	4,678	91,385
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2023				
Australian dollar	35	-	9	44
Canadian dollar	-	-	7	7
New Zealand dollar	1	-	-	1
UK sterling	50	-	168	218
US dollar	104	63	17	184
Total	190	63	201	454
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2022				
Australian dollar	76	-	188	264
Canadian dollar	-	-	21	21
New Zealand dollar	-	-	7	7
UK sterling	48	-	1,053	1,101
US dollar	394	24	1,503	1,921
Total	518	24	2,772	3,314

Notes to the financial statements (continued)

16 Risk (continued)

Credit ratings

	Market value £000	Percentage of total net assets %
2023		
Investments		
Investment grade (AAA - BBB)	24,299	90.84
Total debt securities	24,299	90.84
Collective investment schemes	1	-
Derivatives	420	1.57
Money market instruments	275	1.03
Investment assets including investment liabilities	24,995	93.44
Other net assets	1,756	6.56
Total net assets	26,751	100.00
	Market value £000	Percentage of total net assets %
2022		
Investments		
Investment grade (AAA - BBB)	81,336	92.35
Total debt securities	81,336	92.35
Collective investment schemes	4,130	4.69
Derivatives	(712)	(0.81)
Money market instruments	1,853	2.10
Investment assets including investment liabilities	86,607	98.33
Other net assets	1,464	1.67
Total net assets	88,071	100.00

Sensitivity analysis

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

VaR results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%		%	%	%
2023	0.33	0.73	0.46	20	1.65	3.63	2.29
2022	0.46	2.56	1.57	20	0.23	1.28	0.79
Leverage	Minimum	Maximum	Average				
	%	%	%				
2023	129.23	598.73	170.67				
2022	135.89	468.34	185.58				

Notes to the financial statements (continued)

16 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2023				
Amounts held at derivatives clearing houses and brokers	190	-	-	-
Bank overdrafts	1	-	-	-
Derivative financial liabilities	-	30	63	-
Distribution payable	-	72	-	-
Other creditors	-	98	-	-
Total	191	200	63	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2022				
Amounts held at derivatives clearing houses and brokers	519	-	-	-
Derivative financial liabilities	-	888	24	-
Distribution payable	-	140	-	-
Other creditors	-	1,743	-	-
Total	519	2,771	24	-

17 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2023		2022	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	27	-	155	120
Level 2	25,061	93	87,364	792
Level 3	-	-	-	-
	25,088	93	87,519	912

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trades in the year				
Debt securities	11,783	86,479	68,095	211,859
Money market instruments	362,223	1,138,473	363,505	1,159,432
Trades in the year before transaction costs	374,006	1,224,952	431,600	1,371,291
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Money market instruments	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Money market instruments	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Money market instruments	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	374,006	1,224,952	431,600	1,371,291

	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Debt securities	-	-	-	-
Money market instruments	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Money market instruments	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Money market instruments	-	-	-	-

	2023	2022
	%	%
Total transaction costs expressed as a percentage of net asset value		
Commissions	-	-
Taxes	-	-
Other expenses	-	-
Total costs	-	-

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

There were no in specie transfers during the year (2022: nil). There were no corporate actions during the year (2022: £1,927,374).

There were direct transaction costs associated with derivatives in the year of £1,089 (2022: £8,215) which is 0.00% of the average net asset value of the fund (2022: 0.00%).

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

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

The portfolio dealing spread as at 30 June 2023 was 0.12% (2022: 0.20%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

As at 11 October 2023, the Net Asset Value (NAV) of the fund is £22,327,209 which is a decrease of 16.54% from the Balance sheet date. The decrease in NAV is due to net inflows in the fund. The movements are considered to be a non-adjusting post Balance sheet event and therefore no adjustments to the financial statements were required as a result.

Distribution tables for the year ended 30 June 2023 (in pence per share)

Interim interest distribution (accounting date 30 September 2022, paid on 30 November 2022)

Group 1: shares purchased prior to 1 July 2022

Group 2: shares purchased on or after 1 July 2022

	Distribution per share	Equalisation	Total distribution per share 30/11/22	Total distribution per share 30/11/21
Class G accumulation				
Group 1	0.4277	-	0.4277	0.3837
Group 2	0.4277	-	0.4277	0.3837
Class G income				
Group 1	0.4184	-	0.4184	0.3760
Group 2	0.4184	-	0.4184	0.3760
Class I accumulation				
Group 1	0.3896	-	0.3896	0.1153
Group 2	0.2720	0.1176	0.3896	0.1153
Class I income				
Group 1	0.3768	-	0.3768	0.2094
Group 2	0.1746	0.2022	0.3768	0.2094
Class S accumulation				
Group 1	0.5318	-	0.5318	0.2968
Group 2	0.5318	-	0.5318	0.2968
Class S income				
Group 1	0.4443	-	0.4443	0.2891
Group 2	0.0882	0.3561	0.4443	0.2891
Class Z accumulation				
Group 1	0.5297	-	0.5297	0.3738
Group 2	0.5297	-	0.5297	0.3738
Class Z income				
Group 1	0.4986	-	0.4986	0.3384
Group 2	0.4986	-	0.4986	0.3384

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2022, paid on 28 February 2023)

Group 1: shares purchased prior to 1 October 2022

Group 2: shares purchased on or after 1 October 2022

	Distribution per share	Equalisation	Total distribution per share 28/02/23	Total distribution per share 28/02/22
Class G accumulation				
Group 1	0.4928	-	0.4928	0.2551
Group 2	0.4928	-	0.4928	0.2551
Class G income				
Group 1	0.4780	-	0.4780	0.2533
Group 2	0.4780	-	0.4780	0.2533
Class I accumulation				
Group 1	0.4469	-	0.4469	0.1631
Group 2	0.2083	0.2386	0.4469	0.1631
Class I income				
Group 1	0.3972	-	0.3972	0.2119
Group 2	0.3208	0.0764	0.3972	0.2119
Class S accumulation				
Group 1	0.5537	-	0.5537	0.1483
Group 2	0.5537	-	0.5537	0.1483
Class S income				
Group 1	0.4968	-	0.4968	0.2768
Group 2	0.4805	0.0163	0.4968	0.2768
Class Z accumulation				
Group 1	0.5905	-	0.5905	0.3488
Group 2	0.5905	-	0.5905	0.3488
Class Z income				
Group 1	0.5266	-	0.5266	0.3164
Group 2	0.5266	-	0.5266	0.3164

Distribution tables (continued)

Interim interest distribution (accounting date 31 March 2023, paid on 31 May 2023)

Group 1: shares purchased prior to 1 January 2023

Group 2: shares purchased on or after 1 January 2023

	Distribution per share	Equalisation	Total distribution per share 31/05/23	Total distribution per share 31/05/22
Class G accumulation				
Group 1	0.5840	-	0.5840	0.2597
Group 2	0.5840	-	0.5840	0.2597
Class G income				
Group 1	0.5613	-	0.5613	0.2533
Group 2	0.5613	-	0.5613	0.2533
Class I accumulation				
Group 1	0.5494	-	0.5494	0.1904
Group 2	0.2121	0.3373	0.5494	0.1904
Class I income				
Group 1	0.5235	-	0.5235	0.2016
Group 2	0.2518	0.2717	0.5235	0.2016
Class S accumulation				
Group 1	0.6684	-	0.6684	0.1754
Group 2	0.6684	-	0.6684	0.1754
Class S income				
Group 1	0.5952	-	0.5952	0.2446
Group 2	0.3207	0.2745	0.5952	0.2446
Class Z accumulation				
Group 1	0.6926	-	0.6926	0.3570
Group 2	0.6926	-	0.6926	0.3570
Class Z income				
Group 1	0.6268	-	0.6268	0.3144
Group 2	0.6268	-	0.6268	0.3144

Distribution tables (continued)

Final interest distribution (accounting date 30 June 2023, paid on 31 August 2023)

Group 1: shares purchased prior to 1 April 2023

Group 2: shares purchased on or after 1 April 2023

	Distribution per share	Equalisation	Total distribution per share 31/08/23	Total distribution per share 31/08/22
Class G accumulation				
Group 1	0.8402	-	0.8402	0.2202
Group 2	0.8402	-	0.8402	0.2202
Class G income				
Group 1	0.8025	-	0.8025	0.2125
Group 2	0.8025	-	0.8025	0.2125
Class I accumulation				
Group 1	0.8061	-	0.8061	0.1455
Group 2	0.5005	0.3056	0.8061	0.1455
Class I income				
Group 1	0.7690	-	0.7690	0.1385
Group 2	0.2850	0.4840	0.7690	0.1385
Class S accumulation				
Group 1	0.9690	-	0.9690	-
Group 2	0.9690	-	0.9690	-
Class S income				
Group 1	0.8368	-	0.8368	0.2415
Group 2	0.2539	0.5829	0.8368	0.2415
Class Z accumulation				
Group 1	0.9583	-	0.9583	0.3183
Group 2	0.9583	-	0.9583	0.3183
Class Z income¹				
Group 1	n/a	n/a	n/a	0.3043
Group 2	n/a	n/a	n/a	0.3043

¹ Class Z income closed on 18 May 2023.

Janus Henderson All Stocks Credit Fund

Authorised Corporate Director's report

Investment Fund Managers

James Briggs and Tim Winstone

Investment objective and policy

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

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

The fund invests at least 80% of its assets in sterling-denominated investment grade (equivalent to BBB rated or higher) corporate bonds. The fund may also hold other assets including bonds of other types from any issuer, cash and money market instruments. The Investment Manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the fund's objective, to reduce risk or to manage the fund more efficiently.

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

Strategy

The Investment Manager seeks to provide a total return in excess of that generated by the benchmark over a market cycle by investing primarily in sterling denominated investment grade rated corporate bonds. The investment process combines asset allocation views with rigorous fundamentally driven security selection from the credit analysts.

Performance summary

Cumulative performance

	One year 30 Jun 22 - 30 Jun 23 %	Three years 30 Jun 20 - 30 Jun 23 %	Five years 30 Jun 18 - 30 Jun 23 %	Since inception 4 Sep 00 - 30 Jun 23 %
Class I accumulation (Net)	(7.3)	(18.6)	(7.8)	120.1
Markit iBoxx GBP Non-Gilts all maturities Index	(6.9)	(17.7)	(7.3)	162.2
IA Sterling Corporate Bond Sector	(4.8)	(14.4)	(4.5)	110.7
Class I accumulation (Gross)	(6.8)	(17.3)	(5.3)	148.6
Markit iBoxx GBP Non-Gilts all maturities Index + 1%	(6.0)	(15.2)	(2.6)	229.0

Discrete performance

	30 Jun 22 - 30 Jun 23 %	30 Jun 21 - 30 Jun 22 %	30 Jun 20 - 30 Jun 21 %	30 Jun 19 - 30 Jun 20 %	30 Jun 18 - 30 Jun 19 %
Class I accumulation (Net)	(7.3)	(13.9)	2.0	7.1	5.9
Markit iBoxx GBP Non-Gilts all maturities Index	(6.9)	(13.1)	1.7	6.4	5.9
IA Sterling Corporate Bond Sector	(4.8)	(13.1)	3.5	5.7	5.6
Class I accumulation (Gross)	(6.8)	(13.5)	2.5	7.6	6.4
Markit iBoxx GBP Non-Gilts all maturities Index + 1%	(6.0)	(12.2)	2.8	7.5	7.0*

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

* Historical performance has been restated.

Source: Morningstar

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

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

Authorised Corporate Director's report (continued)

Performance summary (continued)

Benchmark values are as at close of business.

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

Benchmark usage:

Index: Markit iBoxx GBP Non-Gilts all maturities Index

Index usage: Target

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

Peer group: IA Sterling Corporate Bond Sector

Peer group usage: Comparator

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

Past performance does not predict future returns. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Significant portfolio changes for the year ended 30 June 2023

Largest purchases	£000	Largest sales/maturities	£000
UK Treasury 4.50% 07/12/2042	6,076	UK Treasury 4.25% 07/06/2032	12,600
Kreditanstalt fuer Wiederaufbau 1.00% 15/12/2022	5,322	Kreditanstalt fuer Wiederaufbau 1.00% 15/12/2022	5,336
UK Treasury 4.25% 07/12/2040	5,116	UK Treasury 4.50% 07/12/2042	4,110
UK Treasury 4.25% 07/06/2032	4,912	UK Treasury 1.625% 22/10/2028	3,994
UK Treasury 4.25% 07/12/2046	4,784	UK Treasury 1.75% 07/09/2037	3,821
UK Treasury 1.75% 07/09/2037	4,426	Kreditanstalt fuer Wiederaufbau 0.875% 18/07/2024	3,773
UK Treasury 0.50% 31/01/2029	4,417	UK Treasury 4.25% 07/12/2046	3,544
UK Treasury 1.625% 22/10/2028	4,044	UK Treasury 0.125% 30/01/2026	3,442
Crédit Agricole 4.875% 23/10/2029	3,476	UK Treasury 1.50% 22/07/2047	3,187
UK Treasury 3.50% 22/10/2025	3,421	Siemens Financieringsmaatschappij 0.875% 05/06/2023	2,782
Total purchases	216,876	Total sales/maturities	238,092

Investment review

The fund fell 7.3% (Net), 6.8% (Gross) based on Class I accumulation over the year under review, compared with a fall of 6.9% in the Markit iBoxx GBP Non-Gilts all maturities Index, a fall of 6.0% in the Target Index + 1% and a fall of 4.8% in the IA Sterling Corporate Bond Sector peer group benchmark.

Sterling investment-grade credit delivered a negative total return of 6.9% during the reporting year, as measured by the Markit iBoxx GBP Non-Gilts all maturities Index. Sterling investment-grade corporate bond spreads tightened by around 37 bps in line with US dollar investment-grade spreads, but underperforming the strong tightening move in euro investment-grade spreads.

The UK economic picture was of sluggish growth and high inflation, requiring persistent BoE tightening of policy rates and unwinding of asset purchase stimulus.

September brought a more abrupt repricing of risk assets during the short-lived premiership of Liz Truss when the UK government announced unfunded tax cuts. This caused a surge in gilt yields and forced UK pension schemes with liability-driven investments to sell gilts to meet collateral calls. The BoE initiated an emergency £65bn package to calm markets, which normalised after the change in premiership and policy direction. However, core inflation has remained elevated despite declining energy costs and labour markets have continued to be resilient to slow economic growth.

The collapse of select US regional lenders in March and subsequent banking volatility led to a drop in bond yields. However, volatility eased as central banks intervened to provide emergency liquidity and prevent deposit outflows.

The BoE raised interest rates to 5% after eight increases during the year. Its June outlook suggested that the tightening cycle has not reached its peak. Core government bond yields rose. The 10-year UK gilt yield increased by 216 bps to 4.39%, while the 10-year US Treasury yield climbed 83 bps to 3.84%.

The fund's underweight position in credit beta relative to the benchmark was the main detractor. Sector allocation and interest rate positioning were also negative for performance, while security selection was positive.

At the sector level, an overweight position in financials, predominantly through an overweight exposure to banks, detracted from returns. The fund benefited from overweight positions in retail and real estate and strong security selection within these sectors. Security selection in utilities, housing associations and automotive also contributed to performance.

At the issuer level, noteworthy contributors included an exposure to Heimstaden Bostad corporate hybrid bonds after the company tendered the bonds that we held at an attractive premium relative to market levels. Overweight positions in UK wholesale retailer B&M and Co-operative were also additive, following strong results and balance sheet disposals. We participated in a new issue from Dutch government-owned electricity transmission operator TenneT during October that also performed well. An overweight exposure to Italian toll road operator Autostrade per l'Italia was another top performer, after its upgrade to investment grade rating from high yield. In terms of detractors, the net effect of our Credit Suisse positions during the period in which the bank was taken over by UBS hurt performance. The fund held senior holdco bonds (we held no additional tier 1 exposure) that sat in the higher part of the capital structure. We sold out of the position after the outbreak of the crisis, but prior to the UBS takeover announcement. The fund's exposure to Barclays also detracted, after the UK bank was affected by volatility in the sector.

From a positioning perspective, in line with our cautious stance, we increased the fund's allocations to utilities and telecommunications and reduced its exposures to banks and real estate. We also reduced its exposure to higher-beta bonds that are more economically sensitive.

The fund has maintained a moderate underweight credit position and long interest rate duration exposure relative to the benchmark. Leading recessionary indicators such as inverted yield curves and money supply growth point to the downside, although the timing of any recession is still unclear. We have continued to see stubbornly elevated core services inflation in the UK, tightness in labour markets and wage settlements well above the target inflation rate. At the same time, we have begun to see a decline in earnings expectations and profit warnings emerging in cyclical sectors, such as chemicals, which suggests a decline in end demand. However, this decline has not yet fed through to all spaces including the consumer. As a result, we expect further tightening of monetary conditions by the BoE from both policy rate levers and the unwinding of its asset purchase portfolios. In our view, the end of an era of central bank liquidity injections alongside a global recession would likely result in wider spreads and, therefore, better entry points to move the fund to an overweight credit beta position.

While corporate earnings have been generally resilient, a continued tightening of lending conditions is expected to affect companies of lower quality, and we think corporate defaults are also likely to tick up. We have continued to maintain a defensive position, tilting the fund into high-quality, non-cyclical companies with strong liquidity and fundamentally robust balance sheets.

The macroeconomic environment remains uncertain and we expect markets to continue to be volatile, with risks including the timing of the unwinding of central bank quantitative stimulus and persistent inflationary pressures. We will continue to adhere to our research-driven investment process, with a focus on taking what we see as the right amount of risk throughout the cycle.

Comparative tables for the year ended 30 June 2023

	Class A accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	153.96	178.57	175.49
Return before operating charges*	(10.91)	(23.00)	4.77
Operating charges	(1.30)	(1.61)	(1.69)
Return after operating charges*	(12.21)	(24.61)	3.08
Distributions on accumulation shares	(3.55)	(2.47)	(2.66)
Retained distributions on accumulation shares	3.55	2.47	2.66
Closing net asset value per share	141.75	153.96	178.57
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(7.93%)	(13.78%)	1.76%
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Other information

Closing net asset value (£000s)	570	807	1,214
Closing number of shares	402,180	524,280	680,140
Operating charges	0.88%	0.93%	0.94%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	160.60	182.40	184.80
Lowest share price (pence)	133.50	152.50	175.50

	Class A income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	120.60	141.96	141.59
Return before operating charges*	(8.50)	(18.14)	3.85
Operating charges	(1.01)	(1.27)	(1.35)
Return after operating charges*	(9.51)	(19.41)	2.50
Distributions on income shares	(2.76)	(1.95)	(2.13)
Closing net asset value per share	108.33	120.60	141.96
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(7.89%)	(13.67%)	1.77%
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Other information

Closing net asset value (£000s)	756	1,106	1,574
Closing number of shares	698,602	917,465	1,108,903
Operating charges	0.88%	0.93%	0.94%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	125.80	145.00	148.20
Lowest share price (pence)	104.00	119.90	140.50

Comparative tables (continued)

	Class E accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	155.12	179.47	175.92
Return before operating charges*	(11.00)	(23.17)	4.79
Operating charges	(0.94)	(1.18)	(1.24)
Return after operating charges*	(11.94)	(24.35)	3.55
Distributions on accumulation shares	(3.96)	(2.92)	(3.12)
Retained distributions on accumulation shares	3.96	2.92	3.12
Closing net asset value per share	143.18	155.12	179.47
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(7.70%)	(13.57%)	2.02%
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Other information

Closing net asset value (£000s)	581	629	701
Closing number of shares	405,450	405,785	390,817
Operating charges	0.63%	0.68%	0.69%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	161.90	183.30	185.50
Lowest share price (pence)	134.60	153.60	176.20

	Class E income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	120.56	141.92	141.55
Return before operating charges*	(8.52)	(18.14)	3.85
Operating charges	(0.72)	(0.93)	(0.98)
Return after operating charges*	(9.24)	(19.07)	2.87
Distributions on income shares	(3.04)	(2.29)	(2.50)
Closing net asset value per share	108.28	120.56	141.92
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(7.66%)	(13.44%)	2.03%
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Other information

Closing net asset value (£000s)	816	916	1,108
Closing number of shares	753,183	759,996	780,500
Operating charges	0.63%	0.68%	0.68%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	125.80	145.00	148.30
Lowest share price (pence)	104.00	120.00	140.60

Comparative tables (continued)

	Class I accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	257.24	297.21	290.94
Return before operating charges*	(18.26)	(38.42)	7.91
Operating charges	(1.21)	(1.55)	(1.64)
Return after operating charges*	(19.47)	(39.97)	6.27
Distributions on accumulation shares	(6.91)	(5.24)	(5.58)
Retained distributions on accumulation shares	6.91	5.24	5.58
Closing net asset value per share	237.77	257.24	297.21
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(7.57%)	(13.45%)	2.16%
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Other information

Closing net asset value (£000s)	127,510	171,605	203,061
Closing number of shares	53,628,068	66,708,862	68,321,784
Operating charges	0.49%	0.54%	0.55%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	268.50	303.60	307.00
Lowest share price (pence)	223.30	254.70	291.40

	Class I income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	122.12	143.77	143.40
Return before operating charges*	(8.62)	(18.38)	3.89
Operating charges	(0.57)	(0.75)	(0.79)
Return after operating charges*	(9.19)	(19.13)	3.10
Distributions on income shares	(3.25)	(2.52)	(2.73)
Closing net asset value per share	109.68	122.12	143.77
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(7.53%)	(13.31%)	2.16%
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Other information

Closing net asset value (£000s)	17,585	20,342	27,850
Closing number of shares	16,033,055	16,656,648	19,370,550
Operating charges	0.49%	0.54%	0.54%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	127.50	146.90	150.20
Lowest share price (pence)	105.40	121.60	142.40

Comparative tables (continued)

	Class Z accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	242.64	278.98	271.72
Return before operating charges*	(17.26)	(36.23)	7.40
Operating charges	(0.09)	(0.11)	(0.14)
Return after operating charges*	(17.35)	(36.34)	7.26
Distributions on accumulation shares	(7.59)	(6.27)	(6.62)
Retained distributions on accumulation shares	7.59	6.27	6.62
Closing net asset value per share	225.29	242.64	278.98
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(7.15%)	(13.03%)	2.67%
Other information			
Closing net asset value (£000s)	31,838	34,129	48,489
Closing number of shares	14,131,746	14,065,330	17,380,655
Operating charges	0.04%	0.04%	0.05%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	253.30	285.20	287.50
Lowest share price (pence)	210.90	240.20	272.20

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

	2023 %	2022 %
Class A accumulation	0.88	0.93 ¹
Class A income	0.88	0.93 ¹
Class E accumulation	0.63	0.68 ¹
Class E income	0.63	0.68 ¹
Class I accumulation	0.49	0.54 ¹
Class I income	0.49	0.54 ¹
Class Z accumulation	0.04	0.04

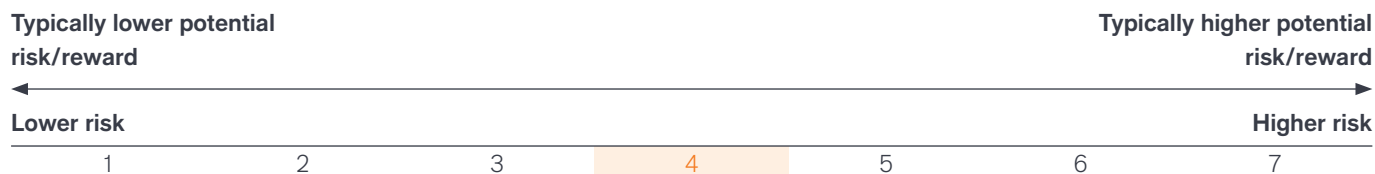
The OCF is calculated in accordance with guidelines issued by ESMA.

¹ The OCF is a blended rate reflecting new AMC rates which took effect from 3 May 2022.

Risk and reward profile

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

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



The share classes appear at 4 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in Net Asset Value in the past five years than those in lower categories. The lowest category does not mean risk free.

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

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

The rating above is based on the historic volatility of the share classes. Historic data may not be a reliable indication of the future risk profile of the fund. The rating is not guaranteed and may change over time.

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

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

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

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

Portfolio statement as at 30 June 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 96.95% (2022: 97.86%)		
	Australia 0.00% (2022: 2.43%)		
	Fixed Rate Bond 0.00% (2022: 2.01%)		
	Variable Rate Bond 0.00% (2022: 0.42%)		
	Belgium 1.29% (2022: 0.97%)		
	Fixed Rate Bond 0.00% (2022: 0.31%)		
	Variable Rate Bond 1.29% (2022: 0.66%)		
GBP 1,400,000	KBC 1.25% 21/09/2027	1,173	0.66
GBP 1,200,000	KBC 5.50% 20/09/2028	1,136	0.63
		<u>2,309</u>	<u>1.29</u>
	Canada 0.83% (2022: 0.00%)		
	Fixed Rate Bond 0.83% (2022: 0.00%)		
GBP 1,500,000	CPPIB 6.00% 07/06/2025	<u>1,497</u>	<u>0.83</u>
	Denmark 1.37% (2022: 0.00%)		
	Fixed Rate Bond 0.69% (2022: 0.00%)		
GBP 1,350,000	Orsted 4.875% 12/01/2032	<u>1,251</u>	<u>0.69</u>
	Variable Rate Bond 0.68% (2022: 0.00%)		
GBP 1,300,000	Danske Bank 4.625% 13/04/2027	<u>1,225</u>	<u>0.68</u>
	Finland 0.52% (2022: 0.44%)		
	Variable Rate Bond 0.52% (2022: 0.44%)		
GBP 1,200,000	Nordea Bank 1.625% 09/12/2032	<u>932</u>	<u>0.52</u>
	France 9.09% (2022: 5.57%)		
	Fixed Rate Bond 8.76% (2022: 4.49%)		
GBP 1,300,000	Banque Fédérative du Crédit Mutuel 1.00% 16/07/2026	1,103	0.61
GBP 1,500,000	Banque Fédérative du Crédit Mutuel 5.00% 19/01/2026	1,437	0.80
GBP 1,100,000	BNP Paribas 2.875% 24/02/2029	907	0.50
GBP 1,800,000	BNP Paribas 5.75% 13/06/2032	1,705	0.95
GBP 1,700,000	BPCE 6.125% 24/05/2029	1,626	0.90
GBP 3,200,000	Crédit Agricole 4.875% 23/10/2029	2,975	1.66
GBP 1,300,000	Électricité de France 5.50% 25/01/2035	1,159	0.64
GBP 1,700,000	Électricité de France 5.625% 25/01/2053	1,450	0.81
USD 466,000	Électricité de France 6.25% 23/05/2033	372	0.21
GBP 1,100,000	Engie 5.625% 03/04/2053	1,039	0.58
GBP 850,000	Engie 7.00% 30/10/2028	878	0.49
GBP 1,100,000	Société Générale 6.25% 22/06/2033	1,091	0.61
		<u>15,742</u>	<u>8.76</u>
	Variable Rate Bond 0.33% (2022: 1.08%)		
GBP 500,000	BPCE 2.50% 30/11/2032	395	0.22
GBP 200,000	Crédit Agricole 5.75% 29/11/2027	<u>192</u>	<u>0.11</u>
		<u>587</u>	<u>0.33</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Germany 2.01% (2022: 5.35%)		
	Fixed Rate Bond 1.50% (2022: 5.17%)		
GBP 1,100,000	E.ON Finance 6.125% 06/07/2039	1,080	0.60
GBP 1,010,000	Kreditanstalt fuer Wiederaufbau 1.375% 09/12/2024	948	0.53
GBP 700,000	Volkswagen Financial Services 5.875% 23/05/2029	670	0.37
		<u>2,698</u>	<u>1.50</u>
	Variable Rate Bond 0.51% (2022: 0.18%)		
GBP 1,000,000	Deutsche Bank 6.125% 12/12/2030	<u>917</u>	<u>0.51</u>
	Hong Kong 0.00% (2022: 0.16%)		
	Fixed Rate Bond 0.00% (2022: 0.16%)		
	Italy 0.88% (2022: 1.58%)		
	Fixed Rate Bond 0.88% (2022: 1.58%)		
GBP 1,090,000	Enel Finance International 2.875% 11/04/2029	904	0.50
GBP 720,000	Enel Finance International 5.75% 14/09/2040	<u>677</u>	<u>0.38</u>
		<u>1,581</u>	<u>0.88</u>
	Japan 0.84% (2022: 0.00%)		
	Fixed Rate Bond 0.84% (2022: 0.00%)		
GBP 1,910,000	East Japan Railway 1.162% 15/09/2028	<u>1,508</u>	<u>0.84</u>
	Luxembourg 0.00% (2022: 1.09%)		
	Fixed Rate Bond 0.00% (2022: 1.09%)		
	Netherlands 1.34% (2022: 0.86%)		
	Fixed Rate Bond 1.34% (2022: 0.86%)		
GBP 1,100,000	ING 3.00% 18/02/2026	998	0.55
GBP 750,000	Shell International Finance 1.00% 10/12/2030	546	0.30
EUR 920,000	TenneT 4.75% 28/10/2042	<u>876</u>	<u>0.49</u>
		<u>2,420</u>	<u>1.34</u>
	Norway 0.99% (2022: 1.25%)		
	Fixed Rate Bond 0.00% (2022: 0.69%)		
	Variable Rate Bond 0.99% (2022: 0.56%)		
GBP 1,940,000	DNB Bank 4.00% 17/08/2027	<u>1,773</u>	<u>0.99</u>
	Spain 0.72% (2022: 0.46%)		
	Fixed Rate Bond 0.00% (2022: 0.46%)		
	Variable Rate Bond 0.72% (2022: 0.00%)		
GBP 1,400,000	Santander 4.75% 30/08/2028	<u>1,295</u>	<u>0.72</u>
	Supranational 4.33% (2022: 4.23%)		
	Fixed Rate Bond 4.33% (2022: 4.23%)		
GBP 1,400,000	European Investment Bank 1.375% 07/03/2025	1,303	0.73
GBP 1,451,000	European Investment Bank 3.875% 08/06/2037	1,329	0.74
GBP 997,000	European Investment Bank 4.50% 07/03/2044	961	0.53
GBP 1,280,000	European Investment Bank 5.625% 07/06/2032	<u>1,369</u>	<u>0.76</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 1,100,000	International Bank for Reconstruction & Development 0.875% 13/12/2024	1,024	0.57
GBP 1,870,000	International Finance 4.125% 28/11/2025	1,792	1.00
		<u>7,778</u>	<u>4.33</u>
Sweden 1.50% (2022: 0.33%)			
Fixed Rate Bond 1.50% (2022: 0.00%)			
GBP 1,390,000	Swedbank 5.875% 24/05/2029	1,320	0.74
GBP 1,380,000	Volvo Treasury 6.125% 22/06/2028	1,372	0.76
		<u>2,692</u>	<u>1.50</u>
Variable Rate Bond 0.00% (2022: 0.33%)			
Switzerland 1.40% (2022: 3.24%)			
Fixed Rate Bond 0.00% (2022: 1.67%)			
Variable Rate Bond 1.40% (2022: 1.57%)			
GBP 2,110,000	UBS 2.25% 09/06/2028	1,740	0.97
GBP 890,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	768	0.43
		<u>2,508</u>	<u>1.40</u>
United Kingdom 52.38% (2022: 55.00%)			
Fixed Rate Bond 46.55% (2022: 47.84%)			
GBP 370,000	AA Bond Co 7.375% 31/07/2029	334	0.19
GBP 598,000	Accent Capital 2.625% 18/07/2049	369	0.21
GBP 877,000	Affordable Housing Finance 2.893% 11/08/2043	651	0.36
GBP 930,000	Anchor Hanover 2.00% 21/07/2051	485	0.27
GBP 540,000	Anglo American Capital 5.875% 20/06/2031	534	0.30
GBP 1,100,000	Annington Funding 2.308% 06/10/2032	762	0.42
GBP 900,000	Annington Funding 4.75% 09/08/2033	751	0.42
GBP 240,000	Arqiva Financing 7.21% 30/06/2028	239	0.13
GBP 2,170,000	Aster Treasury 5.412% 20/12/2032	2,164	1.20
GBP 800,000	Barclays 3.00% 08/05/2026	713	0.40
GBP 380,000	BAT International Finance 2.25% 26/06/2028	303	0.17
GBP 1,286,000	BG Energy Capital 5.00% 04/11/2036	1,185	0.66
GBP 1,176,000	Blend Funding 'B' 3.459% 21/09/2047	855	0.48
GBP 830,000	BP Capital Markets 5.773% 25/05/2038	816	0.45
GBP 500,000	BPHA Finance 4.816% 11/04/2044	449	0.25
GBP 1,530,000	British Telecommunications 5.75% 13/02/2041	1,409	0.78
GBP 880,000	Broadgate Financing 4.821% 05/07/2033	805	0.45
GBP 1,090,000	Cadent Finance 2.125% 22/09/2028	881	0.49
GBP 1,260,000	Cadent Finance 2.25% 10/10/2035	834	0.46
GBP 400,000	Cadent Finance 2.625% 22/09/2038	257	0.14
GBP 2,600,000	Church Commissioners for England 3.25% 14/07/2032	2,219	1.24
GBP 2,510,000	Diageo Finance 2.375% 08/06/2028	2,154	1.20
GBP 490,000	Dwr Cymru Financing 2.375% 31/03/2034	338	0.19
GBP 1,110,000	ENW Finance 4.893% 24/11/2032	1,021	0.57
GBP 2,000,000	GlaxoSmithKline Capital 1.25% 12/10/2028	1,606	0.89
GBP 1,080,000	GlaxoSmithKline Capital 1.625% 12/05/2035	727	0.40
GBP 440,000	GreenSquareAccord 5.25% 30/11/2047	399	0.22
GBP 450,000	HSBC 6.00% 29/03/2040	394	0.22

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 1,320,000	Jersey International 2.875% 06/05/2052	870	0.48
GBP 1,260,000	Land Securities Capital Markets 2.375% 29/03/2027	1,091	0.61
GBP 936,000	Lloyds Bank 5.125% 07/03/2025	918	0.51
GBP 1,690,000	Logicor 1.875% 17/11/2026	1,437	0.80
GBP 1,080,000	London Stock Exchange 1.625% 06/04/2030	841	0.47
GBP 1,690,000	Motability Operations 4.875% 17/01/2043	1,572	0.88
GBP 1,180,000	National Gas Transmission 1.375% 07/02/2031	836	0.47
USD 719,000	National Grid 5.809% 12/06/2033	575	0.32
GBP 1,010,000	National Grid 2.75% 06/02/2035	734	0.41
GBP 710,000	NATS En Route 1.375% 31/03/2031	577	0.32
GBP 440,000	NATS En Route 1.75% 30/09/2033	307	0.17
GBP 1,230,000	NatWest 6.375% 08/11/2027	1,207	0.67
GBP 1,190,000	NatWest 6.625% 22/06/2026	1,178	0.66
GBP 510,000	NIE Finance 5.875% 01/12/2032	503	0.28
GBP 940,000	Northern Gas Networks Finance 6.125% 02/06/2033	927	0.52
GBP 290,000	Northern Powergrid (Northeast) 3.25% 01/04/2052	199	0.11
GBP 340,000	Northern Powergrid (Yorkshire) 5.125% 04/05/2035	317	0.18
GBP 770,000	Northumbrian Water Finance 4.50% 14/02/2031	689	0.38
GBP 1,036,000	Notting Hill Genesis 2.875% 31/01/2029	875	0.49
GBP 590,000	Paradigm 2.25% 20/05/2051	328	0.18
GBP 680,000	Peabody Capital No.2 2.75% 02/03/2034	518	0.29
GBP 2,592,000	PRS Finance 1.50% 24/08/2034	1,815	1.01
GBP 567,611	PRS Finance 1.75% 24/11/2026	498	0.28
GBP 1,460,000	Rentokil Initial 5.00% 27/06/2032	1,349	0.75
GBP 1,310,000	Sage 2.875% 08/02/2034	984	0.55
GBP 440,000	Sanctuary Capital 2.375% 14/04/2050	249	0.14
GBP 1,530,000	Severn Trent Utilities Finance 4.625% 30/11/2034	1,358	0.76
GBP 850,000	Southern Gas Networks 6.375% 15/05/2040	847	0.47
GBP 1,210,000	SSE 8.375% 20/11/2028	1,318	0.73
GBP 1,300,000	Stonewater 1.625% 10/09/2036	824	0.46
GBP 1,160,000	Telereal Securitisation 3.5625% 10/12/2031	971	0.54
GBP 1,670,000	Tesco Corporate Treasury Services 5.50% 27/02/2035	1,540	0.86
GBP 1,081,000	Thames Water Utilities Finance 2.625% 24/01/2032	796	0.44
GBP 1,205,000	Thames Water Utilities Finance 4.00% 19/06/2025	1,072	0.60
GBP 934,000	THFC Funding No.3 5.20% 11/10/2043	868	0.48
GBP 2,825,510	UK Treasury 0.50% 31/01/2029	2,247	1.25
GBP 2,306,064	UK Treasury 1.25% 22/10/2041	1,384	0.77
GBP 2,691,962	UK Treasury 3.25% 22/01/2044	2,239	1.25
GBP 890,000	UK Treasury 3.25% 31/01/2033	811	0.45
GBP 3,560,000	UK Treasury 3.50% 22/10/2025	3,399	1.89
GBP 930,000	UK Treasury 3.75% 29/01/2038	853	0.46
GBP 2,800,000	UK Treasury 4.1255% 29/01/2027	2,701	1.50
GBP 1,550,000	UK Treasury 4.25% 07/09/2039	1,504	0.84
GBP 2,510,000	UK Treasury 4.25% 07/12/2040	2,430	1.35
GBP 1,060,000	UK Treasury 4.25% 07/12/2046	1,021	0.57
GBP 1,560,000	UK Treasury 4.50% 07/12/2042	1,558	0.87
GBP 1,420,000	Unilever 1.875% 15/09/2029	1,151	0.64
GBP 730,000	United Utilities Water Finance 5.125% 06/10/2038	664	0.37
GBP 1,650,000	University of Oxford 2.544% 08/12/2017	858	0.48

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 1,940,000	Vodafone 5.125% 02/12/2052	1,639	0.91
GBP 610,000	Wellcome Trust Finance 4.625% 25/07/2036	585	0.33
GBP 816,000	Wessex Water Services Finance 1.50% 17/09/2029	609	0.34
GBP 971,000	Westfield Stratford City Finance 1.642% 04/08/2026	819	0.46
GBP 1,350,000	Whitbread 2.375% 31/05/2027	1,121	0.62
GBP 400,000	WPP Finance 2013 2.875% 14/09/2046	228	0.13
GBP 686,000	Wrekin Housing 2.50% 22/10/2048	399	0.22
GBP 1,194,000	Yorkshire Water Financial 2.75% 18/04/2041	761	0.42
		83,623	46.55
Variable Rate Bond 5.83% (2022: 7.16%)			
GBP 1,700,000	Aviva 6.125% 14/11/2036	1,632	0.91
GBP 1,140,000	BUPA Finance 4.00% Perpetual	673	0.38
GBP 1,815,000	HSBC 5.844% Perpetual	1,815	1.01
GBP 1,070,000	HSBC 8.201% 16/11/2034	1,083	0.60
GBP 1,030,000	Lloyds Bank 6.625% 02/06/2033	975	0.54
GBP 1,200,000	NatWest 2.105% 28/11/2031	987	0.54
GBP 910,000	NatWest 3.619% 29/03/2029	781	0.44
GBP 1,452,000	Santander 2.92% 08/05/2026	1,331	0.74
GBP 1,230,000	Santander 7.098% 16/11/2027	1,206	0.67
		10,483	5.83
United States 17.46% (2022: 14.90%)			
Fixed Rate Bond 13.50% (2022: 11.25%)			
GBP 1,520,000	Amgen 4.00% 13/09/2029	1,366	0.76
GBP 780,000	Apple 3.60% 31/07/2042	645	0.36
GBP 1,440,000	AT&T 4.375% 14/09/2029	1,296	0.72
GBP 750,000	AT&T 7.00% 30/04/2040	789	0.44
GBP 1,324,000	Bank of America 2.30% 25/07/2025	1,214	0.68
GBP 1,642,000	Experian Finance 2.125% 27/09/2024	1,561	0.87
GBP 810,000	GE Capital UK Funding 5.875% 18/01/2033	780	0.43
GBP 328,677	Lehman Brothers 7.875% 08/05/2018 ¹	1	-
GBP 830,000	McDonalds 5.875% 23/04/2032	839	0.47
EUR 470,000	Medtronic Global 3.125% 15/10/2031	386	0.21
GBP 1,090,000	Metropolitan Life Global Funding I 4.125% 02/09/2025	1,034	0.58
GBP 1,240,000	Metropolitan Life Global Funding I 5.00% 10/01/2030	1,174	0.65
GBP 1,030,000	Nestlé 2.50% 04/04/2032	837	0.47
GBP 1,620,000	New York Life Global Funding 0.75% 14/12/2028	1,238	0.69
GBP 1,360,000	New York Life Global Funding 4.35% 16/09/2025	1,298	0.72
GBP 1,380,000	Pacific Life Global Funding II 5.00% 12/01/2028	1,304	0.73
GBP 1,990,000	PepsiCo 3.20% 22/07/2029	1,747	0.97
GBP 983,000	Pfizer 2.735% 15/06/2043	669	0.37
USD 1,075,000	Pfizer Investment Enterprises 4.75% 19/05/2033	842	0.47
GBP 1,130,000	Procter & Gamble 6.25% 31/01/2030	1,183	0.66
GBP 400,000	Time Warner Cable 5.75% 02/06/2031	365	0.20
GBP 940,000	Walmart 5.25% 28/09/2035	940	0.52
GBP 807,000	Walmart 5.625% 27/03/2034	833	0.46

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 1,009,000	Walmart 5.75% 19/12/2030	1,042	0.58
GBP 1,090,000	Wells Fargo 2.50% 02/05/2029	870	0.49
		<u>24,253</u>	<u>13.50</u>
Variable Rate Bond 3.96% (2022: 3.65%)			
GBP 1,390,000	Bank of America 3.584% 27/04/2031	1,175	0.65
GBP 1,700,000	Goldman Sachs 3.625% 29/10/2029	1,466	0.82
GBP 1,540,000	JPMorgan Chase 0.991% 28/04/2026	1,393	0.78
GBP 1,860,000	JPMorgan Chase 1.895% 28/04/2033	1,344	0.75
GBP 1,810,000	Morgan Stanley 5.789% 18/11/2033	1,731	0.96
		<u>7,109</u>	<u>3.96</u>
Derivatives (0.17%) (2022: (0.07%))			
Futures (0.03%) (2022: (0.07%))			
60	CBT US 2 Year Note September 2023	(51)	(0.03)
15	CBT US 5 Year Note September 2023	(13)	(0.01)
(20)	EUX Euro Bobl September 2023	27	0.02
2	EUX Euro Bund September 2023	(2)	-
(5)	EUX Euro Buxl September 2023	(9)	(0.01)
5	ICE Long Gilt September 2023	(4)	-
		<u>(52)</u>	<u>(0.03)</u>
Swaps (0.16%) (2022: 0.00%)²			
Credit Default Index Swaps (0.16%) (2022: 0.00%)²			
1,000,000	CDX 5.00% 20/06/2028 iTraxx-Crossover Pay EUR	(34)	(0.02)
7,400,000	CDX 5.00% 20/06/2028 iTraxx-Crossover Receive EUR	(253)	(0.14)
		<u>(287)</u>	<u>(0.16)</u>
Forward Foreign Exchange Contracts 0.02% (2021: 0.00%)²			
	Buy EUR 9,984 : Sell GBP 8,600 July 2023 ³	-	-
	Buy EUR 13,402 : Sell GBP 11,538 July 2023 ³	-	-
	Buy EUR 16,257 : Sell GBP 13,980 July 2023 ³	-	-
	Buy EUR 29,382 : Sell GBP 25,242 July 2023 ³	-	-
	Buy EUR 11,925 : Sell GBP 10,221 July 2023 ³	-	-
	Buy EUR 45,130 : Sell GBP 38,679 July 2023 ³	-	-
	Buy EUR 14,852 : Sell GBP 12,727 July 2023 ³	-	-
	Buy EUR 236,297 : Sell GBP 201,800 July 2023	1	-
	Buy EUR 6,375 : Sell GBP 5,443 July 2023 ³	-	-
	Buy GBP 19,436 : Sell EUR 22,470 July 2023 ³	-	-
	Buy GBP 5,119 : Sell EUR 5,928 July 2023 ³	-	-
	Buy GBP 1,585,833 : Sell EUR 1,852,432 July 2023	(5)	-
	Buy GBP 15,765 : Sell EUR 18,417 July 2023 ³	-	-
	Buy GBP 31,902 : Sell EUR 37,334 July 2023 ³	-	-
	Buy GBP 78,001 : Sell USD 99,976 July 2023	(1)	-
	Buy GBP 30,917 : Sell USD 39,409 July 2023 ³	-	-
	Buy GBP 40,290 : Sell USD 51,333 July 2023 ³	-	-
	Buy GBP 49,963 : Sell USD 63,528 July 2023 ³	-	-
	Buy GBP 3,613 : Sell USD 4,592 July 2023 ³	-	-
	Buy GBP 3,841,318 : Sell USD 4,850,323 July 2023	27	0.02

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy GBP 2,933 : Sell USD 3,700 July 2023 ³	-	-
	Buy USD 2,288,909 : Sell GBP 1,795,168 July 2023	5	-
	Buy USD 1,942 : Sell GBP 1,529 July 2023 ³	-	-
	Buy USD 2,057 : Sell GBP 1,630 July 2023 ³	-	-
		<u>27</u>	<u>0.02</u>
	Investment assets including investment liabilities	173,869	96.78
	Other net assets	5,787	3.22
	Total net assets	179,656	100.00

¹ Defaulted

² Not listed on an official stock exchange

³ Due to rounding to nearest £1,000

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

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

Statement of total return for the year ended 30 June 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital losses	2		(23,025)		(41,172)
Revenue	3	7,149		6,299	
Expenses	4	(936)		(1,232)	
Interest payable and similar charges	5	(1)		(1)	
Net revenue before taxation		6,212		5,066	
Taxation	6	-		-	
Net revenue after taxation			6,212		5,066
Total return before distributions			(16,813)		(36,106)
Distributions	7		(6,212)		(5,066)
Change in net assets attributable to shareholders from investment activities			(23,025)		(41,172)

Statement of change in net assets attributable to shareholders for the year ended 30 June 2023

	2023		2022	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		229,534		283,997
Amounts receivable on issue of shares	1,626		2,476	
Amounts payable on cancellation of shares	(34,006)		(20,317)	
		(32,380)		(17,841)
Dilution adjustment		90		-
Change in net assets attributable to shareholders from investment activities		(23,025)		(41,172)
Retained distributions on accumulation shares		5,437		4,550
Closing net assets attributable to shareholders		179,656		229,534

Balance sheet as at 30 June 2023

	Note	2023 £000	2022 £000
Assets:			
Investments		174,241	224,686
Current assets:			
Debtors	8	3,998	2,471
Cash and bank balances	9	8,563	3,963
Total assets		186,802	231,120
Liabilities:			
Investment liabilities		372	230
Creditors:			
Amounts held at derivative clearing houses and brokers		42	77
Distributions payable		170	117
Other creditors	10	6,562	1,162
Total liabilities		7,146	1,586
Net assets attributable to shareholders		179,656	229,534

Notes to the financial statements for the year ended 30 June 2023

1 Accounting policies

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

2 Net capital losses

Net capital losses on investments during the year comprise:

	2023 £000	2022 £000
Derivative securities	(633)	(143)
Forward currency contracts	147	(177)
Non-derivative securities	(22,526)	(40,868)
Other currency (losses)/gains	(10)	18
Transaction costs	(3)	(2)
Net capital losses	(23,025)	(41,172)

3 Revenue

	2023 £000	2022 £000
Bank interest	211	11
Derivative revenue	(291)	(3)
Interest on debt securities	7,207	6,285
Interest on margin	17	-
Stock lending revenue	5	6
Total revenue	7,149	6,299

4 Expenses

	2023 £000	2022 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	838	1,114
GAC*	70	86
	908	1,200
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	18	20
Safe custody fees	10	12
	28	32
Total expenses	936	1,232

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £13,503 (2022: £12,249).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2023 £000	2022 £000
Interest on margin	1	1
Total interest payable and similar charges	1	1

6 Taxation

a) Analysis of charge in the year

There is no tax charge for the current year (2022: nil).

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICs of 20% (2022: 20%). The differences are explained below:

	2023 £000	2022 £000
Net revenue before taxation	6,212	5,066
Corporation tax at 20% (2022: 20%)	1,242	1,013
Effects of:		
Revenue being paid as interest distributions	(1,242)	(1,013)
Tax charge for the year (note 6a)	-	-

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2022: nil).

d) Factors that may affect future tax charges

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

7 Distributions

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

	2023 £000	2022 £000
Interim income	400	371
Interim accumulation	3,985	3,425
Final income	170	117
Final accumulation	1,452	1,125
	6,007	5,038
Amounts deducted on cancellation of shares	210	34
Amounts received on issue of shares	(5)	(6)
Total distributions	6,212	5,066

Details of the distribution per share are set out in the Distribution tables on pages 80 to 83.

Notes to the financial statements (continued)

8 Debtors

	2023 £000	2022 £000
Accrued revenue	2,650	2,375
Amounts receivable for issue of shares	2	4
Sales awaiting settlement	1,346	92
Total debtors	3,998	2,471

9 Cash and bank balances

	2023 £000	2022 £000
Amounts held at derivative clearing houses and brokers	986	632
Cash and bank balances	7,577	3,331
Total cash and bank balances	8,563	3,963

10 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	60	74
Accrued Depositary's fee	2	4
Accrued other expenses	5	8
Amounts payable for cancellation of shares	32	36
Derivative revenue payable	10	-
Purchases awaiting settlement	6,453	1,040
Total other creditors	6,562	1,162

11 Contingent liabilities and commitments

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

12 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 68 and 69 and notes 4, 7, 8 and 10 on pages 70 to 72 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

Nortrust Nominees Limited, as a material shareholder, is a related party holding shares comprising 61.43% of the total net assets of the fund as at the year end (2022: 51.93%).

Notes to the financial statements (continued)

13 Shareholders' funds

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

	2023	2022
	%	%
Class A	0.70	0.70
Class E	0.45	0.45
Class I	0.45	0.45
Class Z ¹	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 55 to 58. The distribution per share class is given in the Distribution tables on pages 80 to 83. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2023

	Class A accumulation	Class A income	Class E accumulation	Class E income
Opening number of shares	524,280	917,465	405,785	759,996
Issues during the year	14,260	17,492	23,128	8,777
Cancellations during the year	(61,343)	(68,478)	(42,988)	(31,570)
Shares converted during the year	(75,017)	(167,877)	19,525	15,980
Closing shares in issue	402,180	698,602	405,450	753,183

	Class I accumulation	Class I income	Class Z accumulation
Opening number of shares	66,708,862	16,656,648	14,065,330
Issues during the year	258,489	105,289	336,124
Cancellations during the year	(13,372,312)	(878,790)	(269,708)
Shares converted during the year	33,029	149,908	-
Closing shares in issue	53,628,068	16,033,055	14,131,746

14 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

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

There was no collateral pledged or collateral held in respect of forward foreign exchange contracts as at 30 June 2023 (2022: nil). The fund had cash assets of £986,225 (2022: £632,434) and cash liabilities of £42,176 (2022: £76,772) held in margin accounts at derivative clearing houses and brokers as at 30 June 2023. These balances are held as collateral on the fund's futures and swap contracts.

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2023

As at 30 June 2023 the counterparty exposure calculated using the positive marked-to-market fair value for the derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	33	-	33
UBS	-	27	27
	33	27	60

2022

As at 30 June 2022 the counterparty exposure calculated using the positive marked-to-market fair value for the derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	8	-	8
UBS	-	65	65
	8	65	73

15 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with JPMorgan Chase Bank, National Association (London branch) acting as the stock lending agent in order to generate additional revenue.

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

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by an EU Member State, a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. 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% to 110% of the value of the stock on loan.

2023 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
HSBC	295	322	Government Bond
	295	322	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	5	-*	5

* Due to rounding to the nearest thousand, stock lending commission is below the minimum reporting threshold.

Notes to the financial statements (continued)

15 Stock lending (continued)

2022 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
HSBC	579	612	Government Bond
JPMorgan Chase	374	400	Government Bond
	953	1,012	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	7	1	6

16 Risk

Currency risk

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

Interest rate risk

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

2023	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
Euro	361	1,262	63	1,686
UK sterling	36,816	141,991	3,955	182,762
US dollar	524	1,790	40	2,354
Total	37,701	145,043	4,058	186,802

2022	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
Euro	912	5,680	149	6,741
UK sterling	38,662	182,103	2,391	223,156
US dollar	1,220	-	3	1,223
Total	40,794	187,783	2,543	231,120

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk (continued)

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2023				
Euro	42	287	27	356
UK sterling	-	-	6,726	6,726
US dollar	-	-	64	64
Total	42	287	6,817	7,146
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2022				
Euro	77	-	2	79
UK sterling	-	-	1,501	1,501
US dollar	-	-	6	6
Total	77	-	1,509	1,586

Credit ratings

	Market value £000	Percentage of total net assets %
2023		
Investments		
Investment grade (AAA - BBB)	172,520	96.03
Below investment grade (BB and below)	1,660	0.92
Unrated	1	-
Total debt securities	174,181	96.95
Derivatives	(312)	(0.17)
Investment assets including investment liabilities	173,869	96.78
Other net assets	5,787	3.22
Total net assets	179,656	100.00
	Market value £000	Percentage of total net assets %
2022		
Investments		
Investment grade (AAA - BBB)	213,249	92.91
Below investment grade (BB and below)	10,014	4.36
Unrated	1,350	0.59
Total debt securities	224,613	97.86
Derivatives	(157)	(0.07)
Investment assets including investment liabilities	224,456	97.79
Other net assets	5,078	2.21
Total net assets	229,534	100.00

Notes to the financial statements (continued)

16 Risk (continued)

VaR results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%		%	%	%
2023	95.59	116.07	104.67	200	47.80	58.04	52.33
2022	89.57	109.89	102.68	200	44.79	54.94	51.34

Leverage	Minimum	Maximum	Average
	%	%	%
2023	7.89	21.06	12.24
2022	110.88	144.93	120.59

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2023				
Amounts held at derivatives clearing houses and brokers	42	-	-	-
Derivative financial liabilities	-	85	287	-
Distribution payable	-	170	-	-
Other creditors	-	6,562	-	-
Total	42	6,817	287	-
2022				
Amounts held at derivatives clearing houses and brokers	77	-	-	-
Derivative financial liabilities	-	230	-	-
Distribution payable	-	117	-	-
Other creditors	-	1,162	-	-
Total	77	1,509	-	-

17 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Notes to the financial statements (continued)

17 Fair value disclosure (continued)

Fair value hierarchy

	2023		2022	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	30,319*	79	36,200*	222
Level 2	143,921	293	188,486	8
Level 3	1	-	-	-
	174,241	372	224,686	230

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £27,925,316 as at 30 June 2023 (2022: £36,134,740).

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Investment Manager, at its discretion, may permit an alternative method of valuation to be used if they consider that it better reflects value and is in accordance with good accounting practice. The EPC of the Investment Manager supports the ACD in determining or approving unquoted prices. Where deemed necessary, the EPC will seek ratification of decisions from the Janus Henderson Investment Risk team. The EPC meets on a monthly basis and consists of representatives from various parts of the Investment Manager who act as an independent party, segregated from the fund management function, to review and approve fair value pricing decisions and pricing models on a regular basis. The asset Lehman Brothers 7.875% 08/05/2018 is a defaulted bond which has ceased trading and has been included within level 3 in the current period. This bond has been valued by the EPC at their best estimate of fair value.

18 Direct transaction costs

	Purchases		Sales	
	2023 £000	2022 £000	2023 £000	2022 £000
Trades in the year				
Debt securities	216,876	140,275	238,092	148,618
Trades in the year before transaction costs	216,876	140,275	238,092	148,618
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	216,876	140,275	238,092	148,618

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions	-	-	-	-
Debt securities	-	-	-	-
Taxes	-	-	-	-
Debt securities	-	-	-	-
Other expenses	-	-	-	-
Debt securities	-	-	-	-

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

	2023	2022
	%	%
Total transaction costs expressed as a percentage of net asset value		
Commissions	-	-
Taxes	-	-
Other expenses	-	-
Total costs	<u>-</u>	<u>-</u>

There were no in specie transfers during the year (2022: nil). There were corporate actions during the year of £6,320,994 (2022: £3,430,641).

There were direct transaction costs associated with derivatives in the year of £642 (2022: £964) which is 0.00% of the average net asset value of the fund (2022: 0.00%).

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

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

The portfolio dealing spread as at 30 June 2023 was 0.51% (2022: 0.56%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

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

Distribution tables for the year ended 30 June 2023 (in pence per share)

Interim interest distribution (accounting date 30 September 2022, paid on 30 November 2022)

Group 1: shares purchased prior to 1 July 2022

Group 2: shares purchased on or after 1 July 2022

	Distribution per share	Equalisation	Total distribution per share 30/11/22	Total distribution per share 30/11/21
Class A accumulation				
Group 1	0.6944	-	0.6944	0.6226
Group 2	0.3955	0.2989	0.6944	0.6226
Class A income				
Group 1	0.5442	-	0.5442	0.4956
Group 2	0.2157	0.3285	0.5442	0.4956
Class E accumulation				
Group 1	0.7972	-	0.7972	0.7422
Group 2	0.4045	0.3927	0.7972	0.7422
Class E income				
Group 1	0.6197	-	0.6197	0.5861
Group 2	0.2219	0.3978	0.6197	0.5861
Class I accumulation				
Group 1	1.4125	-	1.4125	1.3341
Group 2	0.7074	0.7051	1.4125	1.3341
Class I income				
Group 1	0.6706	-	0.6706	0.6454
Group 2	0.1647	0.5059	0.6706	0.6454
Class Z accumulation				
Group 1	1.6063	-	1.6063	1.6094
Group 2	0.9382	0.6681	1.6063	1.6094

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2022, paid on 28 February 2023)

Group 1: shares purchased prior to 1 October 2022

Group 2: shares purchased on or after 1 October 2022

	Distribution per share	Equalisation	Total distribution per share 28/02/23	Total distribution per share 28/02/22
Class A accumulation				
Group 1	0.7704	-	0.7704	0.5969
Group 2	0.7122	0.0582	0.7704	0.5969
Class A income				
Group 1	0.6001	-	0.6001	0.4728
Group 2	0.2769	0.3232	0.6001	0.4728
Class E accumulation				
Group 1	0.8687	-	0.8687	0.7130
Group 2	0.4678	0.4009	0.8687	0.7130
Class E income				
Group 1	0.6708	-	0.6708	0.5619
Group 2	0.2820	0.3888	0.6708	0.5619
Class I accumulation				
Group 1	1.5259	-	1.5259	1.2868
Group 2	0.7807	0.7452	1.5259	1.2868
Class I income				
Group 1	0.7196	-	0.7196	0.6196
Group 2	0.3016	0.4180	0.7196	0.6196
Class Z accumulation				
Group 1	1.6997	-	1.6997	1.5618
Group 2	1.2850	0.4147	1.6997	1.5618

Distribution tables (continued)

Interim interest distribution (accounting date 31 March 2023, paid on 31 May 2023)

Group 1: shares purchased prior to 1 January 2023

Group 2: shares purchased on or after 1 January 2023

	Distribution per share	Equalisation	Total distribution per share 31/05/23	Total distribution per share 31/05/22
Class A accumulation				
Group 1	0.9731	-	0.9731	0.5987
Group 2	0.3396	0.6335	0.9731	0.5987
Class A income				
Group 1	0.7555	-	0.7555	0.4729
Group 2	0.3665	0.3890	0.7555	0.4729
Class E accumulation				
Group 1	1.0758	-	1.0758	0.7091
Group 2	0.5853	0.4905	1.0758	0.7091
Class E income				
Group 1	0.8266	-	0.8266	0.5562
Group 2	0.3340	0.4926	0.8266	0.5562
Class I accumulation				
Group 1	1.8712	-	1.8712	1.2734
Group 2	0.9656	0.9056	1.8712	1.2734
Class I income				
Group 1	0.8776	-	0.8776	0.6100
Group 2	0.3971	0.4805	0.8776	0.6100
Class Z accumulation				
Group 1	2.0309	-	2.0309	1.5295
Group 2	1.5375	0.4934	2.0309	1.5295

Distribution tables (continued)

Final interest distribution (accounting date 30 June 2023, paid on 31 August 2023)

Group 1: shares purchased prior to 1 April 2023

Group 2: shares purchased on or after 1 April 2023

	Distribution per share	Equalisation	Total distribution per share 31/08/23	Total distribution per share 31/08/22
Class A accumulation				
Group 1	1.1107	-	1.1107	0.6504
Group 2	0.3925	0.7182	1.1107	0.6504
Class A income				
Group 1	0.8552	-	0.8552	0.5115
Group 2	0.3546	0.5006	0.8552	0.5115
Class E accumulation				
Group 1	1.2133	-	1.2133	0.7562
Group 2	0.6458	0.5675	1.2133	0.7562
Class E income				
Group 1	0.9256	-	0.9256	0.5903
Group 2	0.4102	0.5154	0.9256	0.5903
Class I accumulation				
Group 1	2.0977	-	2.0977	1.3473
Group 2	1.0870	1.0107	2.0977	1.3473
Class I income				
Group 1	0.9775	-	0.9775	0.6430
Group 2	0.2776	0.6999	0.9775	0.6430
Class Z accumulation				
Group 1	2.2482	-	2.2482	1.5649
Group 2	1.2553	0.9929	2.2482	1.5649

Janus Henderson Asset-Backed Securities Fund

Authorised Corporate Director's report

Investment Fund Managers

Denis Struc, Ian Bettney and Colin Fleury

Investment objective and policy

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

Performance target: To outperform the Sterling Overnight Index Average (SONIA) by 1.5% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 70% of its assets in Asset-Backed Securities (ABS). The fund also holds a minimum of 80% of its assets in investment grade securities (rated BBB- or higher by at least one independent credit rating agency) and maintains at least 60% of its investments in European assets.

The fund may also hold other assets including other types of bonds and floating rate notes of any quality, from any issuer, CIS (including those managed by Janus Henderson), certificates of deposit, bank term deposits and other money market investments (including cash funds), covered bonds, US agency mortgage-backed securities (that will not be deemed to form part of the minimum 70% ABS investment), REITs and other secured finance investments.

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

The fund is actively managed with reference to SONIA, as this forms the basis of the fund's performance target. The Investment Manager has complete discretion to choose investments for the fund and is not constrained by a benchmark.

Strategy

The Investment Manager invests in a diversified portfolio of ABS and other investments, with a focus on floating rate or low interest rate sensitivity. The Investment Manager will seek to generate the majority of return from income whilst maintaining a focus on investments that are expected to have strong fundamental credit resilience over the long term. Notwithstanding its bias to European investments, as the fund has no benchmark to follow, the Investment Manager has flexibility to utilise its broad expertise across securitisation markets to vary the portfolio mix based on relative value and the desired risk and return profile for the fund.

Performance summary

Cumulative performance

	One year 30 Jun 22 - 30 Jun 23 %	Since inception 15 Sep 20* - 30 Jun 23 %
Class Y accumulation (Net)	4.6	4.5
SONIA	3.2	3.6
Class Y accumulation (Gross)	4.9	5.5
SONIA + 1.5%	4.7	8.0

Discrete performance

	30 Jun 22 - 30 Jun 23 %	30 Jun 21 - 30 Jun 22 %	15 Sep 20* - 30 Jun 21 %
Class Y accumulation (Net)	4.6	(1.6)	1.5
SONIA	3.2	0.4	0.0
Class Y accumulation (Gross)	4.9	(1.2)	1.8
SONIA + 1.5%	4.7	1.9	1.2

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

* The fund launched on 15 September 2020.

Authorised Corporate Director's report (continued)

Performance summary (continued)

Source: Morningstar

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

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

Benchmark values are as at close of business.

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

Benchmark usage:

Index: SONIA

Index usage: Target

Index description: SONIA reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions. The BoE is the administrator for SONIA and they are responsible for its governance and publication every London business day. It is the basis for the fund's performance target.

Past performance does not predict future returns. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Significant portfolio changes for the year ended 30 June 2023

Largest purchases	£000	Largest sales	£000
Bavarian Sky UK 5 FRN 20/04/2031	6,730	Connecticut Avenue Securities Trust 2022-R02 FRN 25/12/2041	7,217
Metro Finance Trust 2023-1 A FRN 18/02/2029	6,349	Stratton BTL Mortgage Funding 2022-1 FRN 20/01/2054	7,145
Bumper DE FRN 23/08/2032	5,878	Glenbeigh 2 Issuer 2021-2X A FRN 24/06/2050	6,879
Permanent Master Issuer FRN 15/07/2073	5,660	Silverstone Master Issuer 1X 2A FRN 21/01/2070	6,205
Compartment VCL 39 FRN 21/04/2029	5,469	Bumper FR 2022-1 FRN 27/04/2032	6,081
Panorama Auto Trust 2023-1 FRN 15/05/2031	5,404	Liberty Funding FRN 10/06/2051 2 A1B	5,846
Lanark Master Issuer FRN 22/08/2069	4,870	PCL Funding V FRN 15/10/2025 1 A	5,501
Liberty Series 2023-1 Auto FRN 25/03/2031	4,806	Firstmac Mortgage Funding Trust No. 4 Series 2-2019 FRN 17/11/2050	5,141
Bank of Nova Scotia FRN 26/01/2026	4,670	Twin Bridges 2021-2 A FRN 12/09/2055	4,266
Mortgage Funding 2008-1 FRN 13/03/2046	4,055	Bumper BE1 A FRN 23/10/2031	3,808
Total purchases	104,376	Total sales	184,936

Investment review

The fund returned 4.6% (Net), 4.9% (Gross) based on Class Y accumulation over the year under review, compared with a return of 3.2% in the SONIA and a return of 4.7% in the Target Index + 1.5%.

The reporting year commenced with a weak July, although the market rebounded in August, which proved to be one of the strongest months for European securitised assets in a decade, with broad-based spread compression. However, volatility picked up towards the end of September after the UK government announced unfunded tax cuts in its mini-budget, which caused gilt yields to surge. This impacted UK pension schemes with liability-driven investment (LDI), which were forced to sell assets to meet collateral calls triggered by the spike in gilt yields. As a result, trading in the European securitised market was extremely elevated. Even at the most distressed point following the mini-budget, European securitised markets across sectors, jurisdictions and the capital stack (the organisation of capital in a security where the top of the 'stack' carries least risk) remained open and liquid at rationally priced, albeit wider, levels.

In mid-October, spreads began to recover from the wide levels and the pace of consolidation continued through November, before a seasonal slowdown in December. Spreads were relatively wide on an historical basis coming into 2023 following the UK LDI volatility. We quickly saw cash deployed in January, resulting in rapid spread compression, which eventually tailed off in mid-February as rates-driven macro volatility impacted sentiment in the European ABS market. From mid-March, the banking sector stress further impacted the ABS market, as spreads widened across all sectors and all parts of the capital stack, although trading volumes were low and there were no signs of forced selling.

In the second quarter of 2023, the market stabilised as US banking sector volatility subsided while the primary market reopened and secondary activity increased. June saw the annual global ABS conference, which led to later bullishness. The market remained largely insulated from ongoing bouts of rates volatility and primary issuance was suppressed due to the timing of the conference. Including collateralised loan obligations (CLOs), there was €97.9bn of publicly placed European ABS new issuance during the quarter.

The fund's positive performance was mainly driven by income, although spread compression was also beneficial. Most of the outperformance came from the fund's CLO exposure. The next largest contributors included allocations to UK non-conforming residential mortgage-backed securities (RMBS) and UK consumer ABS, both predominantly driven by 'carry'. The only detractor was the fund's short risk position in high-yield credit default swap indices, used as a beta hedge for CLO exposure.

Activity was dominated by de-risking and funding for flows following the LDI-led volatility in September. In October, we upgraded quality, moving higher up the capital stack and staying ahead of call optionality and pricing extension. We reduced CLO exposure before eventually adding in A rated CLO risk in November, which looked attractive to us on a relative value basis. In the second quarter of 2023, we reduced CLO exposure and the short crossover hedge to moderate beta in the fund. On a regional basis, we increased exposure to Australian securitised assets due to attractive relative values, adding consumer and automotive ABS. We remained highly selective in adding any recently originated residential housing-related risk, due to concerns about increased borrower affordability stress and house price declines.

We maintain a conservative outlook around fundamentals and the macroeconomic backdrop. This reflects our expectation of a continued deterioration in conditions as the monetary tightening lag decays and there is increasing evidence of consumer stress in underlying collateral.

We have continued to see stubbornly elevated core services inflation in the UK, tightness in labour markets and wage settlements well above the target inflation rate. Key fundamental data on housing and the consumer has worsened. Furthermore, increasing job cuts and the uptick in worker strikes in the UK further signal a poor environment for labour inflation. While the fallout from the US bank failures in March was minor in UK markets, the turmoil has increased the risk of recession, and we continue to see signs of a tightening of credit standards.

Technical conditions have continued to be supportive of the asset class, as issuance has been limited and market conditions have improved. The widening of ABS spreads in March re-affirmed the view that valuations remained attractive relative to historical levels, particularly in the CLO space.

Despite inflation putting pressure on consumers, we believe the structures of the deals in the fund that are impacted by consumer risk – such as automotive, non-conforming RMBS and consumer loan deals – are well insulated by credit enhancement. Nevertheless, this is a risk that we will continue to monitor closely.

Regarding sector allocations, CLOs have remained one of the fund's largest positions. We have continued to favour legacy non-conforming RMBS, which have remained attractive relative to newly originated, senior prime RMBS bonds. In the regional space, Australian ABS looked attractive as a diversifier to the UK and Europe. The fund remained defensively positioned overall, with a relatively high exposure to senior bonds and high credit quality, shorter duration assets. As we navigate this uncertain environment, we will continue to selectively add risk to high conviction, higher liquidity positions where relative value and our fundamental risk assessment is compelling.

Comparative tables for the year ended 30 June 2023

	Class Y accumulation		
	2023 (pence per share)	2022 (pence per share)	15/09/20 - 30/06/21 (pence per share)
Change in net assets per share			
Opening net asset value per share	99.58	101.44	100.00 ¹
Return before operating charges*	5.09	(1.49)	1.73
Operating charges	(0.36)	(0.37)	(0.29)
Return after operating charges*	4.73	(1.86)	1.44
Distributions on accumulation shares	(3.27)	(0.79)	(0.72)
Retained distributions on accumulation shares	3.27	0.79	0.72
Closing net asset value per share	104.31	99.58	101.44
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	4.75%	(1.83%)	1.44%
Other information			
Closing net asset value (£000s)	109,004	132,665	1
Closing number of shares	104,495,730	133,226,152	500
Operating charges	0.36%	0.36%	0.37%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	104.49	102.09	101.56
Lowest share price (pence)	98.34	99.92	100.00

¹ The fund launched on 15 September 2020 and this is the first published price.

Comparative tables (continued)

	Class Y income		
	2023 (pence per share)	2022 (pence per share)	15/09/20 - 30/06/21 (pence per share)
Change in net assets per share			
Opening net asset value per share	98.16	100.73	100.00 ²
Return before operating charges*	4.42	(1.37)	1.75
Operating charges	(0.33)	(0.36)	(0.29)
Return after operating charges*	4.09	(1.73)	1.46
Distributions on income shares	(2.09)	(0.84)	(0.73)
Final cancellation	(100.16) ³	-	-
Closing net asset value per share	-	98.16	100.73
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	4.17% ⁴	(1.72%)	1.46%
Other information			
Closing net asset value (£000s)	-	2	1
Closing number of shares	-	1,977	500
Operating charges	0.37%	0.36%	0.37%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	100.28 ⁵	101.25	101.14
Lowest share price (pence)	96.53 ⁵	98.78	100.00

² The fund launched on 15 September 2020 and this is the first published price.

³ Class Y income closed on 18 May 2023.

⁴ Return after charges relates to the period 1 July 2022 to the closure of the share class on 18 May 2023. This performance will differ from the other share classes as it does not include returns generated over the same period.

⁵ to 18 May 2023.

Comparative tables (continued)

	Class Z accumulation		
	2023 (pence per share)	2022 (pence per share)	15/09/20 - 30/06/21 (pence per share)
Change in net assets per share			
Opening net asset value per share	99.85	101.42	100.00 ⁵
Return before operating charges*	5.13	(1.51)	1.48
Operating charges	(0.06)	(0.06)	(0.06)
Return after operating charges*	5.07	(1.57)	1.42
Distributions on accumulation shares	(3.59)	(1.08)	(0.72)
Retained distributions on accumulation shares	3.59	1.08	0.72
Closing net asset value per share	104.92	99.85	101.42
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	5.08%	(1.55%)	1.42%
Other information			
Closing net asset value (£000s)	28,807	31,551	13
Closing number of shares	27,457,300	31,596,925	12,761
Operating charges	0.06%	0.06%	0.07%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	105.09	102.21	101.56
Lowest share price (pence)	98.68	100.20	100.00

⁵ The fund launched on 15 September 2020 and this is the first published price.

Comparative tables (continued)

	Class Z income		
	2023 (pence per share)	2022 (pence per share)	15/09/20 - 30/06/21 (pence per share)
Change in net assets per share			
Opening net asset value per share	98.06	100.66	100.00 ⁶
Return before operating charges*	4.96	(1.48)	1.40
Operating charges	(0.06)	(0.06)	(0.06)
Return after operating charges*	4.90	(1.54)	1.34
Distributions on income shares	(3.48)	(1.06)	(0.68)
Closing net asset value per share	99.48	98.06	100.66
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	5.00%	(1.53%)	1.34%
Other information			
Closing net asset value (£000s)	125,715	198,769	167,803
Closing number of shares	126,371,180	202,710,354	166,695,214
Operating charges	0.06%	0.06%	0.07%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	100.82	101.20	101.06
Lowest share price (pence)	96.42	98.75	99.99

⁶ The fund launched on 15 September 2020 and this is the first published price.

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

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

Share class launches and closures

There were no share classes launched during the year.

The following share class closed during the year:

Share class	Closure date
Class Y income	18 May 2023

Ongoing charge figure

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

	2023	2022
	%	%
Class Y accumulation	0.36	0.36
Class Y income¹	0.37	0.36
Class Z accumulation	0.06	0.06
Class Z income	0.06	0.06

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

¹ Class Y income closed on 18 May 2023.

Risk and reward profile

The fund currently has 3 types of share class in issue: Y accumulation, Z accumulation and Z income.

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



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

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

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

The rating above is based on simulated historic volatility. Historic data may not be a reliable indication of the future risk profile of the fund. The rating is not guaranteed and may change over time.

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

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

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

* Class Y accumulation, Class Z accumulation and Class Z income launched on 15 September 2020. As these share classes do not have a five year history, a synthetic history has been created using the fund's relevant sector average.

Portfolio statement as at 30 June 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 95.97% (2022: 92.15%)		
	Australia 18.04% (2022: 12.92%)		
	Asset Backed 14.05% (2022: 12.92%)		
AUD 3,346,987	Firstmac Mortgage Funding Trust FRN 17/01/2051 4 A1	1,748	0.66
AUD 6,518,679	Firstmac Mortgage Funding Trust No. 4 Series 2-2019 FRN 17/11/2050	3,406	1.29
AUD 4,088,060	La Trobe Financial Capital Markets Trust 2021-2 A1 FRN 14/01/2053	2,127	0.81
AUD 6,350,000	Latitude Australia Credit Card Master Trust Series 2019-1 FRN 22/09/2033	3,283	1.25
AUD 3,500,000	Latitude Australia Credit Card Master Trust Series 2019-1 FRN 22/09/2033 A1	1,827	0.69
AUD 481,441	Latitude Australia Personal Loans FRN 17/06/2028 1AL	252	0.10
AUD 1,045,437	Liberty Funding FRN 25/12/2051 3 A1	548	0.21
AUD 808,617	Medallion Trust FRN 23/04/2049 1 A1A	423	0.16
AUD 11,292,467	Metro Finance Trust 2023-1 A FRN 18/02/2029	5,910	2.24
AUD 5,250,230	Metro Finance Trust 2021-1 A FRN 20/06/2027	2,729	1.04
AUD 9,479,809	Panorama Auto Trust 2023-1 FRN 15/05/2031	4,963	1.88
AUD 1,345,749	Pepper Residential Securities FRN 20/06/2060 22X A 2	705	0.27
AUD 1,416,384	Pepper SPARKZ Trust No.3 FRN 17/08/2028	739	0.28
AUD 2,410,555	Pepper SPARKZ Trust No.3 FRN 17/08/2028 3 A1A	1,261	0.48
AUD 318,686	Pepper SPARKZ Trust No.3 FRN 17/08/2028 3 B	166	0.06
AUD 6,046,329	Pepper SPARKZ Trust No.4 A 1A FRN 15/09/2030	3,145	1.19
AUD 1,400,000	Pepper SPARKZ Trust No.6 6B FRN 16/03/2032	732	0.28
AUD 2,910,000	Pepper SPARKZ Trust No.6 A1A FRN 16/03/2032	1,523	0.58
AUD 2,903,184	Plenti PL-Green ABS Trust 2023-1 FRN 11/01/2034	1,522	0.58
		<u>37,009</u>	<u>14.05</u>
	Floating Rate Note 3.99% (2022: 0.00%)		
AUD 7,200,000	Bank of Queensland FRN 09/05/2028	3,772	1.43
AUD 9,100,000	Liberty Series 2023-1 Auto FRN 25/03/2031	4,762	1.81
AUD 3,790,000	Plenti PL-Green ABS Trust 2023-1 FRN 12/06/2031	1,983	0.75
		<u>10,517</u>	<u>3.99</u>
	Austria 0.45% (2022: 0.34%)		
	Asset Backed 0.45% (2022: 0.34%)		
EUR 1,400,000	FACT Master FRN 20/07/2028 1 B	1,188	0.45
	Belgium 0.80% (2022: 1.60%)		
	Asset Backed 0.80% (2022: 1.60%)		
EUR 2,448,173	Bumper BE1 A FRN 23/10/2031	2,101	0.80
	Canada 1.76% (2022: 0.00%)		
	Floating Rate Note 1.76% (2022: 0.00%)		
GBP 4,600,000	Bank of Nova Scotia FRN 26/01/2026	4,643	1.76
	Eurozone 29.06% (2022: 27.06%)		
	Asset Backed 29.06% (2022: 27.06%)		
EUR 1,940,000	Adagio CLO FRN 15/09/2034 X C	1,530	0.58
EUR 498,632	Adagio CLO FRN 30/04/2031 VIX A	420	0.16
EUR 800,000	Adagio VI CLO FRN 30/04/2031 B1	661	0.25
EUR 1,309,355	ALME Loan Funding FRN 15/04/2032 3X ARRE	1,104	0.42
EUR 319,000	ALME Loan Funding V FRN 15/07/2031 5X B1R	269	0.10
EUR 1,300,000	Ares European CLO XII FRN 20/04/2032	1,058	0.40
EUR 630,000	Ares European VIII FRN 17/04/2032 8XCR	516	0.20

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Asset Backed (continued)			
EUR 1,485,000	Ares European XI FRN 15/04/2032 11X	1,222	0.46
EUR 2,500,000	Armada Euro CLO IV FRN 15/07/2033	2,066	0.78
EUR 3,600,000	Armada Euro FRN 28/07/2034 5X A	3,001	1.14
EUR 1,900,000	Armada Euro FRN 28/07/2034 5X C	1,525	0.58
EUR 3,000,000	Aurium FRN 22/05/2034 6X AR	2,498	0.95
EUR 2,000,000	Aurium FRN 22/05/2034 6X CR	1,615	0.61
EUR 2,179,000	Aurium FRN 22/06/2034 2X CRR	1,748	0.66
EUR 700,000	Avoca FRN 15/04/2034 12X ARR	581	0.22
EUR 1,500,000	Avoca FRN 15/04/2034 23X	1,251	0.47
EUR 3,900,000	Bain Capital Euro CLO 2022-2 DAC FRN 22/07/2036	3,304	1.25
EUR 1,250,000	BBAM European FRN 22/07/2034 1X CR	998	0.38
EUR 1,750,000	Bilbao III FRN 17/08/2034 3X BR	1,395	0.53
EUR 1,200,000	BNPP FRN 15/04/2031 1X CR	966	0.37
EUR 1,900,000	BNPP IP Euro CLO 2015-1 FRN 15/10/2030	1,596	0.61
EUR 3,000,000	Cairn CLO XIV 14X A FRN 29/10/2034	2,494	0.95
EUR 2,000,000	Capital Four CLO III 3X A FRN 15/10/2034	1,666	0.63
EUR 480,000	Contego CLO IV FRN 23/01/2030 4X CR	389	0.15
EUR 1,000,000	Contego CLO VIII 8X AR FRN 25/01/2034	835	0.32
EUR 1,570,000	Contego CLO VIII 8X B1R FRN 25/01/2034	1,288	0.49
EUR 555,745	CVC Cordatus Loan Fund V FRN 21/07/2030 5X ARR	468	0.18
EUR 500,000	CVC Cordatus Loan Fund V FRN 21/07/2030 5X B1R	417	0.16
EUR 1,170,000	CVC Cordatus Loan Fund XX FRN 22/06/2034 20X	936	0.36
EUR 4,300,000	CVC Cordatus Loan Fund XXI 21X B1 FRN 22/09/2034	3,520	1.34
EUR 1,209,797	Harvest VIII FRN 15/01/2031 8X ARR	1,019	0.39
EUR 500,000	Harvest XI FRN 26/06/2030 11X CR	407	0.15
EUR 1,200,000	Harvest XVI FRN 15/10/2031 16X CRR	978	0.37
EUR 3,220,000	Hayfin Emerald CLO IV 4X AR FRN 15/10/2034	2,693	1.02
EUR 1,214,000	Hayfin Emerald CLO VIII 8X C FRN 17/01/2035	940	0.36
EUR 2,700,000	Invesco Euro FRN 15/07/2034 6X C	2,152	0.82
EUR 828,000	Invesco Euro III FRN 15/07/2032 3X B1	679	0.26
EUR 500,000	Invesco Euro III FRN 15/07/2032 3X C	404	0.15
EUR 6,378,687	Last Mile Securities FRN 17/08/2031 1X A1	5,277	2.00
EUR 269,944	Last Mile Securities FRN 17/08/2031 1X C	212	0.08
EUR 3,200,000	Montmartre Euro CLO 2020-2X A1R FRN 15/07/2034	2,653	1.01
EUR 3,170,000	Montmartre Euro CLO 2020-2X CR FRN 15/07/2034	2,475	0.94
EUR 3,000,000	Neuberger Berman Loan Advisers Euro CLO 2X A FRN 15/04/2034	2,508	0.95
EUR 1,750,000	North Westerly FRN 15/05/2035 VII X A	1,450	0.55
EUR 1,080,000	North Westerly FRN 15/05/2035 VII X C	851	0.32
EUR 1,810,000	North Westerly V Leveraged Loan Strategies CLO X AR FRN 20/07/2034	1,506	0.57
EUR 1,370,000	North Westerly V Leveraged Loan Strategies CLO X CR FRN 20/07/2034	1,100	0.42
EUR 660,000	OAK Hill European Credit Partners FRN 20/04/2035 8X C	535	0.20
EUR 1,780,000	Sound Point Euro CLO II Funding DAC 2X FRN 26/01/2036	1,429	0.54
EUR 2,740,000	Sound Point Euro FRN 25/05/2034 1X CR	2,199	0.83
EUR 2,380,000	Tikehau CLO VII DAC B1 FRN 20/10/2035	2,037	0.77
EUR 530,000	Voya Euro CLO II 2X CR FRN 15/07/2035	429	0.16
EUR 1,640,000	Voya Euro CLO V 5X C FRN 15/04/2035	1,316	0.50
		<u>76,586</u>	<u>29.06</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	France 1.56% (2022: 2.19%)		
	Asset Backed 0.52% (2022: 2.19%)		
EUR 1,580,616	Auto ABS French Leases FRN 29/06/2033 FR1 A	1,359	0.52
	Floating Rate Note 1.04% (2022: 0.00%)		
EUR 3,200,000	Red and Black Auto Lease FRN 27/10/2033	2,747	1.04
	Germany 5.21% (2022: 0.78%)		
	Asset Backed 3.16% (2022: 0.78%)		
EUR 6,700,000	Bumper DE FRN 23/08/2032	5,757	2.19
EUR 1,268,567	RED & Black Auto No.7 FRN 15/10/2029 7 B	1,086	0.41
EUR 86,939	SC Germany SA Compartment Consumer 1-B FRN 14/11/2034	74	0.03
EUR 1,651,838	SC Germany SA Compartment Consumer FRN 14/11/2034 1 C	1,401	0.53
		8,318	3.16
	Floating Rate Note 2.05% (2022: 0.00%)		
EUR 6,300,000	Compartment VCL 39 FRN 21/04/2029	5,409	2.05
	Ireland 4.40% (2022: 5.64%)		
	Asset Backed 4.40% (2022: 5.64%)		
EUR 2,828,780	Armada Euro CLO III DAC FRN 15/07/2031	2,381	0.90
EUR 2,580,521	Glenbeigh 2 FRN 24/03/2046 1X A	2,205	0.84
EUR 2,650,907	Primrose Residential FRN 24/03/2061 1 A	2,257	0.86
EUR 3,010,000	RRE 1 Loan Management DAC FRN 15/04/2035	2,515	0.95
EUR 2,635,724	Shamrock Residential FRN 24/12/2059 1 A	2,238	0.85
		11,596	4.40
	Netherlands 2.33% (2022: 1.25%)		
	Asset Backed 2.33% (2022: 1.25%)		
EUR 188,209	Magoi FRN 27/07/2039 C	159	0.06
EUR 6,946,935	Silver Arrow Athlon FRN 26/04/2031 1 A	5,972	2.27
		6,131	2.33
	Spain 1.41% (2022: 0.79%)		
	Asset Backed 1.41% (2022: 0.79%)		
EUR 583,820	Driver Espana Six FRN 25/09/2030	501	0.19
EUR 1,708,316	Miravet FRN 27/02/2065 1 A	1,439	0.55
EUR 1,448,634	Sabadell Consumo A FRN 24/06/2034	1,261	0.48
EUR 579,453	Sabadell Consumo B FRN 24/06/2034	502	0.19
		3,703	1.41
	United Kingdom 28.18% (2022: 34.03%)		
	Asset Backed 22.30% (2022: 32.40%)		
GBP 3,898,544	Agora Sécurité FRN 17/08/2031 1X A	3,728	1.41
GBP 1,039,612	Agora Sécurité FRN 17/08/2031 1X B	980	0.37
GBP 6,720,000	Bavarian Sky UK 5 FRN 20/04/2031	6,733	2.55
USD 809,333	Brass No.10 0.669% 16/04/2069	609	0.23
GBP 40,399	Business Mortgage Finance FRN 15/08/2045	40	0.02
GBP 306,310	Dowson 2021-1 B FRN 20/03/2028	307	0.12
GBP 241,381	Dowson 2021-2 A FRN 20/10/2028	242	0.09
GBP 1,700,000	Dowson 2021-2 B FRN 20/10/2028	1,702	0.65

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Asset Backed (continued)			
GBP 910,845	Dowson 2022-1 A FRN 20/01/2029	912	0.35
GBP 690,000	Dowson 2022-1 B FRN 20/01/2029	693	0.26
GBP 2,446,875	Economic Master Issuer 1 A FRN 25/06/2074	2,456	0.93
GBP 219,364	Eurosail-UK 2007-1nc FRN 13/03/2045	218	0.08
GBP 3,085,479	Harbour FRN 28/01/2054	3,069	1.17
GBP 4,731,820	Income Contingent Student Loans FRN 24/07/2058 2 A1	4,732	1.80
GBP 2,534,961	Mortgage Funding 2008-1 FRN 13/03/2046	2,535	0.96
USD 2,500,000	Newday Funding FRN 15/03/2029 1A A2	1,954	0.74
GBP 1,400,000	Newday Funding Series 2021-2X A1 FRN 15/07/2029	1,393	0.53
GBP 85,215	Paragon Mortgage FRN 15/11/2038 12X A2A	84	0.03
USD 362,271	Paragon Mortgages FRN 15/11/2038 12A A2C	279	0.11
USD 1,753,196	Paragon Mortgages FRN 15/11/2038 12X A2C	1,352	0.51
GBP 660,000	PCL Funding V 1 B FRN 15/10/2025	659	0.25
GBP 690,000	PCL Funding V FRN 15/10/2025 1 A	691	0.26
GBP 710,000	PCL Funding VI 1 B FRN 15/07/2026	714	0.27
GBP 890,000	PCL Funding VIII FRN 15/05/2028	891	0.34
GBP 2,960,000	PCL Funding VIII FRN A 15/05/2028	2,964	1.12
GBP 677,036	Residential Mortgage Securities FRN 20/06/2070 32X A	678	0.26
GBP 548,942	RMAC Securities No. 1 FRN 12/06/2044 NS3X A2A	524	0.20
GBP 4,265,395	RMAC Securities No. 1 FRN 12/06/2044 NS4X A3A	4,064	1.54
GBP 3,279,059	Rochester Financing No.3 FRN 18/12/2044 3 A	3,236	1.23
GBP 307,999	Satus 2021-1 FRN 17/08/2028	308	0.12
GBP 2,331,910	Southern Pacific Financing FRN 10/03/2044	2,194	0.83
GBP 2,614,196	Stratton Mortgage Funding FRN 12/03/2052 1 A	2,604	0.99
GBP 3,607,393	Together Asset Backed Securitisation 2021-1st1 A FRN 12/07/2063	3,575	1.36
GBP 1,139,961	Turbo Finance FRN 20/08/2028 9 A	1,141	0.43
GBP 500,000	Turbo Finance FRN 20/08/2028 9 B	502	0.19
		<u>58,763</u>	<u>22.30</u>
Fixed Rate Bond 1.88% (2022: 1.63%)			
GBP 2,910,000	Annington Funding 2.308% 06/10/2032	2,016	0.76
GBP 752,407	Broadgate Financing 5.098% 05/04/2033	655	0.25
GBP 614,648	Mitchells & Butlers Finance 5.574% 15/12/2030	570	0.21
GBP 1,812,750	Tesco Property Finance 6.0517% 13/10/2039	1,730	0.66
		<u>4,971</u>	<u>1.88</u>
Floating Rate Note 4.00% (2022: 0.00%)			
GBP 4,870,000	Lanark Master Issuer FRN 22/08/2069	4,874	1.85
GBP 5,660,000	Permanent Master Issuer FRN 15/07/2073	5,667	2.15
		<u>10,541</u>	<u>4.00</u>
United States 2.77% (2022: 5.55%)			
Asset Backed 2.77% (2022: 5.26%)			
USD 2,413,276	Connecticut Avenue Securities Trust 2022-R01 FRN 25/12/2041	1,877	0.71
USD 3,752,867	Freddie Mac STACR REMIC Trust 2022-DN FRN 25/02/2042	2,928	1.11
USD 3,246,871	Freddie Mac STACR REMIC Trust 2022-DNA1 FRN 25/01/2042	2,507	0.95
		<u>7,312</u>	<u>2.77</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond 0.00% (2022: 0.29%)			
Collective Investment Schemes 0.04% (2022: 0.03%)			
100,000	Deutsche Global Liquidity Managed Platinum Sterling Fund	100	0.04
Derivatives 0.69% (2022: 0.25%)			
Swaps 0.32% (2022: 0.25%)¹			
Credit Default Index Swaps (0.16%) (2022: 0.00%)¹			
4,350,000	CDX 5.00% 20/12/2027 iTraxx-Crossover Pay EUR	(182)	(0.07)
5,500,000	CDX 5.00% 20/12/2027 iTraxx-Crossover Pay EUR	(231)	(0.09)
		(413)	(0.16)
Overnight Index Swaps 0.48% (2022: 0.25%)¹			
600,000	OIS 0.0435% SONIA 1 Day - Receive Floating - GBP	113	0.04
500,000	OIS 0.0776% SONIA 1 Day - Receive Floating - GBP	122	0.05
720,000	OIS 0.3038% SONIA 1 Day - Receive Floating - GBP	62	0.02
700,000	OIS 0.6212% SONIA 1 Day - Receive Floating - GBP	151	0.06
400,000	OIS 0.6282% SONIA 1 Day - Receive Floating - GBP	86	0.03
400,000	OIS 0.6361% SONIA 1 Day - Receive Floating - GBP	85	0.03
680,000	OIS 0.6392 SONIA 1 Day - Receive Floating - GBP	143	0.05
2,200,000	OIS 0.9102% SONIA 1 Day - Receive Floating - GBP	519	0.20
810,000	OIS 4.8057% SOFR 1 Day - Receive Floating - USD	(7)	-
		1,274	0.48
Forward Foreign Exchange Contracts 0.37% (2022: 0.00%)¹			
	Buy AUD 188,416 : Sell GBP 98,658 July 2023 ²	-	-
	Buy AUD 27,839 : Sell GBP 14,581 July 2023 ²	-	-
	Buy AUD 4,396 : Sell GBP 2,309 July 2023 ²	-	-
	Buy AUD 40,519 : Sell GBP 21,296 July 2023 ²	-	-
	Buy AUD 4,502 : Sell GBP 2,367 July 2023 ²	-	-
	Buy AUD 1,469,666 : Sell GBP 781,056 July 2023	(11)	-
	Buy AUD 1,304,722 : Sell GBP 694,223 July 2023	(11)	-
	Buy AUD 22,850 : Sell GBP 12,259 July 2023 ²	-	-
	Buy AUD 7,391,338 : Sell GBP 3,978,755 July 2023	(107)	(0.04)
	Buy EUR 28,698 : Sell GBP 24,825 July 2023 ²	-	-
	Buy EUR 58,924 : Sell GBP 50,884 July 2023 ²	-	-
	Buy EUR 25,066 : Sell GBP 21,589 July 2023 ²	-	-
	Buy EUR 61,712 : Sell GBP 53,128 July 2023 ²	-	-
	Buy EUR 76,673 : Sell GBP 65,932 July 2023 ²	-	-
	Buy EUR 41,205 : Sell GBP 35,398 July 2023 ²	-	-
	Buy EUR 123,331 : Sell GBP 105,899 July 2023 ²	-	-
	Buy EUR 42,148 : Sell GBP 36,124 July 2023 ²	-	-
	Buy EUR 3,027 : Sell GBP 2,595 July 2023 ²	-	-
	Buy EUR 150,269 : Sell GBP 128,762 July 2023 ²	-	-
	Buy EUR 13,241 : Sell GBP 11,305 July 2023 ²	-	-
	Buy GBP 247,120 : Sell AUD 468,961 July 2023	1	-
	Buy GBP 54,481,674 : Sell AUD 101,322,027 July 2023	1,409	0.53
	Buy GBP 627,886 : Sell EUR 726,960 July 2023	4	-
	Buy GBP 2,741,907 : Sell EUR 3,200,000 July 2023	(7)	-
	Buy GBP 112,204,874 : Sell EUR 131,067,982 July 2023	(359)	(0.14)
	Buy GBP 19,692 : Sell EUR 23,005 July 2023 ²	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts <small>(continued)</small>			
	Buy GBP 5,383,319 : Sell EUR 6,300,000 July 2023	(28)	(0.01)
	Buy GBP 38,795 : Sell EUR 45,401 July 2023 ²	-	-
	Buy GBP 4,081 : Sell USD 5,231 July 2023 ²	-	-
	Buy GBP 2,125 : Sell USD 2,709 July 2023 ²	-	-
	Buy GBP 1,286 : Sell USD 1,636 July 2023 ²	-	-
	Buy GBP 2,532 : Sell USD 3,218 July 2023 ²	-	-
	Buy GBP 12,220,720 : Sell USD 15,430,756 July 2023	85	0.03
	Buy GBP 3,554 : Sell USD 4,483 July 2023 ²	-	-
	Buy USD 13,262 : Sell GBP 10,359 July 2023 ²	-	-
	Buy USD 22,411 : Sell GBP 17,583 July 2023 ²	-	-
	Buy USD 4,702 : Sell GBP 3,690 July 2023 ²	-	-
	Buy USD 2,725 : Sell GBP 2,145 July 2023 ²	-	-
	Buy USD 2,268 : Sell GBP 1,797 July 2023 ²	-	-
		<u>976</u>	<u>0.37</u>
	Investment assets including investment liabilities	254,831	96.70
	Other net assets	<u>8,695</u>	<u>3.30</u>
	Total net assets	263,526	100.00

¹ Not listed on an official stock exchange

² Due to rounding to nearest £1,000

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

The collective investment schemes held are approved regulated collective investment schemes within the meaning of the FCA rules.

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

Statement of total return for the year ended 30 June 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		2,368		(10,362)
Revenue	3	9,382		3,864	
Expenses	4	(497)		(550)	
Interest payable and similar charges	5	(42)		(3)	
Net revenue before taxation		8,843		3,311	
Taxation	6	(6)		-	
Net revenue after taxation			8,837		3,311
Total return before distributions			11,205		(7,051)
Distributions	7		(8,837)		(3,311)
Change in net assets attributable to shareholders from investment activities			2,368		(10,362)

Statement of change in net assets attributable to shareholders

for the year ended 30 June 2023

	2023		2022	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		362,987		167,818
Amounts receivable on issue of shares	44,537		232,996	
Amounts payable on cancellation of shares	(151,207)		(28,873)	
		(106,670)		204,123
Dilution adjustment		414		153
Change in net assets attributable to shareholders from investment activities		2,368		(10,362)
Retained distributions on accumulation shares		4,427		1,255
Closing net assets attributable to shareholders		263,526		362,987

Balance sheet as at 30 June 2023

	Note	2023 £000	2022 £000
Assets:			
Investments		255,774	335,692
Current assets:			
Debtors	8	2,082	875
Cash and bank balances	9	12,428	29,101
Total assets		270,284	365,668
Liabilities:			
Investment liabilities		943	167
Creditors:			
Amounts held at derivative clearing houses and brokers		1,356	985
Bank overdrafts		-	29
Distributions payable		1,478	721
Other creditors	10	2,981	779
Total liabilities		6,758	2,681
Net assets attributable to shareholders		263,526	362,987

Statement of cash flows for the year ended 30 June 2023

	2023		2022	
	£000	£000	£000	£000
Cash flows from operating activities				
Total return before distributions		11,205		(7,051)
Adjustments for:				
Interest payable and similar charges	42		3	
Taxation	6		-	
Transactions charges paid from capital	4		1	
(Gains)\losses on investments	(251)		7,413	
Increase in debtors	(934)		(541)	
(Decrease)\increase in creditors	(5)		49	
		<u>(1,138)</u>		<u>6,925</u>
Cash flows from operations		10,067		(126)
Interest payable and similar charges	(42)		(3)	
Tax paid	(6)		-	
Distribution paid on income shares	(3,393)		(1,921)	
		<u>(3,441)</u>		<u>(1,924)</u>
Net cash generated from\ (used in) operating activities		6,626		(2,050)
Cash flows from investing activities				
Purchases of investments	(92,245)		(385,697)	
Sales of investments	172,203		184,053	
Net cash generated from\ (used in) investing activities		79,958		(201,644)
Cash flows from financing activities				
Issue of shares	44,753		244,099	
Cancellation of shares	(148,766)		(28,920)	
Dilution adjustment	414		153	
Net cash (used in)\generated from financing activities		(103,599)		215,332
Net (decrease)\increase in cash		(17,015)		11,638
Cash at beginning of year		28,087		16,449
Cash at end of year		11,072		28,087

Notes to the financial statements for the year ended 30 June 2023

1 Accounting policies

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

2 Net capital gains/(losses)

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

	2023 £000	2022 £000
Derivative securities	315	873
Forward currency contracts	2,632	(3,583)
Non-derivative securities	(1,054)	(8,300)
Other currency gains	479	649
Transaction costs	(4)	(1)
Net capital gains/(losses)	2,368	(10,362)

3 Revenue

	2023 £000	2022 £000
Bank interest	540	87
Derivative revenue	(123)	(23)
Interest on debt securities	8,943	3,799
Interest on margin	18	-
Overseas dividends*	4	1
Total revenue	9,382	3,864

* Includes distributions from overseas funds.

4 Expenses

	2023 £000	2022 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	348	357
GAC*	110	136
	<u>458</u>	<u>493</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	23	29
Safe custody fees	16	28
	<u>39</u>	<u>57</u>
Total expenses	497	550

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £13,503 (2022: £12,250).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2023 £000	2022 £000
Interest payable	42	3
Total interest payable and similar charges	42	3

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2023 £000	2022 £000
Current tax		
Corporation tax	1	-
Double tax relief	(1)	-
Overseas withholding tax	6	-
Total tax (note 6b)	6	-

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICs of 20% (2022: 20%). The differences are explained below:

	2023 £000	2022 £000
Net revenue before taxation	8,843	3,311
Corporation tax at 20% (2022: 20%)	1,769	662
Effects of:		
Double tax relief	(1)	-
Overseas withholding tax	6	-
Revenue being paid as interest distributions	(1,768)	(662)
Tax charge for the year (note 6a)	6	-

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2022: nil).

d) Factors that may affect future tax charges

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

Notes to the financial statements (continued)

7 Distributions

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

	2023 £000	2022 £000
Interim income	2,672	1,491
Interim accumulation	2,907	763
Final income	1,478	721
Final accumulation	1,520	492
	<u>8,577</u>	<u>3,467</u>
Amounts deducted on cancellation of shares	476	47
Amounts received on issue of shares	(216)	(203)
Total distributions	<u>8,837</u>	<u>3,311</u>

Details of the distribution per share are set out in the Distribution tables on pages 112 to 113.

8 Debtors

	2023 £000	2022 £000
Accrued revenue	1,671	737
Sales awaiting settlement	411	138
Total debtors	<u>2,082</u>	<u>875</u>

9 Cash and bank balances

	2023 £000	2022 £000
Amounts held at derivative clearing houses and brokers	981	239
Cash and bank balances	11,447	28,862
Total cash and bank balances	<u>12,428</u>	<u>29,101</u>

10 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	27	33
Accrued Depositary's fee	2	5
Accrued other expenses	10	18
Amounts payable for cancellation of shares	2,917	-
Derivative revenue payable	25	13
Purchases awaiting settlement	-	710
Total other creditors	<u>2,981</u>	<u>779</u>

11 Contingent liabilities and commitments

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

Notes to the financial statements (continued)

12 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 99 and 100 and notes 4, 7, 8 and 10 on pages 102 to 104 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 are no material shareholders at the year end (2022: BNY AIS Nominees Limited, 54.85%).

13 Shareholders' funds

The fund currently has 2 share classes available: Class Y (Institutional) and Class Z (Institutional). The annual management charge on each share class is as follows:

	2023 %	2022 %
Class Y	0.30	0.30
Class Z ¹	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 87 to 90. The distribution per share class is given in the Distribution tables on pages 112 to 113. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2023

	Class Y accumulation	Class Y income	Class Z accumulation	Class Z income
Opening number of shares	133,226,152	1,977	31,596,925	202,710,354
Issues during the year	-	-	6,725,843	37,876,291
Cancellations during the year	(28,730,422)	(1,977)	(10,865,468)	(114,215,465)
Shares converted during the year	-	-	-	-
Closing shares in issue	104,495,730	-	27,457,300	126,371,180

14 Financial derivatives

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

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

There was no collateral pledged or collateral held in respect of forward foreign exchange contracts and swaps as at 30 June 2023. The fund had cash assets of £980,627 (2022: £239,380) and cash liabilities of £1,355,747 (2022: £984,508) held in margin accounts at derivative clearing houses and brokers as at 30 June 2023. These balances are held as collateral on the fund's swap contracts.

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2023

As at 30 June 2023 the counterparty exposure calculated using the positive marked-to-market value for each category of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Overnight index swaps £000	Total by counterparty £000
BNP Paribas	1,499	-	1,499
Goldman Sachs	-	662	662
JPMorgan Chase	-	213	213
Merrill Lynch	-	321	321
Royal Bank of Canada	-	85	85
	1,499	1,281	2,780

2022

As at 30 June 2022 the counterparty exposure calculated using the positive marked-to-market value for each category of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Overnight index swaps £000	Total by counterparty £000
BNP Paribas	153	-	153
Citadel Investment Group	-	15	15
Goldman Sachs	-	345	345
JPMorgan Chase	-	119	119
Merrill Lynch	-	298	298
Morgan Stanley	-	66	66
Royal Bank of Canada	-	44	44
Salomon Brothers	-	16	16
UBS	-	11	11
	153	914	1,067

15 Risk

Currency risk

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

Notes to the financial statements (continued)

15 Risk (continued)

Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2023				
Australian dollar	47,526	-	1,584	49,110
Euro	120,126	-	806	120,932
UK sterling	82,020	4,971	1,142	88,133
US dollar	11,959	-	150	12,109
Total	261,631	4,971	3,682	270,284
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2022				
Australian dollar	46,884	-	40	46,924
Euro	143,977	-	503	144,480
UK sterling	142,821	5,901	570	149,292
US dollar	23,886	1,070	16	24,972
Total	357,568	6,971	1,129	365,668
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2023				
Australian dollar	-	-	130	130
Euro	16	413	405	834
UK sterling	1,337	-	4,447	5,784
US dollar	3	7	-	10
Total	1,356	420	4,982	6,758
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2022				
Australian dollar	-	-	59	59
Euro	29	-	1	30
UK sterling	784	-	1,490	2,274
US dollar	200	-	118	318
Total	1,013	-	1,668	2,681

Notes to the financial statements (continued)

15 Risk (continued)

Credit ratings

	Market value £000	Percentage of total net assets %
2023		
Investments		
Investment grade (AAA - BBB)	252,894	95.97
Total debt securities	252,894	95.97
Collective investment schemes	100	0.04
Derivatives	1,837	0.69
Investment assets including investment liabilities	254,831	96.70
Other net assets	8,695	3.30
Total net assets	263,526	100.00
	Market value £000	Percentage of total net assets %
2022		
Investments		
Investment grade (AAA - BBB)	327,560	90.24
Unrated	6,965	1.91
Total debt securities	334,525	92.15
Collective investment schemes	100	0.03
Derivatives	900	0.25
Investment assets including investment liabilities	335,525	92.43
Other net assets	27,462	7.57
Total net assets	362,987	100.00

Sensitivity analysis

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

VaR results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%		%	%	%
2023	0.34	1.11	0.69	20	1.72	5.56	3.46
2022	0.23	1.74	0.72	20	0.12	0.87	0.36
Leverage							
	Minimum	Maximum	Average				
	%	%	%				
2023	62.58	319.65	109.91				
2022	48.80	198.50	90.82				

Notes to the financial statements (continued)

15 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2023				
Amounts held at derivatives clearing houses and brokers	1,356	-	-	-
Derivative financial liabilities	-	530	413	-
Distribution payable	-	1,478	-	-
Other creditors	-	2,981	-	-
Total	1,356	4,989	413	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2022				
Amounts held at derivatives clearing houses and brokers	985	-	-	-
Bank overdrafts	29	-	-	-
Derivative financial liabilities	-	167	-	-
Distribution payable	-	721	-	-
Other creditors	-	779	-	-
Total	1,014	1,667	-	-

16 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2023		2022	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	-	-	-	-
Level 2	255,774	943	334,898	167
Level 3	-	-	794	-
	255,774	943	335,692	167

Notes to the financial statements (continued)

16 Fair value disclosure (continued)

Fair value hierarchy (continued)

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Investment Manager, at its discretion, may permit an alternative method of valuation to be used if they consider that it better reflects value and is in accordance with good accounting practice. The EPC of the Investment Manager supports the ACD in determining or approving unquoted prices. Where deemed necessary, the EPC will seek ratification of decisions from the Janus Henderson Investment Risk team. The EPC meets on a monthly basis and consists of representatives from various parts of the Investment Manager who act as an independent party, segregated from the fund management function, to review and approve fair value pricing decisions and pricing models on a regular basis. The asset Broadgate Financing 5.098% 05/04/2033 has been included within level 3 in the prior year. This CLO had been allocated to level 3 as the ACD considered it to have a more restricted market for trading than the other CLOs held by the fund. The ACD has judged that the market for this asset is now in line with similar level 2 assets in the current year.

17 Direct transaction costs

	Purchases		Sales	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trades in the year				
Debt securities	104,376	370,885	184,936	184,277
Trades in the year before transaction costs	104,376	370,885	184,936	184,277
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	104,376	370,885	184,936	184,277

	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Debt securities	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Other expenses				
Debt securities	-	-	-	-

	2023	2022
	%	%
Total transaction costs expressed as a percentage of net asset value		
Commissions	-	-
Taxes	-	-
Other expenses	-	-
Total costs	-	-

Notes to the financial statements (continued)

17 Direct transaction costs (continued)

There were no in specie transfers during the year (2022: nil). There were no corporate actions during the year (2022: nil).

There were no direct transaction costs associated with derivatives in the year (2022: nil).

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

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

The portfolio dealing spread as at 30 June 2023 was 0.36% (2022: 0.42%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

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

Distribution tables for the year ended 30 June 2023 (in pence per share)

Interim interest distribution (accounting date 30 September 2022, paid on 30 November 2022)

Group 1: shares purchased prior to 1 July 2022

Group 2: shares purchased on or after 1 July 2022

	Distribution per share	Equalisation	Total distribution per share 30/11/22	Total distribution per share 30/11/21
Class Y accumulation				
Group 1	0.4205	-	0.4205	0.1604
Group 2	0.4205	-	0.4205	0.1604
Class Y income				
Group 1	0.4102	-	0.4102	0.2281
Group 2	0.4102	-	0.4102	0.2281
Class Z accumulation				
Group 1	0.4976	-	0.4976	0.2213
Group 2	0.4395	0.0581	0.4976	0.2213
Class Z income				
Group 1	0.4887	-	0.4887	0.2195
Group 2	0.2622	0.2265	0.4887	0.2195

Interim interest distribution (accounting date 31 December 2022, paid on 28 February 2023)

Group 1: shares purchased prior to 1 October 2022

Group 2: shares purchased on or after 1 October 2022

	Distribution per share	Equalisation	Total distribution per share 28/02/23	Total distribution per share 28/02/22
Class Y accumulation				
Group 1	0.7616	-	0.7616	0.1696
Group 2	0.7616	-	0.7616	0.1696
Class Y income				
Group 1	0.7497	-	0.7497	0.1674
Group 2	0.7497	-	0.7497	0.1674
Class Z accumulation				
Group 1	0.8406	-	0.8406	0.2475
Group 2	0.2955	0.5451	0.8406	0.2475
Class Z income				
Group 1	0.8214	-	0.8214	0.2440
Group 2	0.4018	0.4196	0.8214	0.2440

Distribution tables (continued)

Interim interest distribution (accounting date 31 March 2023, paid on 31 May 2023)

Group 1: shares purchased prior to 1 January 2023

Group 2: shares purchased on or after 1 January 2023

	Distribution per share	Equalisation	Total distribution per share 31/05/23	Total distribution per share 31/05/22
Class Y accumulation				
Group 1	0.9492	-	0.9492	0.1718
Group 2	0.9492	-	0.9492	0.1718
Class Y income				
Group 1	0.9252	-	0.9252	0.1689
Group 2	0.9252	-	0.9252	0.1689
Class Z accumulation				
Group 1	1.0296	-	1.0296	0.2477
Group 2	0.0849	0.9447	1.0296	0.2477
Class Z income				
Group 1	0.9979	-	0.9979	0.2447
Group 2	0.2283	0.7696	0.9979	0.2447

Final interest distribution (accounting date 30 June 2023, paid on 31 August 2023)

Group 1: shares purchased prior to 1 April 2023

Group 2: shares purchased on or after 1 April 2023

	Distribution per share	Equalisation	Total distribution per share 31/08/23	Total distribution per share 31/08/22
Class Y accumulation				
Group 1	1.1345	-	1.1345	0.2841
Group 2	1.1345	-	1.1345	0.2841
Class Y income¹				
Group 1	n/a	n/a	n/a	0.2787
Group 2	n/a	n/a	n/a	0.2787
Class Z accumulation				
Group 1	1.2186	-	1.2186	0.3606
Group 2	0.6577	0.5609	1.2186	0.3606
Class Z income				
Group 1	1.1694	-	1.1694	0.3553
Group 2	0.7330	0.4364	1.1694	0.3553

¹ Class Y income closed on 18 May 2023.

Janus Henderson European Smaller Companies Fund

Authorised Corporate Director's report

Investment Fund Managers

Ollie Beckett and Rory Stokes

Investment objective and policy

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

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

The fund may also invest in other assets including cash. The Investment Manager may use derivatives (complex financial instruments) to reduce risk or to manage the fund more efficiently.

The fund is actively managed. The MSCI Europe ex UK Small Cap Index is broadly representative of the companies in which the fund may invest and can provide a useful comparator for assessing the fund's performance. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

Strategy

The Investment Manager focuses on meetings and calls with company management, along with the use of quantitative filters, to identify potential companies for investment. Emphasis is placed on the robustness of a company's business model, an analysis of what drives the business, its competitive advantages and the sustainability of returns. The fund maintains a well-diversified portfolio of companies which generally fall within the bottom 25% of their relevant market by way of size. The liquidity of any stock (the degree to which shares can be quickly bought or sold in the market at a price reflecting its intrinsic value) is important in determining whether to invest and the size of the holding for the fund.

Performance summary

Cumulative performance

	One year 30 Jun 22 - 30 Jun 23 %	Three years 30 Jun 20 - 30 Jun 23 %	Five years 30 Jun 18 - 30 Jun 23 %	Since inception 31 Jan 85 - 30 Jun 23 %
Class I accumulation (Net)	12.8	36.5	42.9	7,370.0
MSCI Europe ex UK Small Cap Index*	10.0	24.6**	25.8**	***
IA European Smaller Companies Sector	8.0	17.4	12.9	4,649.2

Discrete performance

	30 Jun 22 - 30 Jun 23 %	30 Jun 21 - 30 Jun 22 %	30 Jun 20 - 30 Jun 21 %	30 Jun 19 - 30 Jun 20 %	30 Jun 18 - 30 Jun 19 %
Class I accumulation (Net)	12.8	(19.9)	51.1	2.6	2.1
MSCI Europe ex UK Small Cap Index*	10.0	(17.0)**	36.5*	0.3*	0.6*
IA European Smaller Companies Sector	8.0	(20.7)	37.1	(0.5)	(3.3)

* From 25 February 2022, the fund benchmark changed from EMIX Smaller European Companies ex UK Index to MSCI Europe ex UK Small Cap Index. Past performance before 25 February 2022 is shown for the previous fund benchmark.

** Performance is a blend of the old and new benchmark.

*** Benchmark return is not quoted as the fund inception date is earlier than the benchmark inception date.

Source: Morningstar

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

Benchmark values are as at close of business.

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

Authorised Corporate Director's report (continued)

Performance summary (continued)

Benchmark usage:

Index: MSCI Europe ex UK Small Cap Index

Index usage: Comparator

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

Peer group: IA European Smaller Companies Sector

Peer group usage: Comparator

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

Past performance does not predict future returns. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Significant portfolio changes for the year ended 30 June 2023

Largest purchases	£000	Largest sales	£000
u-blox	5,259	Motor Oil Hellas Corinth Refineries	5,862
TKH	4,736	Ipsos	4,339
Gaztransport et Technigaz	3,951	Bobst	4,117
New Work	3,777	Piaggio	4,063
Datalogic	3,372	Aareal Bank	3,609
Munters	3,364	Froy	3,453
Sif	3,119	Metso Outotec	3,336
Credito Emiliano	3,077	Uniphar	2,998
Comet	3,043	Grupo Catalana Occidente	2,807
Kardex	3,028	Fugro	2,797
Total purchases	90,623	Total sales	126,852

Investment review

The fund returned 12.8% based on Class I accumulation (Net) over the year under review, compared with a return of 10.0% in the MSCI Europe ex UK Small Cap Index and a return of 8.0% in the IA European Smaller Companies Sector peer group benchmark.

Markets started the reporting year on a weak footing, with a pullback of more than 10% in August/September that was triggered by growing concerns about the economic outlook amid more restrictive monetary policy. The prospect of China's reopening, a more benign situation in European energy markets and the first signs of easing inflationary pressure have since led to a sustained rally in stock markets that was only briefly interrupted in March by signs of stress in the global banking industry. Persistent de-stocking activity in several segments of the economy was another market narrative. Since summer 2022, this activity has hampered the near-term outlook for affected companies, and while the eventual conclusion of this reset appeared close, the timing and magnitude remained short-term factors of uncertainty and, hence, volatility. We believe that material share price moves based on such transitory adjustments create opportunities to invest in companies with otherwise fundamentally sound prospects, even if it means absorbing short-term performance volatility. In terms of intra-market moves, the most noteworthy development related to the continued outperformance of large caps over small caps. This persistent underperformance of small caps has been very unusual by historical standards and has traditionally presented a buying opportunity.

Given the fund's style balance, returns were generally driven by single stock holdings. Van Lanschot Kempen was among the biggest contributors. We were attracted by its valuation, high dividend and its transition to a less capital-intensive part of the sector. Italy's BFF Bank was another contributor. BFF Bank has benefited from the factoring market's return to the structure that existed before the huge state-funded COVID-19 support measures were implemented. AIB also aided performance. The company was a beneficiary of higher interest rates and increasing evidence that the consolidated Irish market was a good one for its banks. Ascom, a turnaround/recovery stock, also boosted returns. The company helps to digitise parts of the healthcare sector, although it has been plagued by component shortages. Those pressures appeared to be easing while the company benefited from a restructuring plan.

Detractors from the fund's performance included gaming stocks Stillfront and Bigben Interactive, where squeezed incomes meant that people seemed to have identified gaming spending as an area on which to cut back. Karnov (the Bloomberg equivalent for the legal industry) also dragged on returns. Communication surrounding its debt financing was mismanaged and we let the company know how we thought this needed to be improved. Shares of Recticel, another detractor, were hit when the buyer of its foams division used the market weakness to renegotiate the price. The company's exposure to a weak construction industry also hurt sentiment. Its remaining insulation business appeared well positioned, as homes are made more energy efficient.

Sales included Duerr (engineering and woodworking) and Friedrich Vorwerk (energy transportation and infrastructure). Duerr had seen strong growth since the pandemic as consumers were remodelling homes, but this growth has since tapered. We took profits with the sale of the stock. Regular readers will be aware that we also had the remaining position of Friedrich Vorwerk under review in recent months. The German energy company has shown a continued inability to manage projects effectively and keep them within budget, including most recently two liquefied natural gas projects. We remain positive on the 're-power EU' theme of the continents' ongoing energy transition but the management team of this company seem unlikely to translate that structural tail wind to higher earnings in our view.

Activity also included buying a new position in Hellenic exchanges. The Greek economy continues its remarkable rehabilitation, and the national exchange stands to benefit from increased capital flow. We also bought Sif, a provider of offshore wind farm foundations, predominantly through its monopile products. The company has a strong order book for the coming years and is another enabler of the energy transition. Disposals include Home24 and Froy (both being subject to bids) as well as Motor Oil Hellas Corinth Refineries after a strong run for the shares.

European smaller companies were trading at around a 38% price-to-earnings discount to the US equity market at the end of June. This represented the biggest discount since data began in 2005, with the average discount over the period being around 5%. European small caps have also traded at a valuation discount to European large-cap stocks, which has been equally unusual. This has come at a time when we think the likelihood of an economic 'soft landing' has increased. In Europe, real wages have turned positive while de-stocking seems increasingly likely to come to an end in the second half of this year. Given that a number of measures of inflation have fallen in the US and Europe, we expect policy makers to move away from their overly restrictive stance. If this proves to be the case, we believe the large valuation discount is unlikely to remain at current extremes.

Comparative tables for the year ended 30 June 2023

	Class A accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	2,855.37	3,599.84	2,388.26
Return before operating charges*	385.59	(685.05)	1,264.68
Operating charges	(53.32)	(59.42)	(53.10)
Return after operating charges*	332.27	(744.47)	1,211.58
Distributions on accumulation shares	(35.26)	(20.32)	-
Retained distributions on accumulation shares	35.26	20.32	-
Closing net asset value per share	3,187.64	2,855.37	3,599.84
* after direct transaction costs of:	0.04	-	0.59

Performance

Return after charges	11.64%	(20.68%)	50.73%
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Other information

Closing net asset value (£000s)	26,278	31,733	45,034
Closing number of shares	824,365	1,111,332	1,251,000
Operating charges	1.74%	1.74%	1.74%
Direct transaction costs	0.00%	0.00%	0.02%

Prices

Highest share price (pence)	3,438.00	3,827.00	3,655.00
Lowest share price (pence)	2,622.00	2,835.00	2,371.00

	Class E accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	2,898.67	3,636.13	2,400.27
Return before operating charges*	392.45	(694.65)	1,274.15
Operating charges	(38.87)	(42.81)	(38.29)
Return after operating charges*	353.58	(737.46)	1,235.86
Distributions on accumulation shares	(52.76)	(38.47)	(3.09)
Retained distributions on accumulation shares	52.76	38.47	3.09
Closing net asset value per share	3,252.25	2,898.67	3,636.13
* after direct transaction costs of:	0.04	-	0.60

Performance

Return after charges	12.20%	(20.28%)	51.49%
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Other information

Closing net asset value (£000s)	21,704	21,092	28,014
Closing number of shares	667,351	727,654	770,421
Operating charges	1.24%	1.24%	1.24%
Direct transaction costs	0.00%	0.00%	0.02%

Prices

Highest share price (pence)	3,501.00	3,869.00	3,689.00
Lowest share price (pence)	2,666.00	2,874.00	2,383.00

Comparative tables (continued)

	Class I accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	3,317.88	4,146.13	2,726.49
Return before operating charges*	449.86	(794.32)	1,450.62
Operating charges	(30.98)	(33.93)	(30.98)
Return after operating charges*	418.88	(828.25)	1,419.64
Distributions on accumulation shares	(74.74)	(63.87)	(17.32)
Retained distributions on accumulation shares	74.74	63.87	17.32
Closing net asset value per share	3,736.76	3,317.88	4,146.13
* after direct transaction costs of:	0.05	-	0.70
Performance			
Return after charges	12.62%	(19.98%)	52.07%
Other information			
Closing net asset value (£000s)	266,009	275,586	332,355
Closing number of shares	7,118,706	8,306,089	8,016,042
Operating charges	0.86%	0.86%	0.86%
Direct transaction costs	0.00%	0.00%	0.02%
Prices			
Highest share price (pence)	4,017.00	4,415.00	4,206.00
Lowest share price (pence)	3,054.00	3,286.00	2,707.00

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

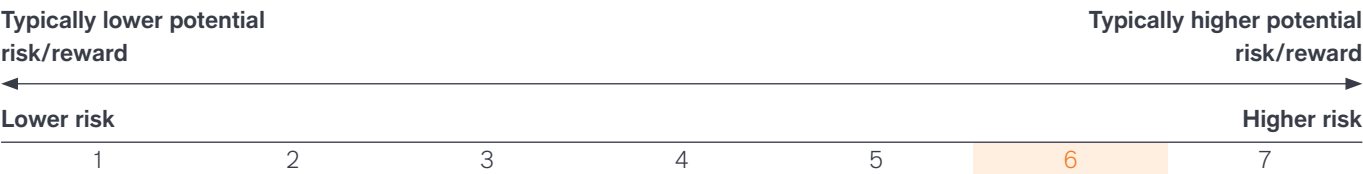
	2023	2022
	%	%
Class A accumulation	1.74	1.74
Class E accumulation	1.24	1.24
Class I accumulation	0.86	0.86

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

Risk and reward profile

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

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



The share classes appear at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in Net Asset Value in the past five years than those in lower categories. The lowest category does not mean risk free.

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

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

The rating above is based on the historic volatility of the share classes. Historic data may not be a reliable indication of the future risk profile of the fund. The rating is not guaranteed and may change over time.

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

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

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

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

Portfolio statement as at 30 June 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 98.54% (2022: 98.24%)		
	Austria 1.92% (2022: 1.69%)		
	Industrials 1.92% (2022: 1.69%)		
141,383	Palfinger	3,373	1.07
422,092	Zumtobel	2,666	0.85
		<u>6,039</u>	<u>1.92</u>
	Belgium 2.37% (2022: 2.74%)		
	Consumer Discretionary 0.00% (2022: 0.70%)		
	Industrials 1.55% (2022: 1.63%)		
519,308	Recticel	<u>4,858</u>	<u>1.55</u>
	Real Estate 0.82% (2022: 0.41%)		
13,424	Immobel	401	0.13
36,031	Montea	<u>2,180</u>	<u>0.69</u>
		<u>2,581</u>	<u>0.82</u>
	Denmark 4.01% (2022: 4.07%)		
	Consumer Discretionary 1.84% (2022: 1.63%)		
281,837	Huscompagniet	1,894	0.60
335,489	Matas	<u>3,882</u>	<u>1.24</u>
		<u>5,776</u>	<u>1.84</u>
	Industrials 2.17% (2022: 2.44%)		
112,439	DFDS	3,221	1.02
213,490	H+H International	2,003	0.64
31,837	NTG Nordic Transport	<u>1,589</u>	<u>0.51</u>
		<u>6,813</u>	<u>2.17</u>
	Finland 4.23% (2022: 4.76%)		
	Consumer Discretionary 0.95% (2022: 1.11%)		
372,000	Alma Media	<u>2,988</u>	<u>0.95</u>
	Industrials 2.43% (2022: 3.26%)		
471,957	Metso Outotec	4,485	1.43
143,682	Valmet	<u>3,142</u>	<u>1.00</u>
		<u>7,627</u>	<u>2.43</u>
	Technology 0.85% (2022: 0.39%)		
1,333,148	F-Secure	<u>2,660</u>	<u>0.85</u>
	France 17.63% (2022: 18.62%)		
	Consumer Discretionary 5.51% (2022: 6.94%)		
20,811	Fnac Darty	613	0.19
203,630	Ipsos	8,903	2.84
141,263	Kaufman & Broad	3,261	1.04
40,275	Trigano	<u>4,534</u>	<u>1.44</u>
		<u>17,311</u>	<u>5.51</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Energy 1.33% (2022: 0.77%)		
52,140	Gaztransport et Technigaz	4,163	1.33
	Health Care 1.35% (2022: 1.72%)		
53,972	Vétoquinol	4,224	1.35
	Industrials 4.60% (2022: 4.78%)		
112,256	Assystem	4,528	1.44
22,312	LISI	496	0.16
165,525	Mersen	5,873	1.87
50,118	Thermador	3,540	1.13
		14,437	4.60
	Technology 4.84% (2022: 4.41%)		
225,985	Criteo ADS	5,987	1.91
131,020	Neurones	4,486	1.43
291,603	Quadient	4,719	1.50
		15,192	4.84
	Germany 12.09% (2022: 17.05%)		
	Basic Materials 1.57% (2022: 1.66%)		
167,770	AlzChem	2,735	0.87
134,068	Nabaltec	2,209	0.70
		4,944	1.57
	Consumer Discretionary 2.93% (2022: 3.59%)		
633,627	Bike24	1,685	0.54
49,832	CEWE Stiftung	3,900	1.24
19,539	Einhell Germany Preference Shares	2,592	0.82
251,943	HGears	1,023	0.33
		9,200	2.93
	Financials 0.00% (2022: 1.11%)		
	Health Care 0.00% (2022: 0.68%)		
	Industrials 1.74% (2022: 3.97%)		
30,170	Amadeus FiRe	2,869	0.91
27,114	Krones	2,587	0.83
		5,456	1.74
	Technology 4.42% (2022: 2.37%)		
187,700	Ionos	2,094	0.67
23,269	New Work	2,464	0.78
173,039	PVA TePla	2,824	0.90
124,078	SUESS MicroTec	2,593	0.83
201,193	USU Software	3,902	1.24
		13,877	4.42

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Telecommunications 0.00% (2022: 1.10%)		
	Utilities 1.43% (2022: 2.57%)		
83,088	Befesa	2,496	0.79
33,298	Energiekontor	2,003	0.64
		<u>4,499</u>	<u>1.43</u>
	Greece 0.66% (2022: 1.53%)		
	Energy 0.00% (2022: 1.53%)		
	Financials 0.66% (2022: 0.00%)		
467,709	Hellenic Exchanges - Athens Stock Exchange	<u>2,063</u>	<u>0.66</u>
	Ireland 4.86% (2022: 5.72%)		
	Consumer Discretionary 1.08% (2022: 0.70%)		
851,472	Dalata Hotel	<u>3,383</u>	<u>1.08</u>
	Consumer Staples 2.32% (2022: 3.72%)		
1,277,391	C&C	1,602	0.51
918,030	Origin Enterprises	2,627	0.84
1,199,070	Uniphar	<u>3,061</u>	<u>0.97</u>
		<u>7,290</u>	<u>2.32</u>
	Financials 1.46% (2022: 1.30%)		
1,386,618	AIB	<u>4,576</u>	<u>1.46</u>
	Italy 12.23% (2022: 9.63%)		
	Consumer Discretionary 2.81% (2022: 3.01%)		
2,816,676	Arnoldo Mondadori Editore	4,846	1.55
1,231,952	Piaggio	<u>3,967</u>	<u>1.26</u>
		<u>8,813</u>	<u>2.81</u>
	Financials 6.79% (2022: 5.94%)		
954,489	BFF Bank	8,199	2.61
517,010	Credito Emiliano	3,164	1.01
949,665	doValue	3,419	1.09
142,940	FinecoBank	1,487	0.47
193,887	Gruppo MutuiOnline	<u>5,058</u>	<u>1.61</u>
		<u>21,327</u>	<u>6.79</u>
	Industrials 2.63% (2022: 0.68%)		
406,787	Datalogic	2,375	0.76
503,265	Eurogroup Laminations	2,807	0.89
435,455	Iveco	<u>3,078</u>	<u>0.98</u>
		<u>8,260</u>	<u>2.63</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Malta 0.00% (2022: 0.54%)		
	Consumer Discretionary 0.00% (2022: 0.54%)		
	Netherlands 11.82% (2022: 7.51%)		
	Consumer Discretionary 1.05% (2022: 0.96%)		
228,788	Kendrion	3,306	1.05
	Energy 0.95% (2022: 0.00%)		
261,048	Sif	2,948	0.94
261,048	Sif (Rights)	27	0.01
		2,975	0.95
	Financials 2.05% (2022: 1.53%)		
244,526	Van Lanschot Kempen	6,442	2.05
	Industrials 5.73% (2022: 3.21%)		
130,142	AMG Advanced Metallurgical	5,303	1.69
451,815	Fugro	5,525	1.76
184,374	TKH	7,183	2.28
		18,011	5.73
	Real Estate 2.04% (2022: 1.81%)		
627,659	CTP	6,399	2.04
	Norway 5.70% (2022: 6.27%)		
	Energy 1.81% (2022: 1.86%)		
1,429,238	Odfjell Drilling	2,712	0.86
912,010	Odfjell Technology	2,970	0.95
		5,682	1.81
	Financials 0.69% (2022: 0.74%)		
227,749	Sparebank 1	2,174	0.69
	Industrials 1.13% (2022: 2.38%)		
148,076	Flex	3,557	1.13
	Technology 2.07% (2022: 0.89%)		
255,731	Nordic Semiconductor	2,449	0.78
2,411,904	Smartcraft	4,038	1.29
		6,487	2.07
	Utilities 0.00% (2022: 0.40%)		
	Portugal 0.88% (2022: 1.71%)		
	Industrials 0.88% (2022: 1.12%)		
334,976	Corticeira Amorim	2,777	0.88

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Telecommunications 0.00% (2022: 0.59%)		
	Spain 2.17% (2022: 3.69%)		
	Consumer Discretionary 0.00% (2022: 0.19%)		
	Financials 1.47% (2022: 2.20%)		
190,430	Grupo Catalana Occidente	4,600	1.47
	Utilities 0.70% (2022: 1.30%)		
91,069	Grenergy Renovables	2,204	0.70
	Sweden 9.46% (2022: 7.52%)		
	Basic Materials 0.59% (2022: 0.00%)		
518,109	Alleima	1,853	0.59
	Consumer Discretionary 5.20% (2022: 6.76%)		
677,134	AcadeMedia	2,475	0.79
1,061,594	Karnov	3,796	1.21
620,505	Kindred	5,176	1.65
437,109	Modern Times	2,189	0.69
2,055,509	Stillfront	2,707	0.86
		16,343	5.20
	Industrials 3.47% (2022: 0.76%)		
674,666	Alimak	4,127	1.31
179,772	Concentric	2,690	0.86
459,559	Munters	4,093	1.30
		10,910	3.47
	Technology 0.20% (2022: 0.00%)		
1,133,218	Acast	619	0.20
	Switzerland 7.52% (2022: 3.85%)		
	Consumer Discretionary 1.80% (2022: 1.63%)		
227,809	lastminute.com	5,648	1.80
	Industrials 1.80% (2022: 1.69%)		
1,689	Burckhardt Compression	778	0.25
11,010	Kardex	1,936	0.62
76,224	Klingelberg	1,330	0.42
3,033,835	Meyer Burger	1,610	0.51
		5,654	1.80
	Technology 2.08% (2022: 0.00%)		
8,625	Comet	1,732	0.55
55,860	u-blox	4,808	1.53
		6,540	2.08

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
601,368	Telecommunications 1.84% (2022: 0.53%) Ascom	5,774	1.84
2,011,363	United Kingdom 0.47% (2022: 1.34%)¹ Consumer Staples 0.47% (2022: 1.34%) Greencore	1,469	0.47
195,269	United States 0.52% (2022: 0.00%)² Telecommunications 0.52% (2022: 0.00%) Adtran	1,618	0.52
	Derivatives 0.00% (2022: 0.00%) Forward Foreign Exchange Contracts 0.00% (2022: 0.00%)³ Buy EUR 2,304 : Sell GBP 1,993 July 2023 ⁴	-	-
	Buy GBP 88,218 : Sell EUR 102,713 July 2023 ⁴	-	-
	Buy GBP 252,419 : Sell EUR 292,479 July 2023	2	-
		2	-
	Investment assets	309,401	98.54
	Other net assets	4,590	1.46
	Total net assets	313,991	100.00

¹ This stock is registered in Europe and is a permitted investment, the country of risk is United Kingdom

² This stock is registered in Europe and is a permitted investment, the country of risk is United States

³ Not listed on an official stock exchange

⁴ Due to rounding to nearest £1,000

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

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

Statement of total return for the year ended 30 June 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		29,170		(101,990)
Revenue	3	9,640		11,212	
Expenses	4	(3,011)		(4,273)	
Interest payable and similar charges	5	(5)		(72)	
Net revenue before taxation		6,624		6,867	
Taxation	6	(661)		(1,056)	
Net revenue after taxation			5,963		5,811
Total return before distributions			35,133		(96,179)
Distributions	7		(5,963)		(5,811)
Change in net assets attributable to shareholders from investment activities			29,170		(101,990)

Statement of change in net assets attributable to shareholders for the year ended 30 June 2023

	2023		2022	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		328,411		405,403
Amounts receivable on issue of shares	43,046		186,328	
Amounts payable on cancellation of shares	(92,712)		(167,601)	
		(49,666)		18,727
Dilution adjustment		113		460
Change in net assets attributable to shareholders from investment activities		29,170		(101,990)
Retained distributions on accumulation shares		5,963		5,811
Closing net assets attributable to shareholders		313,991		328,411

Balance sheet as at 30 June 2023

	Note	2023 £000	2022 £000
Assets:			
Investments		309,401	322,641
Current assets:			
Debtors	8	2,245	3,726
Cash and bank balances	9	3,558	3,349
Total assets		315,204	329,716
Liabilities:			
Creditors:			
Other creditors	10	1,213	1,305
Total liabilities		1,213	1,305
Net assets attributable to shareholders		313,991	328,411

Notes to the financial statements for the year ended 30 June 2023

1 Accounting policies

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

2 Net capital gains/(losses)

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

	2023 £000	2022 £000
Forward currency contracts	(16)	(517)
Non-derivative securities	29,518	(101,171)
Other currency losses	(314)	(291)
Transaction costs	(18)	(11)
Net capital gains/(losses)	29,170	(101,990)

3 Revenue

	2023 £000	2022 £000
Bank interest	71	3
Overseas dividends*	9,569	10,421
Stock dividends	-	70
UK dividends	-	718
Total revenue	9,640	11,212

* Includes distributions from overseas funds.

4 Expenses

	2023 £000	2022 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	2,610	3,722
GAC*	347	489
	<u>2,957</u>	<u>4,211</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	26	36
Safe custody fees	17	25
	<u>43</u>	<u>61</u>
Other expenses:		
Bank charges	6	-
Professional fees	5	1
	<u>11</u>	<u>1</u>
Total expenses	3,011	4,273

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £10,354 (2022: £9,393).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2023 £000	2022 £000
Interest payable	5	72
Total interest payable and similar charges	5	72

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2023 £000	2022 £000
Current tax		
Overseas withholding tax	661	1,056
Total tax (note 6b)	661	1,056

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICs of 20% (2022: 20%). The differences are explained below:

	2023 £000	2022 £000
Net revenue before taxation	6,624	6,867
Corporation tax at 20% (2022: 20%)	1,325	1,373
Effects of:		
Double tax relief	(3)	(7)
Overseas dividends	(1,897)	(2,035)
Overseas withholding tax	661	1,056
Stock dividends	-	(14)
UK dividends*	-	(144)
Unused management expenses	575	827
Tax charge for the year (note 6a)	661	1,056

* 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 (2022: 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 £4,863,933 (2022: £4,289,423) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

	2023 £000	2022 £000
Final accumulation	5,963	5,811
Total distributions	5,963	5,811

Details of the distribution per share are set out in the Distribution table on page 136.

8 Debtors

	2023 £000	2022 £000
Accrued revenue	222	201
Amounts receivable for issue of shares	4	14
Overseas withholding tax reclaimable	1,937	1,379
Sales awaiting settlement	82	2,132
Total debtors	2,245	3,726

9 Cash and bank balances

	2023 £000	2022 £000
Cash and bank balances	3,558	3,349
Total cash and bank balances	3,558	3,349

10 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	215	244
Accrued Depositary's fee	3	5
Accrued other expenses	31	38
Amounts payable for cancellation of shares	400	660
Purchases awaiting settlement	564	358
Total other creditors	1,213	1,305

11 Contingent liabilities and commitments

The outstanding commitments at the balance sheet date are as follows:

	2023 £000	2022 £000
Sif (Rights)	440	-
Total commitments	440	-

The Sif (Rights) commitment relates to the rights to purchase shares, which were exercised by the fund following the Balance sheet date.

Notes to the financial statements (continued)

12 Related party transactions

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

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

There were no material shareholders at the year end (2022: nil).

13 Shareholders' funds

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

	2023	2022
	%	%
Class A	1.50	1.50
Class E	1.00	1.00
Class I	0.75	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative table on pages 117 to 118. The distribution per share class is given in the Distribution table on page 136. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2023

	Class A accumulation	Class E accumulation	Class I accumulation
Opening number of shares	1,111,332	727,654	8,306,089
Issues during the year	27,509	4,127	1,152,506
Cancellations during the year	(97,334)	(64,691)	(2,525,648)
Shares converted during the year	(217,142)	261	185,759
Closing shares in issue	824,365	667,351	7,118,706

14 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

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

There was no collateral pledged or collateral held in respect of derivatives as at 30 June 2023 (2022: nil).

2023

As at 30 June 2023 the counterparty exposure calculated using the positive marked-to-market value for the of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts
	£000
BNP Paribas	2
	2

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2022

As at 30 June 2022 the counterparty exposure calculated using the positive marked-to-market value for the of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts
	£000
BNP Paribas	1
	1

15 Risk

Currency risk

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

	Investment assets £000	Other net assets/ (liabilities) £000	Total net assets £000
2023			
Currency			
Danish krone	12,589	167	12,756
Euro	216,176	4,988	221,164
Norwegian krone	17,899	78	17,977
Swedish krona	29,724	-	29,724
Swiss franc	23,616	-	23,616
UK sterling	3,410	(643)	2,767
US dollar	5,987	-	5,987
Total	309,401	4,590	313,991

	Investment assets £000	Other net assets/ (liabilities) £000	Total net assets £000
2022			
Currency			
Danish krone	13,350	147	13,497
Euro	235,419	6,485	241,904
Norwegian krone	20,534	71	20,605
Swedish krona	26,476	1	26,477
Swiss franc	12,647	-	12,647
UK sterling	8,897	(934)	7,963
US dollar	5,318	-	5,318
Total	322,641	5,770	328,411

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £311,224,200 (2022: £320,448,333). A 10% increase/(decrease) in the foreign exchange rates applied to the fund's net foreign currency assets would have the effect of increasing/(decreasing) the return for the accounting year and the year end net assets by £31,122,420 (2022: £32,044,833).

Interest rate risk

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

Other market price risk

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

Leverage

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

Notes to the financial statements (continued)

15 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2023				
Other creditors	-	1,213	-	-
Total	-	1,213	-	-

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2022				
Other creditors	-	1,305	-	-
Total	-	1,305	-	-

16 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2023		2022	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	309,399	-	322,640	-
Level 2	2	-	1	-
Level 3	-	-	-	-
	309,401	-	322,641	-

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trades in the year				
Equities	90,561	206,053	126,907	158,417
Trades in the year before transaction costs	90,561	206,053	126,907	158,417
Transaction costs				
Commissions				
Equities	35	76	53	63
Total commissions	35	76	53	63
Taxes				
Equities	6	90	-	-
Total taxes	6	90	-	-
Other expenses				
Equities	21	56	2	1
Total other expenses	21	56	2	1
Total transaction costs	62	222	55	64
Total net trades in the year after transaction costs	90,623	206,275	126,852	158,353
	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.04	0.04	0.04
Taxes				
Equities	0.01	0.04	-	-
Other expenses				
Equities	0.02	0.03	-	-
	2023	2022		
	%	%		
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.03	0.03		
Taxes	-	0.02		
Other expenses	0.01	0.01		
Total costs	0.04	0.06		

There were no in specie transfers during the year (2022: nil). There were corporate actions during the year of £6,567,785 (2022: £7,233,984).

There were no direct transaction costs associated with derivatives in the year (2022: nil).

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

The portfolio dealing spread as at 30 June 2023 was 0.34% (2022: 0.51%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

As at 11 October 2023, the Net Asset Value (NAV) of the fund is £272,550,838 which is a decrease of 13.20% from the Balance sheet date. The decrease in NAV is due to net inflows in the fund. The movements are considered to be a non-adjusting post Balance sheet event and therefore no adjustments to the financial statements were required as a result.

Distribution table for the year ended 30 June 2023 (in pence per share)

Final dividend distribution (accounting date 30 June 2023, paid on 31 August 2023)

Group 1: shares purchased prior to 1 July 2022

Group 2: shares purchased on or after 1 July 2022

	Distribution per share	Total distribution per share 31/08/23	Total distribution per share 31/08/22
Class A accumulation			
Group 1	35.2638	35.2638	20.3232
Group 2	35.2638	35.2638	20.3232
Class E accumulation			
Group 1	52.7621	52.7621	38.4717
Group 2	52.7621	52.7621	38.4717
Class I accumulation			
Group 1	74.7396	74.7396	63.8748
Group 2	74.7396	74.7396	63.8748

Janus Henderson Index Linked Bond Fund

Authorised Corporate Director's report

Investment Fund Manager

Helen Anthony

Please note that as of 1 November 2022, Andrew Mulliner and Bethany Payne no longer manage this fund. Helen Anthony now manages this fund.

Investment objective and policy

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

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

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

The fund may also hold other assets including bonds of other types from any issuer, CIS (including those managed by Janus Henderson), cash and money market instruments.

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

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

Strategy

The Investment Manager aims to provide a return in excess of the benchmark by investing primarily in UK government bonds - principally inflation-linked gilts - UK gilts and floating rate assets. The managers can also invest in other global fixed income securities with a focus on G10 government bond markets and associated fixed income derivatives, with the aim of providing diversification in the portfolio, as well as looking to enhance returns and/or manage risk.

Performance summary

Cumulative performance

	One year 30 Jun 22 - 30 Jun 23 %	Three years 30 Jun 20 - 30 Jun 23 %	Five years 30 Jun 18 - 30 Jun 23 %	Since inception 4 Sep 00 - 30 Jun 23 %
Class I accumulation (Net)	(18.5)	(41.3)	(28.0)	131.7
FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index	(20.0)	(38.1)	(24.5)	169.9
IA UK Index-Linked Gilts Sector	(16.8)	(36.4)	(22.9)	137.2
Class I accumulation (Gross)	(18.2)	(40.6)	(26.3)	161.0
FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index + 0.75%	(19.4)	(36.7)	(21.6)	220.1

Discrete performance

	30 Jun 22 - 30 Jun 23 %	30 Jun 21 - 30 Jun 22 %	30 Jun 20 - 30 Jun 21 %	30 Jun 19 - 30 Jun 20 %	30 Jun 18 - 30 Jun 19 %
Class I accumulation (Net)	(18.5)	(23.9)	(5.4)	12.6	8.9
FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index	(20.0)	(19.1)	(4.4)	11.9	9.1
IA UK Index-Linked Gilts Sector	(16.8)	(20.2)	(4.3)	11.2	9.0
Class I accumulation (Gross)	(18.2)	(23.6)	(4.9)	13.3	9.5
FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index + 0.75%	(19.4)	(18.5)	(3.7)	12.8	9.9

Authorised Corporate Director's report (continued)

Performance summary (continued)

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

Source: Morningstar

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

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

Benchmark values are as at close of business.

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

Benchmark usage:

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

Index usage: Target

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

Peer group: IA UK Index-Linked Gilts Sector

Peer group usage: Comparator

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

Past performance does not predict future returns. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Significant portfolio changes for the year ended 30 June 2023

Largest purchases	£000	Largest sales	£000
UK Treasury 1.25% Index-Linked 22/11/2055	7,579	UK Treasury 0.125% Index-Linked 22/11/2036	8,931
UK Treasury 1.125% Index-Linked 22/11/2037	7,225	UK Treasury 0.125% Index-Linked 10/08/2048	6,584
UK Treasury 1.25% Index-Linked 22/11/2027	6,489	Janus Henderson Asset-Backed Securities Fund Z Accumulation ¹	6,429
UK Treasury 0.75% Index-Linked 22/11/2047	6,279	UK Treasury 1.25% Index-Linked 22/11/2027	6,288
UK Treasury 2.00% Index-Linked 26/01/2035	5,991	UK Treasury 0.125% Index-Linked 22/11/2056	6,148
UK Treasury 0.125% Index-Linked 10/08/2028	5,342	UK Treasury 0.125% Index-Linked 10/08/2031	4,554
UK Treasury 0.125% Index-Linked 22/03/2029	4,035	UK Treasury 0.125% Index-Linked 10/08/2028	2,217
UK Treasury 0.625% Index-Linked 22/11/2042	1,524	UK Treasury 0.625% Index-Linked 22/11/2042	1,655
UK Treasury 0.75% Index-Linked 22/03/2034	1,481	UK Treasury 1.25% Index-Linked 22/11/2032	1,313
UK Treasury 0.125% Index-Linked 22/03/2073	1,461	Indonesia (Republic of) 8.375% 15/03/2034	1,286
Total purchases	58,898	Total sales	54,818

¹ Related party to the fund

Investment review

The fund fell 18.5% (Net), 18.2% (Gross) based on Class I accumulation over the year under review, compared with a fall of 20.0% in the FTSE Actuaries UK Index-Linked Gilts greater than 5 years to maturity Index, a fall of 19.4% in the Target Index + 0.75% and a fall of 16.8% in the IA UK Index-Linked Gilts Sector peer group benchmark.

Government bonds struggled as central banks raised interest rates increasingly aggressively during the reporting year to try to tame inflation, which soared to multi-decade highs in the US (9.1%) and UK (11.1%) and an all-time high in the eurozone (10.6%). The UK gilt market suffered a particularly turbulent period after the new government, led by Liz Truss, announced unfunded spending and tax cuts in September 2022. This later forced the BoE to intervene by purchasing longer maturity UK government bonds. The gilt market stabilised in the fourth quarter of 2022 following the emergency package and the appointment of a new government that prioritised fiscal discipline. However, this was short-lived as in the spring UK gilt yields continued to move higher as core inflation remained stubbornly high compared with expectations (and other developed markets). This was compounded by the significant net issuance of bonds as a result of the large fiscal deficit.

During the year, the BoE hiked rates to 5.0% (from 1.25% in June 2022), while the yield on 10-year gilts doubled, moving from 2.2% to almost 4.5%. Gilts underperformed other developed markets such as the US and eurozone.

Bond yields continued to trend higher (prices fell, reflecting their inverse relationship), as central banks retained a focus on continuing to hike interest rates to bring down inflation. As yields continued to rise globally, we closed the fund's long position in short-term Swiss rates as it reached our loss threshold. However, the fund made some gains from its short bond futures positions in core markets, which we managed tactically during the year.

Yield curve positions were the main detractor. The fund made gains in Japan, where we expected the yield curve to steepen, but losses in the eurozone, where it was positioned for the yield curve to flatten. We also exited, at a loss, the position in the UK expecting front-end rates to outperform relative to intermediate maturities.

Currency management aided performance, notably with the outperformance of the US dollar versus a basket of Asian currencies.

Towards the end of 2022, market sentiment improved as US inflation data came in below expectations and the US 10-year bond yield peaked early in the fourth quarter. We moved the fund's duration (interest rate sensitivity) higher, favouring the US. This proved beneficial in 2023, when the fund's performance was helped by an overweight position in government duration in core bond markets in the US and Australia. Government bond yields fell as markets began to contemplate the last few hikes from major central banks. The UK was an outlier, with gilt yields moving sharply higher towards the end of the year, and the fund's (small) overweight duration stance in the UK detracted from performance.

Derivatives including currency forward positions, bond futures and interest rate swaps were mainly used to take the active positions outlined above.

Bonds are a reflexive asset class. The more central banks hike rates, the tougher the medicine, and the bigger the potential cost in terms of lost output and unemployment. Some commentators suggest that we have only seen around one-third of the effect of the rate hikes so far. The key issue is how quickly core inflation can be squeezed out of the system. The US seems well advanced towards lowering core inflation, while the situation is tentative in Europe and the UK is an outlier. Central banks in most markets are contemplating what are expected to be the last few rate hikes in the cycle. We have not made any significant changes to the fund's duration positioning and believe that bond yields will recouple to the weak economic momentum.

Comparative tables for the year ended 30 June 2023

	Class A income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	412.55	517.88	549.91
Return before operating charges*	(84.85)	(100.96)	(27.61)
Operating charges	(2.47)	(4.37)	(4.42)
Return after operating charges*	(87.32)	(105.33)	(32.03)
Distributions on income shares	-	-	-
Closing net asset value per share	325.23	412.55	517.88
* after direct transaction costs of:	-	0.01	-
Performance			
Return after charges	(21.17%)	(20.34%)	(5.82%)
Other information			
Closing net asset value (£000s)	3,748	6,708	10,592
Closing number of shares	1,152,309	1,625,908	2,045,177
Operating charges	0.69%	0.82%	0.84%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	453.00	598.80	555.60
Lowest share price (pence)	273.50	394.90	483.90
	Class D accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	322.60	402.82	425.48
Return before operating charges*	(66.44)	(79.02)	(21.40)
Operating charges	(0.56)	(1.20)	(1.26)
Return after operating charges*	(67.00)	(80.22)	(22.66)
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	255.60	322.60	402.82
* after direct transaction costs of:	-	0.01	-
Performance			
Return after charges	(20.77%)	(19.91%)	(5.33%)
Other information			
Closing net asset value (£000s)	11	20	26
Closing number of shares	4,489	6,151	6,539
Operating charges	0.20%	0.29%	0.31%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	354.40	466.90	429.90
Lowest share price (pence)	214.10	308.80	375.70

Comparative tables (continued)

	Class E income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	415.64	520.45	551.27
Return before operating charges*	(85.56)	(101.77)	(27.71)
Operating charges	(1.58)	(3.04)	(3.11)
Return after operating charges*	(87.14)	(104.81)	(30.82)
Distributions on income shares	-	-	-
Closing net asset value per share	328.50	415.64	520.45
* after direct transaction costs of:	-	0.01	-
Performance			
Return after charges	(20.97%)	(20.14%)	(5.59%)
Other information			
Closing net asset value (£000s)	366	524	620
Closing number of shares	111,455	126,046	119,134
Operating charges	0.44%	0.57%	0.59%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	456.50	602.50	556.90
Lowest share price (pence)	275.70	397.90	485.90
	Class I accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	500.56	625.92	662.05
Return before operating charges*	(103.10)	(122.59)	(33.27)
Operating charges	(1.29)	(2.77)	(2.86)
Return after operating charges*	(104.39)	(125.36)	(36.13)
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	396.17	500.56	625.92
* after direct transaction costs of:	-	0.01	-
Performance			
Return after charges	(20.85%)	(20.03%)	(5.46%)
Other information			
Closing net asset value (£000s)	81,038	94,884	126,470
Closing number of shares	20,455,072	18,955,374	20,205,544
Operating charges	0.30%	0.43%	0.45%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	549.90	725.00	668.90
Lowest share price (pence)	332.10	479.20	584.10

Comparative tables (continued)

	Class I income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	434.30	543.05	574.40
Return before operating charges*	(89.45)	(106.34)	(28.87)
Operating charges	(1.13)	(2.41)	(2.48)
Return after operating charges*	(90.58)	(108.75)	(31.35)
Distributions on income shares	-	-	-
Closing net asset value per share	343.72	434.30	543.05
* after direct transaction costs of:	-	0.01	-
Performance			
Return after charges	(20.86%)	(20.03%)	(5.46%)
Other information			
Closing net asset value (£000s)	14,435	22,442	34,285
Closing number of shares	4,199,501	5,167,522	6,313,369
Operating charges	0.30%	0.43%	0.45%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	477.10	629.00	580.30
Lowest share price (pence)	288.20	415.70	506.80
	Class Z accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	298.85	372.28	392.20
Return before operating charges*	(61.60)	(73.24)	(19.73)
Operating charges	(0.13)	(0.19)	(0.19)
Return after operating charges*	(61.73)	(73.43)	(19.92)
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	237.12	298.85	372.28
* after direct transaction costs of:	-	0.01	-
Performance			
Return after charges	(20.66%)	(19.72%)	(5.08%)
Other information			
Closing net asset value (£000s)	9,181	11,589	15,164
Closing number of shares	3,872,106	3,877,867	4,073,288
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	328.40	432.00	396.30
Lowest share price (pence)	198.40	286.10	346.90

Comparative tables (continued)

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

	2023 %	2022 %
Class A income	0.69	0.82 ¹
Class D accumulation	0.20	0.29 ¹
Class E income	0.44	0.57 ¹
Class I accumulation	0.30	0.43 ¹
Class I income	0.30	0.43 ¹
Class Z accumulation	0.05	0.05

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

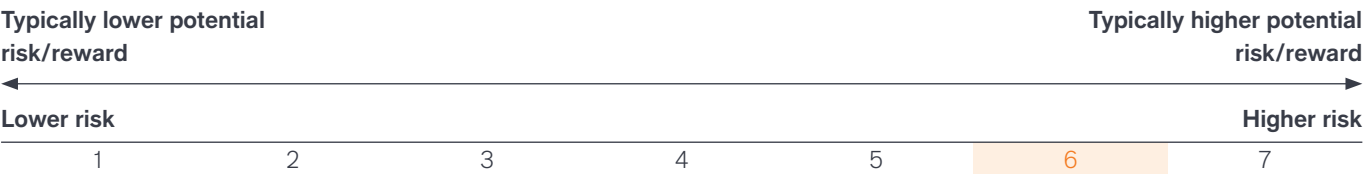
The ongoing charge figure includes fees payable to Distributors. In some cases where the fund's outperformance target (before the deduction of charges) relative to the benchmark has been achieved, the return for an individual class may ultimately be below the benchmark return if its ongoing charge figure exceeds the outperformance.

¹ The OCF is a blended rate reflecting new AMC rates which took effect from 3 May 2022.

Risk and reward profile

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

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



The share classes appear at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in Net Asset Value in the past five years than those in lower categories. The lowest category does not mean risk free.

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

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

The rating above is based on the historic volatility of the share classes. Historic data may not be a reliable indication of the future risk profile of the fund. The rating is not guaranteed and may change over time.

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

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

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

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

Holding	Investment	Market value £000	Percentage of total net assets %
Bonds 99.22% (2022: 92.57%)			
Indonesia 0.00% (2022: 1.42%)			
Fixed Rate Bond 0.00% (2022: 1.42%)			
United Kingdom 99.22% (2022: 91.15%)			
Index Linked Bonds 99.22% (2022: 91.15%)			
GBP 4,040,186	UK Treasury 0.125% Index-Linked 10/08/2028	5,184	4.77
GBP 4,395,553	UK Treasury 0.125% Index-Linked 10/08/2031	5,419	4.98
GBP 2,950,316	UK Treasury 0.125% Index-Linked 10/08/2041	3,431	3.15
GBP 2,841,200	UK Treasury 0.125% Index-Linked 10/08/2048	3,115	2.86
GBP 3,636,581	UK Treasury 0.125% Index-Linked 22/03/2029	5,475	5.03
GBP 1,980,186	UK Treasury 0.125% Index-Linked 22/03/2039	2,218	2.04
GBP 3,656,357	UK Treasury 0.125% Index-Linked 22/03/2044	4,722	4.34
GBP 3,200,921	UK Treasury 0.125% Index-Linked 22/03/2046	3,799	3.49
GBP 1,660,022	UK Treasury 0.125% Index-Linked 22/03/2051	1,675	1.54
GBP 2,598,740	UK Treasury 0.125% Index-Linked 22/03/2058	2,972	2.73
GBP 2,953,129	UK Treasury 0.125% Index-Linked 22/03/2068	3,489	3.21
GBP 1,043,932	UK Treasury 0.125% Index-Linked 22/03/2073	1,066	0.98
GBP 3,299,470	UK Treasury 0.125% Index-Linked 22/11/2036	4,363	4.01
GBP 1,646,935	UK Treasury 0.125% Index-Linked 22/11/2056	1,825	1.68
GBP 1,879,704	UK Treasury 0.125% Index-Linked 22/11/2065	2,138	1.98
GBP 2,934,053	UK Treasury 0.25% Index-Linked 22/03/2052	3,736	3.43
GBP 2,940,103	UK Treasury 0.375% Index-Linked 22/03/2062	4,026	3.70
GBP 2,825,454	UK Treasury 0.50% Index-Linked 22/03/2050	4,378	4.02
GBP 1,068,240	UK Treasury 0.625% Index-Linked 22/03/2045	1,009	0.93
GBP 3,314,863	UK Treasury 0.625% Index-Linked 22/03/2040	5,488	5.06
GBP 2,913,152	UK Treasury 0.625% Index-Linked 22/11/2042	4,856	4.46
GBP 3,400,384	UK Treasury 0.75% Index-Linked 22/03/2034	5,510	5.06
GBP 2,747,902	UK Treasury 0.75% Index-Linked 22/11/2047	4,660	4.28
GBP 3,056,244	UK Treasury 1.125% Index-Linked 22/11/2037	5,880	5.41
GBP 3,491,454	UK Treasury 1.25% Index-Linked 22/11/2032	6,390	5.87
GBP 2,368,437	UK Treasury 1.25% Index-Linked 22/11/2055	5,049	4.64
GBP 2,082,892	UK Treasury 2.00% Index-Linked 26/01/2035	4,993	4.59
GBP 318,374	UK Treasury 4.125% Index-Linked 22/07/2030	1,062	0.98
		<u>107,928</u>	<u>99.22</u>
Collective Investment Schemes 0.38% (2022: 6.84%)			
417,215	Deutsche Global Liquidity Managed Platinum Sterling Fund	<u>417</u>	<u>0.38</u>
Derivatives (0.15%) (2022: (0.59%))			
Futures (0.16%) (2022: 0.01%)			
92	CBT US 5 Year Note September 2023	(153)	(0.14)
6	EUX Euro Buxl September 2023	2	-
11	ICE Long Gilt September 2023	(14)	(0.01)
23	SFE Australia 10 Year Bond September 2023	<u>(8)</u>	<u>(0.01)</u>
		<u>(173)</u>	<u>(0.16)</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Swaps 0.01% (2022: (0.61%))¹		
	Inflation Index Swaps 0.00% (2022: 0.44%)¹		
	Interest Rate Swaps 0.01% (2022: 0.00%)¹		
15,500,000	IRS 3.2045% STIBOR 3 month - Pay Fixed - SEK	10	0.01
	Overnight Index Swaps 0.00% (2022: (1.05%))¹		
	Forward Foreign Exchange Contracts 0.00% (2022: 0.01%)¹		
	Buy GBP 106,879 : Sell AUD 198,768 July 2023	3	-
	Buy GBP 11,797 : Sell SEK 161,033 July 2023 ²	-	-
	Buy GBP 2,364 : Sell SEK 32,592 July 2023 ²	-	-
	Buy GBP 2,499 : Sell SEK 33,824 July 2023 ²	-	-
	Buy GBP 310,132 : Sell USD 391,595 July 2023	2	-
	Buy GBP 3,399 : Sell SEK 46,282 July 2023 ²	-	-
	Buy GBP 4,299 : Sell SEK 58,564 July 2023 ²	-	-
	Buy GBP 5,935 : Sell SEK 80,299 July 2023 ²	-	-
	Buy GBP 53,578 : Sell EUR 62,400 July 2023 ²	-	-
	Buy GBP 55,446 : Sell USD 70,500 July 2023 ²	-	-
	Buy GBP 6,577 : Sell SEK 90,275 July 2023 ²	-	-
	Buy SEK 206,735 : Sell GBP 15,169 July 2023 ²	-	-
	Buy SEK 25,835 : Sell GBP 1,888 July 2023 ²	-	-
	Buy SEK 61,441 : Sell GBP 4,558 July 2023 ²	-	-
	Buy SEK 83,373 : Sell GBP 6,126 July 2023 ²	-	-
	Buy SEK 98,964 : Sell GBP 7,241 July 2023 ²	-	-
	Buy USD 288,196 : Sell GBP 227,999 July 2023	(1)	-
		4	-
	Investment assets including investment liabilities	108,186	99.45
	Other net assets	593	0.55
	Total net assets	108,779	100.00

¹ Not listed on an official stock exchange

² Due to rounding to nearest £1,000

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

The collective investment schemes held are approved regulated collective investment schemes within the meaning of the FCA rules.

Statement of total return for the year ended 30 June 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital losses	2		(42,150)		(50,548)
Revenue	3	13,543		17,732	
Expenses	4	(342)		(755)	
Interest payable and similar charges	5	(6)		(9)	
Net revenue before taxation		13,195		16,968	
Taxation	6	-		(18)	
Net revenue after taxation			13,195		16,950
Total return before distributions			(28,955)		(33,598)
Distributions	7		-		-
Change in net assets attributable to shareholders from investment activities			(28,955)		(33,598)

Statement of change in net assets attributable to shareholders for the year ended 30 June 2023

		2023		2022	
		£000	£000	£000	£000
Opening net assets attributable to shareholders			136,167		187,157
Amounts receivable on issue of shares		19,963		3,392	
Amounts payable on cancellation of shares		(18,444)		(20,784)	
			1,519		(17,392)
Dilution adjustment			48		-
Change in net assets attributable to shareholders from investment activities			(28,955)		(33,598)
Closing net assets attributable to shareholders			108,779		136,167

Balance sheet as at 30 June 2023

	Note	2023 £000	2022 £000
Assets:			
Investments		-	137,347
Current assets:			
Investments		108,362	-
Debtors	8	220	537
Cash and bank balances	9	569	2,344
Total assets		109,151	140,228
Liabilities:			
Investment liabilities		-	2,789
Creditors:			
Investment liabilities		176	-
Amounts held at derivative clearing houses and brokers		38	475
Bank overdrafts		-	360
Other creditors	10	158	437
Total liabilities		372	4,061
Net assets attributable to shareholders		108,779	136,167

Notes to the financial statements for the year ended 30 June 2023

1 Accounting policies

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

2 Net capital losses

Net capital losses on investments during the year comprise:

	2023 £000	2022 £000
Capital management fee rebates	-	1
Derivative securities	(835)	253
Forward currency contracts	232	(182)
Non-derivative securities	(41,532)	(50,661)
Other currency (losses)/gains	(7)	49
Transaction costs	(8)	(8)
Net capital losses	(42,150)	(50,548)

3 Revenue

	2023 £000	2022 £000
Bank interest	5	7
Derivative revenue	3	(23)
Distributions from UK regulated collective investment schemes:		
Interest distribution	23	62
Interest on debt securities	13,480	17,681
Interest on margin	11	1
Overseas dividends*	21	4
Total revenue	13,543	17,732

* Includes distributions from overseas funds.

4 Expenses

	2023 £000	2022 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	285	662
GAC*	43	69
	328	731
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	11	16
Safe custody fees	3	8
	14	24
Total expenses	342	755

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £13,503 (2022: £12,249).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2023 £000	2022 £000
Interest payable	5	7
Interest on margin	1	2
Total interest payable and similar charges	6	9

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2023 £000	2022 £000
Current tax		
Overseas withholding tax	-	18
Total tax (note 6b)	-	18

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICs of 20% (2022: 20%). The differences are explained below:

	2023 £000	2022 £000
Net revenue before taxation	13,195	16,968
Corporation tax at 20% (2022: 20%)	2,639	3,394
Effects of:		
Double tax relief	-	(4)
Overseas withholding tax	-	18
Relief for indexation movements on index-linked gilts	(2,851)	(3,804)
Unused management expenses	212	414
Tax charge for the year (note 6a)	-	18

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 (2022: nil).

d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £3,931,807 (2022: £3,719,370) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

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

	2023 £000	2022 £000
Amounts deducted on cancellation of shares	1	-
Amounts received on issue of shares	(1)	-
Total distributions	-	-
Net revenue after taxation	13,195	16,950
Adjustment for capital indexation	(14,257)	(19,019)
Revenue shortfall	1,062	2,069
Total distributions	-	-

Details of the distribution per share are set out in the Distribution table on page 160.

8 Debtors

	2023 £000	2022 £000
Accrued revenue	163	124
Amounts receivable for issue of shares	57	6
Currency transactions awaiting settlement	-	1
Sales awaiting settlement	-	406
Total debtors	220	537

9 Cash and bank balances

	2023 £000	2022 £000
Amounts held at derivative clearing houses and brokers	568	2,344
Cash and bank balances	1	-
Total cash and bank balances	569	2,344

10 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	21	28
Accrued Depositary's fee	1	2
Accrued other expenses	4	7
Amounts payable for cancellation of shares	125	400
Derivative revenue payable	7	-
Total other creditors	158	437

11 Contingent liabilities and commitments

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

12 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 148 and 149 and notes 4, 7, 8 and 10 on pages 150 to 152 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

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

- a) The value of purchase transactions was nil (2022: £8,830,000) and sales transactions was £6,429,367 (2022: £2,329,920) and the balance outstanding at the year end was purchases nil (2022: nil) and sales nil (2022: nil).
- b) Revenue receivable for the year was £23,005 (2022: £62,024) and the balance outstanding at the year end was nil (2022: nil).
- c) The aggregate value of investments held at the year end was nil (2022: £6,369,954).

Nortrust Nominees Limited, as a material shareholder, is a related party holding shares comprising 66.71% of the total net assets of the fund as at the year end (2022: 59.31%).

13 Shareholders' funds

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

	2023 %	2022 %
Class A	0.50	0.50
Class D	0.15	0.15
Class E	0.25	0.25
Class I	0.25	0.25
Class Z ¹	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 140 to 143. The distribution per share class is given in the Distribution table on page 160. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2023

	Class A income	Class D accumulation	Class E income	Class I accumulation
Opening number of shares	1,625,908	6,151	126,046	18,955,374
Issues during the year	28,071	-	2,340	4,131,684
Cancellations during the year	(346,975)	(1,662)	(16,931)	(2,631,986)
Shares converted during the year	(154,695)	-	-	-
Closing shares in issue	1,152,309	4,489	111,455	20,455,072

	Class I income	Class Z accumulation
Opening number of shares	5,167,522	3,877,867
Issues during the year	201,070	257,414
Cancellations during the year	(1,315,725)	(263,175)
Shares converted during the year	146,634	-
Closing shares in issue	4,199,501	3,872,106

Notes to the financial statements (continued)

14 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

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

There was no collateral pledged or collateral held in respect of forward foreign exchange as at 30 June 2023 (2022: nil). The fund had cash assets of £567,645 (2022: £2,343,935) and cash liabilities of £37,752 (2022: £474,621) held in margin accounts at derivative clearing houses and brokers as at 30 June 2023. These balances are held as collateral on the fund's futures and swaps contracts.

2023

As at 30 June 2023 the counterparty exposure calculated using the positive marked-to-market value for the category of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts	Futures £000	Interest Rate Swaps £000	Total by counterparty £000
BNP Paribas	5	-	-	5
Citigroup	-	-	10	10
UBS	-	2	-	2
	5	2	10	17

2022

As at 30 June 2022 the counterparty exposure calculated using the positive marked-to-market value for the category of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts	Futures £000	Inflation index swaps £000
BNP Paribas	126	-	-
Goldman Sachs	-	-	599
JPMorgan Chase	31	-	-
UBS	-	27	-
	157	27	599

Counterparty	Interest rate swaps	Overnight index swaps £000	Total by counterparty £000
BNP Paribas	-	-	126
Goldman Sachs	-	-	599
JPMorgan Chase	6	641	678
Saloman Brothers	-	554	554
UBS	-	-	27
	6	1,195	1,984

15 Risk

Currency risk

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

Notes to the financial statements (continued)

15 Risk (continued)

Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2023				
Australian dollar	69	-	3	72
Euro	55	-	2	57
Swedish krona	10	-	25	35
UK sterling	101,564	6,519	613	108,696
US dollar	289	-	2	291
Total	101,987	6,519	645	109,151
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2022				
Euro	152	-	27	179
Indonesian rupiah	-	1,936	448	2,384
Japanese yen	729	-	1	730
South Korean won	-	-	6	6
Swedish krona	82	-	5	87
Swiss franc	542	-	-	542
UK sterling	126,686	-	9,393	136,079
US dollar	68	-	153	221
Total	128,259	1,936	10,033	140,228
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2023				
Australian dollar	-	-	8	8
Euro	2	-	-	2
Swedish krona	36	-	8	44
UK sterling	-	-	164	164
US dollar	-	-	154	154
Total	38	-	334	372
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2022				
Chinese yuan	-	-	92	92
Euro	56	-	1	57
Japanese yen	727	-	47	774
South Korean won	-	-	7	7
Swedish krona	11	-	-	11
Swiss franc	455	-	3	458
UK sterling	1,789	-	437	2,226
US dollar	417	-	19	436
Total	3,455	-	606	4,061

Notes to the financial statements (continued)

15 Risk (continued)

Credit ratings

	Market value £000	Percentage of total net assets %
2023		
Investments		
Investment grade (AAA - BBB)	107,928	99.22
Total debt securities	107,928	99.22
Collective investment schemes	417	0.38
Derivatives	(159)	(0.15)
Investment assets including investment liabilities	108,186	99.45
Other net assets	593	0.55
Total net assets	108,779	100.00
	Market value £000	Percentage of total net assets %
2022		
Investments		
Investment grade (AAA - BBB)	126,050	92.57
Total debt securities	126,050	92.57
Collective investment schemes	9,313	6.84
Derivatives	(805)	(0.59)
Investment assets including investment liabilities	134,558	98.82
Other net assets	1,609	1.18
Total net assets	136,167	100.00

Sensitivity analysis

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

VaR results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%		%	%	%
2023	97.10	103.32	100.73	200	48.55	51.66	50.36
2022	95.66	101.60	99.00	200	47.83	50.80	49.50

Leverage

	Minimum	Maximum	Average
	%	%	%
2023	10.17	195.02	51.97
2022	104.25	203.60	151.62

Notes to the financial statements (continued)

15 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2023				
Amounts held at derivatives clearing houses and brokers	38	-	-	-
Derivative financial liabilities	-	176	-	-
Other creditors	-	158	-	-
Total	38	334	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2022				
Amounts held at derivatives clearing houses and brokers	475	-	-	-
Bank overdrafts	360	-	-	-
Derivative financial liabilities	-	169	1,306	1,314
Other creditors	-	437	-	-
Total	835	606	1,306	1,314

16 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2023		2022	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	107,930*	175	124,141*	16
Level 2	432	1	13,206	2,773
Level 3	-	-	-	-
	108,362	176	137,347	2,789

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £107,928,105 as at 30 June 2023 (2022: £124,113,864).

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trades in the year				
Collective investment schemes	-	8,830	6,430	2,330
Debt securities	58,898	9,932	48,388	34,315
Trades in the year before transaction costs	58,898	18,762	54,818	36,645
Transaction costs				
Commissions				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	58,898	18,762	54,818	36,645

	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Taxes				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Other expenses				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
	2023	2022		
	%	%		

Total transaction costs expressed as a percentage of net asset value

Commissions	-	-
Taxes	-	-
Other expenses	-	-
Total costs	-	-

Notes to the financial statements (continued)

17 Direct transaction costs (continued)

There were no in specie transfers during the year (2022: nil). There were no corporate actions during the year (2022: nil).

There were direct transaction costs associated with derivatives in the year of £1,782 (2022: £3,211) which is 0.00% of the average net asset value of the fund (2022: 0.00%).

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

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

The portfolio dealing spread as at 30 June 2023 was 0.00% (2022: 0.01%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

The future of the fund is being considered by the ACD. Shareholders will be contacted in due course.

Distribution table for the year ended 30 June 2023 (in pence per share)

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

The expenses properly chargeable against revenue for the fund are greater than the remaining revenue for all share classes, therefore no distribution has been made for any share class at each quarter end during the current and prior year.

Janus Henderson Institutional Long Dated Credit Fund

Authorised Corporate Director's report

Investment Fund Managers

James Briggs and Tim Winstone

Investment objective and policy

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

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

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

The fund may also hold other assets including bonds of other types from any issuer, cash and money market instruments. The Investment Manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the fund's objective, to reduce risk or to manage the fund more efficiently.

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

Strategy

The investment process combines asset allocation views with rigorous fundamentally driven security selection, which allows the managers to determine key economic themes and identify which industry sectors to favour or avoid.

Performance summary

Cumulative performance

	One year 30 Jun 22 - 30 Jun 23 %	Three years 30 Jun 20 - 30 Jun 23 %	Five years 30 Jun 18 - 30 Jun 23 %	Since inception 18 Apr 97 - 30 Jun 23 %
Class I accumulation (Net)	(14.4)	(36.9)	(20.9)	130.6
Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index	(13.6)	(35.3)	(19.3)	151.5
IA Sterling Corporate Bond Sector	(4.8)	(14.4)	(4.5)	110.7
Class I accumulation (Gross)	(14.0)	(35.9)	(18.7)	160.8
Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index + 1%	(12.8)	(33.4)	(15.2)	215.6

Discrete performance

	30 Jun 22 - 30 Jun 23 %	30 Jun 21 - 30 Jun 22 %	30 Jun 20 - 30 Jun 21 %	30 Jun 19 - 30 Jun 20 %	30 Jun 18 - 30 Jun 19 %
Class I accumulation (Net)	(14.4)	(25.9)	(0.4)	14.5	9.4
Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index	(13.6)	(25.1)	0.0	13.8	9.6
IA Sterling Corporate Bond Sector	(4.8)	(13.1)	3.5	5.7	5.6
Class I accumulation (Gross)	(14.0)	(25.5)	0.1	15.2	10.0
Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index + 1%	(12.8)	(24.4)	1.0	15.0	10.7

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

Authorised Corporate Director's report (continued)

Performance summary (continued)

Source: Morningstar

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

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

Benchmark values are as at close of business.

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

Benchmark usage:

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

Index usage: Target

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

Peer group: IA Sterling Corporate Bond Sector

Peer group usage: Comparator

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

Past performance does not predict future returns. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Significant portfolio changes for the year ended 30 June 2023

Largest purchases	£000	Largest sales	£000
UK Treasury 0.625% 22/10/2050	6,316	UK Treasury 4.50% 07/12/2042	3,612
UK Treasury 4.25% 07/12/2046	4,878	UK Treasury 1.25% 22/10/2041	3,532
UK Treasury 4.50% 07/12/2042	4,278	UK Treasury 4.25% 07/12/2040	3,509
UK Treasury 1.50% 22/07/2047	3,872	UK Treasury 3.75% 22/07/2052	3,043
UK Treasury 3.25% 22/01/2044	3,676	UK Treasury 0.625% 22/10/2050	3,029
UK Treasury 4.25% 07/12/2040	3,441	Électricité de France 5.125% 22/09/2050	2,651
Électricité de France 5.625% 25/01/2053	3,396	UK Treasury 1.50% 22/07/2047	2,420
UK Treasury 3.75% 22/07/2052	3,229	UK Treasury 1.75% 22/07/2057	2,398
UK Treasury 0.50% 22/10/2061	2,260	UK Treasury 1.75% 07/09/2037	2,099
UK Treasury 4.25% 07/12/2055	1,876	UK Treasury 4.25% 07/12/2046	1,692
Total purchases	71,659	Total sales	56,186

Investment review

The fund fell 14.4% (Net), 14.0% (Gross) based on Class I accumulation over the year under review, compared with a fall of 13.6% in the Markit iBoxx GBP Non-Gilts greater than 15 years to maturity Index, a fall of 12.8% in the Target Index + 1% and a fall of 4.8% in the IA Sterling Corporate Bond Sector peer group benchmark.

Long-dated sterling investment grade credit delivered a negative total return during the reporting period, with spreads tightening by around 45 bps.

The UK economic picture was of sluggish growth and high inflation, requiring persistent BoE tightening of policy rates and unwinding of asset purchase stimulus.

September brought a more abrupt repricing of risk assets during the short-lived premiership of Liz Truss when the government announced unfunded tax cuts in its mini-budget. This caused a surge in gilt yields and forced UK pension schemes with liability-driven investments to sell gilts to meet collateral calls. The BoE initiated an emergency £65bn package to calm markets, which normalised after the change in premiership and policy direction. However, core inflation has remained elevated despite declining energy costs and labour markets have continued to be resilient to slow economic growth.

The collapse of select US regional banks in March and subsequent banking volatility led to a drop in bond yields. However, volatility eased as central banks intervened to provide emergency liquidity and prevent deposit outflows.

The BoE raised interest rates to 5% after eight increases during the year. Its June outlook suggested that the tightening cycle has not reached its peak. Core government bond yields rose. The 10-year UK gilt yield increased by 216 bps to 4.39%, while the 10-year US Treasury yield climbed 83 bps to 3.84%.

The fund's underweight position in credit beta relative to the benchmark was the main detractor during the year. Interest rate positioning was also negative for performance, while security selection was positive.

At the sector level, the fund's exposures to utilities, housing associations and real estate were positive due to strong security selection within these sectors. An overweight position in financials, predominantly through banks, was the biggest detractor.

At the issuer level, noteworthy contributors included the fund's exposure to Heimstaden Bostad corporate hybrid bonds after the company tendered the bonds that we held at an attractive premium relative to market levels. Positions in University of Oxford and Dutch government-owned electricity transmission operator TenneT were also additive. We participated in a new issue from TenneT that performed well. The net effect of our Credit Suisse positions through the year in which the bank was taken over by UBS hurt performance. We held senior holdco bonds (the fund had no additional tier 1 exposure) that sat in the higher part of the capital structure. We sold out of the position after the outbreak of the crisis, but prior to the UBS takeover announcement. The fund's exposure to Barclays also detracted, in line with the banking sector volatility.

From a positioning perspective, in line with our cautious stance, we increased the fund's allocation to utilities and telecommunications and reduced its exposure to banks and real estate. The intention was to reduce exposure to higher-beta bonds that are more economically sensitive. There was a pick-up in non-financial, long-dated primary issuance. We participated in deals from issuers that we fundamentally liked and which offered an attractive valuation relative to existing issues in the secondary market.

The fund maintained a moderate underweight credit position and long interest rate duration exposure relative to the benchmark. Leading recessionary indicators such as inverted yield curves and money supply growth are pointing to the downside, although the timing of any recession is still unclear. We continue to see stubbornly elevated core services inflation in the UK, tightness in labour markets and wage settlements well above the target inflation rate. At the same time, we are beginning to see a decline in earnings expectations and profit warnings emerging in the cyclical sectors, such as chemicals, which suggest a decline in end demand. However, this decline has not yet fed through to all spaces including the consumer. As a result, we expect further tightening of monetary conditions by the BoE from both policy rate levers and the unwinding of its asset purchase portfolios. In our view, the end of an era of central bank liquidity injections alongside a global recession would likely result in wider spreads and, therefore, better entry points to move the fund to an overweight credit beta position.

While corporate earnings have been generally resilient, a continued tightening of lending conditions is expected to affect companies of lower quality, and we think corporate defaults are also likely to tick up. We have continued to maintain a defensive position, tilting the fund into high-quality, non-cyclical companies with strong liquidity and fundamentally robust balance sheets.

The macroeconomic environment remains uncertain and, we expect markets to continue to be volatile, with risks including the timing of the unwinding of central bank quantitative stimulus and persistent inflationary pressures. We will continue to adhere to our research-driven investment process, with a focus on taking what we see as the right amount of risk throughout the cycle.

Comparative tables for the year ended 30 June 2023

	Class A income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	162.92	222.75	227.52
Return before operating charges*	(23.22)	(54.04)	1.39
Operating charges	(1.31)	(1.96)	(2.15)
Return after operating charges*	(24.53)	(56.00)	(0.76)
Distributions on income shares	(4.54)	(3.83)	(4.01)
Closing net asset value per share	133.85	162.92	222.75
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(15.06%)	(25.14%)	(0.33%)
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Other information

Closing net asset value (£000s)	1,620	1,892	3,124
Closing number of shares	1,210,305	1,161,695	1,402,379
Operating charges	0.89%	0.93%	0.94%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	178.40	235.50	243.70
Lowest share price (pence)	116.90	161.00	215.90

	Class E income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	162.89	222.73	227.51
Return before operating charges*	(23.23)	(54.06)	1.39
Operating charges	(0.94)	(1.43)	(1.58)
Return after operating charges*	(24.17)	(55.49)	(0.19)
Distributions on income shares	(4.91)	(4.35)	(4.59)
Closing net asset value per share	133.81	162.89	222.73
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(14.84%)	(24.91%)	(0.08%)
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Other information

Closing net asset value (£000s)	377	441	612
Closing number of shares	281,665	270,790	274,869
Operating charges	0.64%	0.68%	0.69%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	178.40	235.50	243.80
Lowest share price (pence)	116.80	161.00	216.00

Comparative tables (continued)

	Class I accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	349.86	467.21	467.08
Return before operating charges*	(50.15)	(114.96)	2.73
Operating charges	(1.59)	(2.39)	(2.60)
Return after operating charges*	(51.74)	(117.35)	0.13
Distributions on accumulation shares	(11.14)	(9.83)	(10.14)
Retained distributions on accumulation shares	11.14	9.83	10.14
Closing net asset value per share	298.12	349.86	467.21
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(14.79%)	(25.12%)	0.03%
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Other information

Closing net asset value (£000s)	90,585	87,921	109,066
Closing number of shares	30,385,886	25,130,346	23,344,317
Operating charges	0.50%	0.54%	0.55%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	383.20	495.50	503.80
Lowest share price (pence)	253.20	343.40	448.30

	Class I income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	167.09	228.49	233.44
Return before operating charges*	(23.83)	(55.46)	1.36
Operating charges	(0.76)	(1.17)	(1.30)
Return after operating charges*	(24.59)	(56.63)	0.06
Distributions on income shares	(5.25)	(4.77)	(5.01)
Closing net asset value per share	137.25	167.09	228.49
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(14.72%)	(24.78%)	0.03%
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Other information

Closing net asset value (£000s)	11,213	20,514	35,961
Closing number of shares	8,169,021	12,276,914	15,738,430
Operating charges	0.50%	0.54%	0.55%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	183.00	241.70	250.20
Lowest share price (pence)	119.90	165.20	221.70

Comparative tables (continued)

	Class Z accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	224.29	297.89	296.28
Return before operating charges*	(27.41)	(73.49)	1.76
Operating charges	(0.08)	(0.11)	(0.15)
Return after operating charges*	(27.49)	(73.60)	1.61
Distributions on accumulation shares	(5.90)	(7.65)	(7.99)
Retained distributions on accumulation shares	5.90	7.65	7.99
Final cancellation	(196.80) ¹	-	-
Closing net asset value per share	-	224.29	297.89
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(12.26%) ²	(24.71%)	0.54%
Other information			
Closing net asset value (£000s)	-	1	1
Closing number of shares	-	206	206
Operating charges	0.00%	0.04%	0.05%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	245.80 ³	316.70	320.40
Lowest share price (pence)	162.70 ³	220.10	285.40

¹ Class Z accumulation closed on 18 May 2023.

² Return after charges relates to the period 1 July 2022 to the closure of the share class on 18 May 2023. This performance will differ from the other share classes as it does not include returns generated over the same period.

³ to 18 May 2023.

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

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

Operating charges

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

Share class launches and closures

There were no share classes launched during the year.

The following share class closed during the year:

Share class	Closure date
Class Z accumulation	18 May 2023

Ongoing charge figure

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

	2023 %	2022 %
Class A income	0.89	0.93 ¹
Class E income	0.64	0.68 ¹
Class I accumulation	0.50	0.54 ¹
Class I income	0.50	0.54 ¹
Class Z accumulation	n/a ²	0.04

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

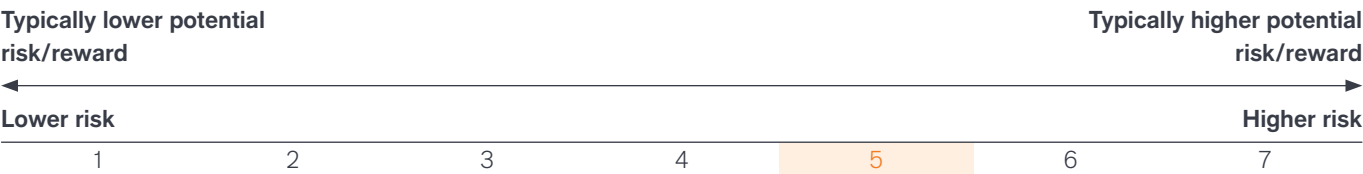
¹ The OCF is a blended rate reflecting new AMC rates which took effect from 3 May 2022

² Class Z accumulation closed on 18 May 2023.

Risk and reward profile

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

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



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

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

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

The rating above is based on the historic volatility of the share classes. Historic data may not be a reliable indication of the future risk profile of the fund. The rating is not guaranteed and may change over time.

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

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

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

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

Portfolio statement as at 30 June 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 96.78% (2022: 98.56%)		
	Australia 0.92% (2022: 1.00%)		
	Fixed Rate Bond 0.92% (2022: 1.00%)		
GBP 1,140,000	BHP Billiton Finance 4.30% 25/09/2042	954	0.92
	Belgium 0.00% (2022: 0.59%)		
	Fixed Rate Bond 0.00% (2022: 0.59%)		
	Denmark 1.17% (2022: 0.58%)		
	Fixed Rate Bond 1.17% (2022: 0.58%)		
GBP 1,244,000	Orsted 5.75% 09/04/2040	1,217	1.17
	France 8.15% (2022: 4.96%)		
	Fixed Rate Bond 8.15% (2022: 4.96%)		
GBP 1,000,000	Électricité de France 5.50% 17/10/2041	857	0.83
GBP 2,800,000	Électricité de France 5.625% 25/01/2053	2,388	2.30
GBP 1,400,000	Électricité de France 6.00% 23/01/2114	1,223	1.18
USD 401,000	Électricité de France 6.90% 23/05/2053	327	0.32
GBP 1,600,000	Engie 5.00% 5.00% 01/10/2060	1,400	1.35
GBP 500,000	Engie 5.625% 03/04/2053	472	0.45
GBP 400,000	Orange 5.375% 22/11/2050	387	0.37
GBP 370,000	SNCF Reseau 4.83% 25/03/2060	353	0.34
GBP 470,000	SNCF Reseau 5.00% 11/03/2052	452	0.44
GBP 600,000	Société Générale 6.25% 22/06/2033	595	0.57
		8,454	8.15
	Germany 3.88% (2022: 4.11%)		
	Fixed Rate Bond 3.88% (2022: 4.11%)		
GBP 300,000	Allianz Finance 4.50% 13/03/2043	273	0.26
GBP 1,850,000	E.ON International Finance 6.125% 06/07/2039	1,817	1.75
GBP 1,150,000	E.ON International Finance 5.875% 30/10/2037	1,104	1.07
GBP 1,000,000	Siemens Financieringsmaatschappij 3.75% 10/09/2042	833	0.80
		4,027	3.88
	Italy 1.87% (2022: 3.04%)		
	Fixed Rate Bond 1.87% (2022: 3.04%)		
GBP 2,064,000	Enel Finance International 5.75% 14/09/2040	1,940	1.87
	Japan 0.69% (2022: 0.00%)		
	Fixed Rate Bond 0.69% (2022: 0.00%)		
GBP 800,000	East Japan Railway 4.50% 25/01/2036	719	0.69
	Mexico 0.31% (2022: 0.33%)		
	Fixed Rate Bond 0.31% (2022: 0.33%)		
GBP 445,000	Mexico (United Mexican States) 5.625% 19/03/2114	321	0.31

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Netherlands 0.95% (2022: 0.46%)		
	Fixed Rate Bond 0.95% (2022: 0.46%)		
GBP 300,000	Coöperatieve Rabobank 5.375% 03/08/2060	322	0.31
GBP 200,000	Shell International Finance 1.75% 10/09/2052	92	0.09
EUR 600,000	TenneT 4.75% 28/10/2042	571	0.55
		<u>985</u>	<u>0.95</u>
	Norway 0.10% (2022: 0.11%)		
	Fixed Rate Bond 0.10% (2022: 0.11%)		
GBP 117,000	Equinor 4.25% 10/04/2041	<u>101</u>	<u>0.10</u>
	Supranational 5.25% (2022: 6.73%)		
	Fixed Rate Bond 5.25% (2022: 6.73%)		
GBP 800,000	European Investment Bank 4.50% 07/03/2044	771	0.74
GBP 730,000	European Investment Bank 4.625% 12/10/2054	720	0.69
GBP 3,851,000	European Investment Bank 5.00% 15/04/2039	<u>3,960</u>	<u>3.82</u>
		<u>5,451</u>	<u>5.25</u>
	Sweden 0.56% (2022: 0.95%)		
	Fixed Rate Bond 0.56% (2022: 0.63%)		
GBP 529,000	Vattenfall 6.875% 15/04/2039	<u>582</u>	<u>0.56</u>
	Variable Rate Bond 0.00% (2022: 0.32%)		
	Switzerland 0.42% (2022: 0.00%)		
	Variable Rate Bond 0.42% (2022: 0.00%)		
GBP 500,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	<u>432</u>	<u>0.42</u>
	United Kingdom 62.71% (2022: 65.34%)		
	Fixed Rate Bond 59.47% (2022: 61.09%)		
GBP 650,000	3i 3.75% 05/06/2040	462	0.45
GBP 700,000	Accent Capital 2.625% 18/07/2049	432	0.42
GBP 400,000	Affinity Sutton Capital Markets 5.981% 17/09/2038	403	0.39
GBP 1,500,000	Affordable Housing Finance 2.893% 11/08/2043	1,113	1.07
GBP 780,000	Affordable Housing Finance 3.80% 20/05/2042	674	0.65
GBP 1,100,000	Anchor Hanover 2.00% 21/07/2051	574	0.55
GBP 240,000	Anglo American Capital 6.00% 20/06/2039	239	0.23
GBP 1,600,000	Annington Funding 2.924% 06/10/2051	865	0.83
GBP 260,000	Annington Funding 4.75% 09/08/2033	217	0.21
GBP 600,000	BAT International Finance 2.25% 09/09/2052	235	0.23
GBP 600,000	BG Energy Capital 5.00% 04/11/2036	553	0.53
GBP 990,000	Blend Funding 2.922% 05/04/2054	611	0.59
GBP 930,000	Blend Funding 'B' 3.459% 21/09/2047	676	0.65
GBP 480,000	BP Capital Markets 5.773% 25/05/2038	472	0.45
GBP 1,100,000	BPHA Finance 4.816% 11/04/2044	987	0.95
GBP 700,000	British Telecommunications 3.625% 21/11/2047	474	0.46
GBP 950,000	British Telecommunications 5.75% 13/02/2041	875	0.84
GBP 1,000,000	Cadent Finance 2.625% 22/09/2038	642	0.62
GBP 1,100,000	Cadent Finance 2.75% 22/09/2046	636	0.61
GBP 400,000	Centrica 4.25% 12/09/2044	307	0.30
GBP 800,000	Church Commissioners for England 3.625% 14/07/2052	599	0.58

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 700,000	EMH Treasury 4.5% 29/01/2044	602	0.58
GBP 965,000	Futures Treasury 3.375% 08/02/2044	706	0.68
GBP 650,000	GlaxoSmithKline Capital 6.375% 09/03/2039	709	0.68
GBP 290,000	GreenSquareAccord 5.25% 30/11/2047	263	0.25
GBP 800,000	Heathrow Funding 4.625% 31/10/2046	647	0.62
GBP 522,000	Heathrow Funding 5.875% 13/05/2041	502	0.48
GBP 317,000	Housing & Care 21 3.288% 08/11/2049	217	0.21
GBP 1,000,000	HSBC 6.00% 29/03/2040	876	0.84
GBP 250,000	HSBC 7.00% 07/04/2038	241	0.23
GBP 800,000	Hyde Housing Association 1.75% 18/08/2055	366	0.35
GBP 900,000	Incommunities Treasury 3.25% 21/03/2049	635	0.61
GBP 850,000	Jersey International 2.875% 06/05/2052	560	0.54
GBP 734,000	Land Securities Capital Markets 2.75% 22/09/2057	422	0.41
GBP 362,000	LCR Finance 4.50% 07/12/2038	349	0.34
GBP 490,000	LCR Finance 5.10% 07/03/2051	517	0.50
GBP 1,050,000	Lloyds Bank 6.50% 17/09/2040	1,181	1.14
GBP 550,000	London & Quadrant Housing 2.00% 20/10/2038	338	0.33
GBP 600,000	London & Quadrant Housing 3.75% Perpetual	432	0.42
GBP 1,000,000	Martlet Homes 3.00% 09/05/2052	648	0.62
GBP 760,000	Motability Operations 2.375% 03/07/2039	512	0.49
GBP 1,270,000	Motability Operations 4.875% 17/01/2043	1,182	1.14
GBP 1,600,000	National Grid 2.00% 16/09/2038	971	0.94
GBP 1,300,000	National Grid 5.272% 18/01/2043	1,187	1.14
GBP 400,000	Northern Powergrid (Northeast) 1.875% 16/06/2062	186	0.18
GBP 270,000	Northern Powergrid (Northeast) 3.25% 01/04/2052	185	0.18
GBP 520,000	Northern Powergrid (Yorkshire) 2.25% 09/10/2059	269	0.26
GBP 1,200,000	Notting Hill Housing Trust 3.25% 12/10/2048	794	0.76
GBP 710,000	Onward Pensions Trustee 2.125% 25/03/2053	361	0.35
GBP 950,000	Optivo Finance 3.283% 22/03/2048	639	0.62
GBP 300,000	Orbit Capital 2.00% 24/11/2038	184	0.18
GBP 740,000	Orbit Capital 3.50% 24/03/2045	527	0.51
GBP 700,000	Paradigm 2.25% 20/05/2051	389	0.37
GBP 400,000	Peabody Capital No.2 3.25% 14/09/2048	268	0.26
GBP 250,000	Peabody Capital No.2 4.625% 12/12/2053	212	0.20
GBP 960,000	Places For People Treasury 2.50% 26/01/2036	652	0.63
GBP 600,000	Platform HG Financing 1.625% 10/08/2055	267	0.26
GBP 810,000	Platform HG Financing 1.926% 15/09/2041	493	0.47
GBP 360,000	Saltaire Finance 4.809% 14/03/2055	355	0.34
GBP 710,000	Sanctuary Capital 2.375% 14/04/2050	402	0.39
GBP 900,000	Sanctuary Capital 5.00% 26/04/2047	817	0.79
GBP 950,000	Scottish Widows 7.00% 16/06/2043	912	0.88
GBP 250,000	Severn Trent Utilities Finance 5.25% 04/04/2036	232	0.22
GBP 545,000	Southern Electric Power 4.625% 20/02/2037	474	0.46
GBP 500,000	Southern Gas Networks 6.375% 15/05/2040	498	0.48
GBP 300,000	Southern Housing 3.50% 19/10/2047	208	0.20
GBP 600,000	Sovereign Housing Capital 2.375% 04/11/2048	348	0.34
GBP 420,000	Sovereign Housing Capital 4.768% 01/06/2043	380	0.37
GBP 650,000	SSE 6.25% 27/08/2038	653	0.63
GBP 760,000	Thames Water Utilities Finance 4.625% 04/06/2046	571	0.55
GBP 940,000	Thames Water Utilities Finance 5.50% 11/02/2041	800	0.77

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 850,000	THFC Funding No.2 6.35% 08/07/2039	904	0.87
GBP 1,300,000	THFC Funding No.3 5.20% 11/10/2043	1,208	1.16
GBP 5,260,000	UK Treasury 0.50% 22/10/2061	1,666	1.61
GBP 7,970,000	UK Treasury 0.625% 22/10/2050	3,233	3.11
GBP 2,430,000	UK Treasury 1.50% 22/07/2047	1,373	1.32
GBP 2,674,000	UK Treasury 3.25% 22/01/2044	2,224	2.14
GBP 3,050,000	UK Treasury 4.25% 07/12/2046	2,938	2.83
GBP 380,000	UK Treasury 4.50% 07/12/2042	380	0.37
GBP 450,000	United Utilities Water Finance 1.75% 10/02/2038	271	0.26
GBP 390,000	United Utilities Water Finance 5.125% 06/10/2038	354	0.34
GBP 740,000	University College London 1.625% 04/06/2061	352	0.34
GBP 580,000	University of Cambridge 2.35% 27/06/2078	329	0.32
GBP 253,000	University of Cambridge 3.75% 17/10/2052	210	0.20
GBP 2,587,000	University of Oxford 2.544% 08/12/2017	1,345	1.30
GBP 202,000	University of Southampton 2.25% 11/04/2057	111	0.11
GBP 1,300,000	Vodafone 3.00% 12/08/2056	722	0.70
GBP 960,000	Vodafone 3.375% Perpetual	608	0.59
GBP 1,680,000	Vodafone 5.125% 02/12/2052	1,420	1.37
GBP 800,000	Wellcome Trust Finance 1.50% 14/07/2071	314	0.30
GBP 1,500,000	Wellcome Trust Finance 2.517% 07/02/2118	773	0.74
GBP 800,000	Wellcome Trust Finance 4.00% 09/05/2059	690	0.66
GBP 400,000	Western Power Distribution South West 5.75% 23/03/2040	388	0.37
GBP 900,000	WPP Finance 2013 2.875% 14/09/2046	513	0.49
GBP 800,000	Wrekin Housing 2.50% 22/10/2048	465	0.45
GBP 300,000	Yorkshire Water Finance 2.75% 18/04/2041	191	0.18
GBP 873,000	Yorkshire Water Finance 2.75% 18/04/2041	556	0.54
		<u>61,723</u>	<u>59.47</u>
Stepped Rate Bond 0.32% (2022: 0.36%)			
GBP 350,000	Yorkshire Water Finance 5.50% 28/05/2037	<u>333</u>	<u>0.32</u>
Variable Rate Bond 2.92% (2022: 3.89%)			
GBP 729,000	Aviva 6.875% 20/05/2058	802	0.77
GBP 600,000	BUPA Finance 4.00% Perpetual	354	0.34
GBP 710,000	HSBC 5.844% Perpetual	710	0.68
GBP 385,000	Legal & General 5.50% 27/06/2064	348	0.34
GBP 948,000	M&G 6.34% 19/12/2063	815	0.79
		<u>3,029</u>	<u>2.92</u>
United States 9.80% (2022: 10.36%)			
Fixed Rate Bond 9.27% (2022: 10.36%)			
GBP 800,000	Apple 3.60% 31/07/2042	662	0.64
GBP 800,000	AT&T 4.25% 01/06/2043	609	0.59
GBP 1,062,000	AT&T 4.875% 01/06/2044	877	0.83
GBP 1,750,000	AT&T 7.00% 30/04/2040	1,841	1.77
GBP 715,000	Berkshire Hathaway Finance 2.375% 19/06/2039	484	0.47
GBP 1,800,000	Berkshire Hathaway Finance 2.625% 19/06/2059	1,050	1.01
GBP 580,000	Citigroup 6.80% 25/06/2038	639	0.62
GBP 184,000	General Electric Capital 4.875% 18/09/2037	155	0.15
GBP 460,000	Goldman Sachs 6.875% 18/01/2038	457	0.44

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Fixed Rate Bond (continued)		
GBP 543,000	Pfizer 2.735% 15/06/2043	370	0.36
USD 1,000,000	Pfizer Investment Enterprises 5.34% 19/05/2063	795	0.77
GBP 718,000	Time Warner Cable 5.25% 15/07/2042	565	0.54
GBP 648,000	Walmart 4.875% 19/01/2039	621	0.60
GBP 500,000	Walmart 5.25% 28/09/2035	500	0.48
		<u>9,625</u>	<u>9.27</u>
	Variable Rate Bond 0.53% (2022: 0.00%)		
GBP 580,000	Morgan Stanley 5.789% 18/11/2033	<u>555</u>	<u>0.53</u>
	Derivatives (0.12%) (2022: 0.00%)		
	Futures (0.05%) (2022: 0.00%)		
(3)	EUX Euro Buxl September 2023	(6)	(0.01)
53	ICE Long Gilt September 2023	<u>(41)</u>	<u>(0.04)</u>
		<u>(47)</u>	<u>(0.05)</u>
	Swaps (0.08%) (2022: 0.00%)¹		
	Credit Default Index Swaps (0.08%) (2022: 0.00%)¹		
2,500,000	CDX 5.00% 20/06/2028 iTraxx-Crossover Receive EUR	<u>(85)</u>	<u>(0.08)</u>
	Forward Foreign Exchange Contracts 0.01% (2022: 0.00%)¹		
	Buy GBP 674,965 : Sell EUR 788,435 July 2023	(2)	-
	Buy GBP 1,205,915 : Sell USD 1,522,675 July 2023	8	0.01
	Buy USD 2,498 : Sell GBP 1,960 July 2023 ²	-	-
		<u>6</u>	<u>0.01</u>
	Investment assets including investment liabilities	100,322	96.66
	Other net assets	<u>3,473</u>	<u>3.34</u>
	Total net assets	103,795	100.00

¹ Not listed on an official exchange

² Due to rounding to nearest £1,000

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

Statement of total return for the year ended 30 June 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital losses	2		(20,218)		(41,355)
Revenue	3	4,043		3,981	
Expenses	4	(505)		(789)	
Net revenue before taxation		3,538		3,192	
Taxation	5	-		-	
Net revenue after taxation			3,538		3,192
Total return before distributions			(16,680)		(38,163)
Distributions	6		(3,539)		(3,192)
Change in net assets attributable to shareholders from investment activities			(20,219)		(41,355)

Statement of change in net assets attributable to shareholders for the year ended 30 June 2023

	2023		2022	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		110,769		148,764
Amounts receivable on issue of shares	19,751		13,409	
Amounts payable on cancellation of shares	(9,617)		(12,549)	
		10,134		860
Dilution adjustment		99		40
Change in net assets attributable to shareholders from investment activities		(20,219)		(41,355)
Retained distributions on accumulation shares		3,012		2,460
Closing net assets attributable to shareholders		103,795		110,769

Balance sheet as at 30 June 2023

	Note	2023 £000	2022 £000
Assets:			
Investments		-	109,174
Current assets:			
Investments		100,456	-
Debtors	7	3,478	1,846
Cash and bank balances	8	2,483	54
Total assets		106,417	111,074
Liabilities:			
Investment liabilities		-	3
Creditors:			
Investment liabilities		134	-
Distributions payable		134	169
Other creditors	9	2,354	133
Total liabilities		2,622	305
Net assets attributable to shareholders		103,795	110,769

Notes to the financial statements for the year ended 30 June 2023

1 Accounting policies

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

2 Net capital losses

Net capital losses on investments during the year comprise:

	2023 £000	2022 £000
Derivative securities	(287)	107
Forward currency contracts	30	(76)
Non-derivative securities	(19,947)	(41,389)
Other currency (losses)/gains	(12)	4
Transaction costs	(2)	(1)
Net capital losses	(20,218)	(41,355)

3 Revenue

	2023 £000	2022 £000
Bank interest	23	3
Derivative revenue	(118)	(17)
Interest on debt securities	4,126	3,977
Interest on margin	7	-
Stock lending revenue	5	18
Total revenue	4,043	3,981

4 Expenses

	2023 £000	2022 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	459	722
GAC*	33	48
	<u>492</u>	<u>770</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	9	13
Safe custody fees	4	6
	<u>13</u>	<u>19</u>
Total expenses	505	789

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £13,503 (2022: £12,249).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of charge in the year

There is no tax charge for the current year (2022: nil).

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICs of 20% (2022: 20%). The differences are explained below:

	2023 £000	2022 £000
Net revenue before taxation	3,538	3,192
Corporation tax at 20% (2022: 20%)	708	638
Effects of:		
Revenue being paid as interest distributions	(708)	(638)
Tax charge for the year (note 5a)	-	-

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2022: nil).

d) Factors that may affect future tax charges

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

6 Distributions

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

	2023 £000	2022 £000
Interim income	425	559
Interim accumulation	2,093	1,805
Final income	134	169
Final accumulation	919	655
	3,571	3,188
Amounts deducted on cancellation of shares	42	35
Amounts received on issue of shares	(74)	(31)
Total distributions	3,539	3,192

Details of the distribution per share are set out in the Distribution tables on pages 186 to 187.

7 Debtors

	2023 £000	2022 £000
Accrued revenue	1,895	1,720
Amounts receivable for issue of shares	-	3
Sales awaiting settlement	1,583	123
Total debtors	3,478	1,846

Notes to the financial statements (continued)

8 Cash and bank balances

	2023 £000	2022 £000
Amounts held at derivative clearing houses and brokers	636	-
Cash and bank balances	1,847	54
Total cash and bank balances	2,483	54

9 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	39	43
Accrued Depositary's fee	1	2
Accrued other expenses	3	4
Amounts payable for cancellation of shares	64	84
Derivative revenue payable	3	-
Purchases awaiting settlement	2,244	-
Total other creditors	2,354	133

10 Contingent liabilities and commitments

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

11 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 174 and 175 and notes 4, 6, 7 and 9 on pages 176 to 178 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

Nortrust Nominees Limited, as a material shareholder, is a related party holding shares comprising 83.18% of the total net assets of the fund as at the year end (2022: 73.00%).

12 Shareholders' funds

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

	2023 %	2022 %
Class A	0.70	0.70
Class E	0.45	0.45
Class I	0.45	0.45
Class Z ¹	n/a	0.00

¹ Class Z accumulation closed on 18 May 2023.

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 164 to 166. The distribution per share class is given in the Distribution tables on pages 186 to 187. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

12 Shareholders' funds (continued)

Shares reconciliation as at 30 June 2023

	Class A income	Class E income	Class I accumulation	Class I income
Opening number of shares	1,161,695	270,790	25,130,346	12,276,914
Issues during the year	416,705	6,254	6,030,455	300,476
Cancellations during the year	(210,178)	(42,571)	(774,915)	(4,516,251)
Shares converted during the year	(157,917)	47,192	-	107,882
Closing shares in issue	1,210,305	281,665	30,385,886	8,169,021

	Class Z accumulation
Opening number of shares	206
Issues during the year	-
Cancellations during the year	(206)
Shares converted during the year	-
Closing shares in issue	-

13 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

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

There was no collateral pledged or collateral held in respect of forward foreign exchange as at 30 June 2023 (2022: nil). The fund had cash assets of £636,176 (2022: nil) and cash liabilities of nil (2022: nil) held in margin accounts at derivative clearing houses and brokers as at 30 June 2023. These balances are held as collateral on the fund's futures and swaps contracts.

2023

As at 30 June 2023 the counterparty exposure calculated using the positive marked-to-market value for the category of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	8
	8

2022

As at 30 June 2022 the counterparty exposure calculated using the positive marked-to-market value for the category of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	1
	1

Notes to the financial statements (continued)

14 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with JPMorgan Chase Bank, National Association (London branch) acting as the stock lending agent in order to generate additional revenue.

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

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by an EU Member State, a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. 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% to 110% of the value of the stock on loan.

2023 Counterparty		Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
JPMorgan Chase		552	587	Government Bond
		552	587	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	5	-*	5

* Due to rounding to the nearest thousand, stock lending commission is below the minimum reporting threshold.

2022 Counterparty		Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Credit Suisse		352	372	Government Bond
JPMorgan Chase		36	39	Government Bond
		388	411	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	20	2	18

Notes to the financial statements (continued)

15 Risk

Currency risk

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

Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2023				
Euro	134	571	16	721
UK sterling	6,589	94,407	3,456	104,452
US dollar	108	1,121	15	1,244
Total	6,831	96,099	3,487	106,417
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2022				
Euro	353	410	11	774
UK sterling	4,161	103,694	1,834	109,689
US dollar	610	-	1	611
Total	5,124	104,104	1,846	111,074
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2023				
Euro	-	85	11	96
UK sterling	-	-	2,526	2,526
Total	-	85	2,537	2,622
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2022				
UK sterling	-	-	302	302
US dollar	-	-	3	3
Total	-	-	305	305

Notes to the financial statements (continued)

15 Risk (continued)

Credit ratings

	Market value £000	Percentage of total net assets %
2023		
Investments		
Investment grade (AAA - BBB)	100,094	96.44
Below investment grade (BB and below)	354	0.34
Total debt securities	100,448	96.78
Derivatives	(126)	(0.12)
Investment assets including investment liabilities	100,322	96.66
Other net assets	3,473	3.34
Total net assets	103,795	100.00

	Market value £000	Percentage of total net assets %
2022		
Investments		
Investment grade (AAA - BBB)	107,810	97.33
Below investment grade (BB and below)	1,363	1.23
Total debt securities	109,173	98.56
Derivatives	(2)	-
Investment assets including investment liabilities	109,171	98.56
Other net assets	1,598	1.44
Total net assets	110,769	100.00

Sensitivity analysis

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

VaR results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%		%	%	%
2023	95.81	108.93	101.20	200	47.90	54.46	50.60
2022	94.17	103.31	98.57	200	47.08	51.65	49.28

Leverage

	Minimum	Maximum	Average
	%	%	%
2023	1.55	12.28	6.04
2022	1.58	5.62	2.69

Notes to the financial statements (continued)

15 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2023				
Derivative financial liabilities	-	49	85	-
Distribution payable	-	134	-	-
Other creditors	-	2,354	-	-
Total	-	2,537	85	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2022				
Derivative financial liabilities	-	3	-	-
Distribution payable	-	169	-	-
Other creditors	-	133	-	-
Total	-	305	-	-

16 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2023		2022	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	17,265*	47	17,831*	-
Level 2	83,191	87	91,343	3
Level 3	-	-	-	-
	100,456	134	109,174	3

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £17,264,591 as at 30 June 2023 (2022: £17,831,105).

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trades in the year				
Debt securities	71,659	52,697	56,186	44,574
Trades in the year before transaction costs	71,659	52,697	56,186	44,574
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	71,659	52,697	56,186	44,574

	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Debt securities	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
	2023	2022		
	%	%		

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

Notes to the financial statements (continued)

17 Direct transaction costs (continued)

There were in specie transfers during the year of nil (2022: nil). There were corporate actions during the year of £3,845,815 (2022: £3,547,767).

There were direct transaction costs associated with derivatives in the year of £86 (2022: £103) which is 0.00% of the average net asset value of the fund (2022: 0.00%).

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

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

The portfolio dealing spread as at 30 June 2023 was 0.93% (2022: 1.13%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

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

Distribution tables for the year ended 30 June 2023 (in pence per share)

Interim interest distribution (accounting date 30 September 2022, paid on 30 November 2022)

Group 1: shares purchased prior to 1 July 2022

Group 2: shares purchased on or after 1 July 2022

	Distribution per share	Equalisation	Total distribution per share 30/11/22	Total distribution per share 30/11/21
Class A income				
Group 1	1.0395	-	1.0395	0.9212
Group 2	0.3501	0.6894	1.0395	0.9212
Class E income				
Group 1	1.1415	-	1.1415	1.0667
Group 2	0.4145	0.7270	1.1415	1.0667
Class I accumulation				
Group 1	2.5728	-	2.5728	2.4090
Group 2	1.1574	1.4154	2.5728	2.4090
Class I income				
Group 1	1.2286	-	1.2286	1.1779
Group 2	0.5017	0.7269	1.2286	1.1779
Class Z accumulation				
Group 1	1.9100	-	1.9100	1.9876
Group 2	1.9100	-	1.9100	1.9876

Interim interest distribution (accounting date 31 December 2022, paid on 28 February 2023)

Group 1: shares purchased prior to 1 October 2022

Group 2: shares purchased on or after 1 October 2022

	Distribution per share	Equalisation	Total distribution per share 28/02/23	Total distribution per share 28/02/22
Class A income				
Group 1	1.0428	-	1.0428	0.9118
Group 2	0.4762	0.5666	1.0428	0.9118
Class E income				
Group 1	1.1319	-	1.1319	1.0535
Group 2	0.4649	0.6670	1.1319	1.0535
Class I accumulation				
Group 1	2.5600	-	2.5600	2.3888
Group 2	1.3502	1.2098	2.5600	2.3888
Class I income				
Group 1	1.2121	-	1.2121	1.1620
Group 2	0.7308	0.4813	1.2121	1.1620
Class Z accumulation				
Group 1	1.8470	-	1.8470	1.8712
Group 2	1.8470	-	1.8470	1.8712

Distribution tables (continued)

Interim interest distribution (accounting date 31 March 2023, paid on 31 May 2023)

Group 1: shares purchased prior to 1 January 2023

Group 2: shares purchased on or after 1 January 2023

	Distribution per share	Equalisation	Total distribution per share 31/05/23	Total distribution per share 31/05/22
Class A income				
Group 1	1.2241	-	1.2241	0.9469
Group 2	0.6095	0.6146	1.2241	0.9469
Class E income				
Group 1	1.3142	-	1.3142	1.0744
Group 2	0.5737	0.7405	1.3142	1.0744
Class I accumulation				
Group 1	2.9810	-	2.9810	2.4272
Group 2	1.2883	1.6927	2.9810	2.4272
Class I income				
Group 1	1.3996	-	1.3996	1.1746
Group 2	0.7660	0.6336	1.3996	1.1746
Class Z accumulation				
Group 1	2.1427	-	2.1427	1.8955
Group 2	2.1427	-	2.1427	1.8955

Final interest distribution (accounting date 30 June 2023, paid on 31 August 2023)

Group 1: shares purchased prior to 1 April 2023

Group 2: shares purchased on or after 1 April 2023

	Distribution per share	Equalisation	Total distribution per share 31/08/23	Total distribution per share 31/08/22
Class A income				
Group 1	1.2352	-	1.2352	1.0471
Group 2	0.0719	1.1633	1.2352	1.0471
Class E income				
Group 1	1.3223	-	1.3223	1.1594
Group 2	0.5338	0.7885	1.3223	1.1594
Class I accumulation				
Group 1	3.0221	-	3.0221	2.6054
Group 2	2.3960	0.6261	3.0221	2.6054
Class I income				
Group 1	1.4055	-	1.4055	1.2534
Group 2	0.7056	0.6999	1.4055	1.2534
Class Z accumulation¹				
Group 1	n/a	n/a	n/a	1.9003
Group 2	n/a	n/a	n/a	1.9003

¹ Class Z accumulation closed on 18 May 2023.

Janus Henderson Institutional Long Dated Gilt Fund

Authorised Corporate Director's report

Investment Fund Manager

Helen Anthony

Please note that as of 1 November 2022, Andrew Mulliner and Bethany Payne no longer manage this fund. Helen Anthony now manages this fund.

Investment objective and policy

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

Performance target: To outperform the FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index by 0.75% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in UK government bonds (also known as gilts), typically with maturities of 15 years or more. (Longer dated bonds are generally more sensitive to changes in interest rates and may at times exhibit significant volatility.)

The fund may also hold other assets including bonds of other types from any issuer, CIS (including those managed by Janus Henderson), cash and money market instruments. The Investment Manager may use derivatives (complex financial instruments) with the aim of making investment gains in line with the fund's objective, to reduce risk or to manage the fund more efficiently.

The fund is actively managed with reference to the FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index, which is broadly representative of the bonds in which it may invest, as this forms the basis of the fund's performance target. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

Strategy

The Investment Manager aims to provide a return in excess of the benchmark by investing primarily in long maturity UK government bonds, including inflation-linked gilts and floating rate assets. The managers can also invest in other global fixed income securities with a focus on G10 government bond markets and associated fixed income derivatives, with the aim of providing diversification in the portfolio, as well as looking to enhance returns and/or manage risk.

Performance summary

Cumulative performance

	One year 30 Jun 22 - 30 Jun 23 %	Three years 30 Jun 20 - 30 Jun 23 %	Five years 30 Jun 18 - 30 Jun 23 %	Since inception 4 Sep 00 - 30 Jun 23 %
Class I accumulation (Net)	(24.9)	(50.2)	(36.4)	65.6
FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index	(24.9)	(48.4)	(33.7)	111.8
IA UK Gilts Sector	(14.2)	(31.7)	(19.7)	71.4
Class I accumulation (Gross)	(24.6)	(49.5)	(34.8)	86.9
FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index + 0.75%	(24.3)	(47.2)	(31.2)	151.2

Discrete performance

	30 Jun 22 - 30 Jun 23 %	30 Jun 21 - 30 Jun 22 %	30 Jun 20 - 30 Jun 21 %	30 Jun 19 - 30 Jun 20 %	30 Jun 18 - 30 Jun 19 %
Class I accumulation (Net)	(24.9)	(24.7)	(12.0)	19.7	6.6
FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index	(24.9)	(22.9)	(10.9)	19.8	7.2
IA UK Gilts Sector	(14.2)	(14.4)	(7.0)	12.0	5.0
Class I accumulation (Gross)	(24.6)	(24.3)	(11.6)	20.4	7.2
FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index + 0.75%	(24.3)	(22.3)	(10.2)	20.7	8.0

Authorised Corporate Director's report (continued)

Performance summary (continued)

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

Source: Morningstar

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

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

Benchmark values are as at close of business.

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

Benchmark usage:

Index: FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index

Index usage: Target

Index description: The FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index is a measure of the combined performance of bonds issued by the British government with more than 15 years to maturity. It is the basis for the fund's performance target.

Peer group: IA UK Gilts Sector

Peer group usage: Comparator

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

Past performance does not predict future returns. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Significant portfolio changes for the year ended 30 June 2023

Largest purchases	£000	Largest sales	£000
UK Treasury 4.75% 07/12/2038	2,367	UK Treasury 1.25% 22/10/2041	2,368
UK Treasury 4.00% 22/01/2060	1,963	UK Treasury 1.50% 22/07/2047	2,082
UK Treasury 3.75% 22/07/2052	1,885	UK Treasury 4.75% 07/12/2038	1,966
UK Treasury 3.50% 22/01/2045	1,789	UK Treasury 3.75% 22/07/2052	1,711
UK Treasury 1.25% 22/10/2041	1,329	UK Treasury 3.25% 22/01/2044	1,550
UK Treasury 4.25% 07/12/2046	843	UK Treasury 0.50% 22/10/2061	1,539
UK Treasury 4.25% 07/12/2040	790	UK Treasury 1.75% 07/09/2037	1,530
UK Treasury 3.75% 22/10/2053	739	UK Treasury 1.625% 22/10/2054	1,490
UK Treasury 1.25% 31/07/2051	731	UK Treasury 1.75% 22/07/2057	1,015
UK Treasury 4.25% 07/12/2055	687	UK Treasury 4.25% 07/12/2049	958
Total purchases	19,164	Total sales	25,395

Investment review

The fund fell 24.9% (Net), 24.6% (Gross) based on Class I accumulation over the year under review, compared with a fall of 24.9% in the FTSE Actuaries UK Conventional Gilts greater than 15 years to maturity Index, a fall of 24.3% in the Target Index + 0.75% and a fall of 14.2% in the IA UK Gilts Sector peer group benchmark.

Government bonds struggled as central banks raised interest rates increasingly aggressively during the reporting year as they try to tame inflation, which soared to multi-decade highs in the US (9.1%) and UK (11.1%) and an all-time high in the eurozone (10.6%). The UK gilt market suffered a particularly turbulent period after the new government, led by Liz Truss, announced unfunded spending and tax cuts in September 2022. This later forced the BoE to intervene by purchasing longer maturity UK government bonds. The gilt market stabilised in the fourth quarter of 2022 following the emergency package and the appointment of a new government that prioritised fiscal discipline. However, this was short-lived as in the spring UK gilt yields continued to move higher as core inflation remained stubbornly high compared with expectations (and other developed markets). This was compounded by the significant net issuance of bonds as a result of the large fiscal deficit.

During the year, the BoE hiked rates to 5.0% (from 1.25% in June 2022), while 10-year gilt yields doubled, moving from 2.2% to almost 4.5%. Gilts underperformed other developed markets such as the US and eurozone.

Bond yields continued to trend higher (prices fell, reflecting their inverse relationship), as central banks retained a focus on continuing to hike interest rates to bring down inflation. As yields continued to rise globally, we closed the fund's long position in short-term Swiss rates as it reached our loss threshold. However, the fund made some gains from its short bond futures positions in core markets, which we managed tactically during the year.

Yield curve positions were the main detractor. The fund made gains in Japan, where we expected the yield curve to steepen, but losses in the eurozone, where it was positioned for the yield curve to flatten. We also exited, at a loss, the position in the UK expecting front-end rates to outperform relative to intermediate maturities.

Currency management aided performance, notably with the outperformance of the US dollar versus a basket of Asian currencies.

Towards the end of 2022, market sentiment improved as US inflation data came in below expectations and the US 10-year bond yield peaked early in the fourth quarter. We moved the fund's duration (interest rate sensitivity) higher, favouring the US. This proved beneficial in 2023, when the fund's performance was helped by an overweight position in government duration in core bond markets in the US and Australia. Government bond yields fell as markets began to contemplate the last few hikes from major central banks. The UK was an outlier, with gilt yields moving sharply higher towards the end of the year, and the fund's (small) overweight duration stance in the UK detracted from performance.

Derivatives including currency forward positions, bond futures and interest rate swaps were mainly used to take the active positions outlined above.

Bonds are a reflexive asset class. The more central banks hike rates, the tougher the medicine, and the bigger the potential cost in terms of lost output and unemployment. Some commentators suggest that we have only seen around one-third of the effect of the rate hikes so far. The key issue is how quickly core inflation can be squeezed out of the system. The US seems well advanced towards lowering core inflation, while the situation is tentative in Europe and the UK is an outlier. Central banks in most markets are contemplating what are expected to be the last few rate hikes in the cycle. We have not made any significant changes to the fund's duration positioning and believe that bond yields will recouple to the weak economic momentum.

Comparative tables for the year ended 30 June 2023

	Class A accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	187.60	245.38	279.22
Return before operating charges*	(47.61)	(55.82)	(31.61)
Operating charges	(1.07)	(1.96)	(2.23)
Return after operating charges*	(48.68)	(57.78)	(33.84)
Distributions on accumulation shares	(3.05)	(1.25)	(1.77)
Retained distributions on accumulation shares	3.05	1.25	1.77
Closing net asset value per share	138.92	187.60	245.38
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(25.95%)	(23.55%)	(12.12%)
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Other information

Closing net asset value (£000s)	1,847	597	970
Closing number of shares	1,329,160	318,278	395,380
Operating charges	0.71%	0.83%	0.85%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	203.40	269.40	281.70
Lowest share price (pence)	124.30	178.20	236.60

	Class A income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	163.98	215.71	247.17
Return before operating charges*	(41.38)	(48.91)	(27.93)
Operating charges	(0.97)	(1.72)	(1.96)
Return after operating charges*	(42.35)	(50.63)	(29.89)
Distributions on income shares	(2.65)	(1.10)	(1.57)
Closing net asset value per share	118.98	163.98	215.71
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(25.83%)	(23.47%)	(12.09%)
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Other information

Closing net asset value (£000s)	3,513	5,271	8,311
Closing number of shares	2,951,979	3,214,302	3,852,770
Operating charges	0.71%	0.83%	0.85%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	177.80	236.50	249.40
Lowest share price (pence)	108.20	156.00	208.40

Comparative tables (continued)

	Class E accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	189.08	246.65	279.95
Return before operating charges*	(47.96)	(56.12)	(31.73)
Operating charges	(0.74)	(1.45)	(1.57)
Return after operating charges*	(48.70)	(57.57)	(33.30)
Distributions on accumulation shares	(3.46)	(1.85)	(2.44)
Retained distributions on accumulation shares	3.46	1.85	2.44
Closing net asset value per share	140.38	189.08	246.65
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(25.76%)	(23.34%)	(11.89%)
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Other information

Closing net asset value (£000s)	4	13	73
Closing number of shares	3,014	6,608	29,509
Operating charges	0.46%	0.59%	0.60%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	205.10	271.10	282.50
Lowest share price (pence)	125.40	179.60	237.70

	Class E income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	163.96	215.72	247.20
Return before operating charges*	(41.39)	(48.95)	(27.95)
Operating charges	(0.63)	(1.20)	(1.38)
Return after operating charges*	(42.02)	(50.15)	(29.33)
Distributions on income shares	(2.99)	(1.61)	(2.15)
Closing net asset value per share	118.95	163.96	215.72
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(25.63%)	(23.25%)	(11.86%)
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Other information

Closing net asset value (£000s)	55	75	107
Closing number of shares	46,446	45,737	49,410
Operating charges	0.46%	0.58%	0.60%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	177.80	236.60	249.50
Lowest share price (pence)	108.20	156.10	208.50

Comparative tables (continued)

	Class I accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	282.46	368.00	417.14
Return before operating charges*	(71.64)	(83.97)	(47.34)
Operating charges	(0.76)	(1.57)	(1.80)
Return after operating charges*	(72.40)	(85.54)	(49.14)
Distributions on accumulation shares	(5.53)	(3.26)	(4.18)
Retained distributions on accumulation shares	5.53	3.26	4.18
Closing net asset value per share	210.06	282.46	368.00
* after direct transaction costs of:	-	0.01	-
Performance			
Return after charges	(25.63%)	(23.24%)	(11.78%)
Other information			
Closing net asset value (£000s)	5,553	11,522	21,721
Closing number of shares	2,643,667	4,079,120	5,902,242
Operating charges	0.32%	0.44%	0.46%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	306.40	404.70	421.00
Lowest share price (pence)	187.40	268.30	354.40

	Class Z accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	208.88	271.12	306.08
Return before operating charges*	(53.03)	(62.08)	(34.79)
Operating charges	(0.12)	(0.16)	(0.17)
Return after operating charges*	(53.15)	(62.24)	(34.96)
Distributions on accumulation shares	(4.53)	(3.40)	(4.23)
Retained distributions on accumulation shares	4.53	3.40	4.23
Closing net asset value per share	155.73	208.88	271.12
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(25.45%)	(22.96%)	(11.42%)
Other information			
Closing net asset value (£000s)	10,450	19,547	24,875
Closing number of shares	6,710,604	9,358,157	9,174,902
Operating charges	0.07%	0.06%	0.06%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	226.60	298.70	309.00
Lowest share price (pence)	138.70	198.40	260.80

Comparative tables (continued)

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

	2023 %	2022 %
Class A accumulation	0.71	0.83 ¹
Class A income	0.71	0.83 ¹
Class E accumulation	0.46	0.59 ¹
Class E income	0.46	0.58 ¹
Class I accumulation	0.32	0.44 ¹
Class Z accumulation	0.07	0.06 ¹

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

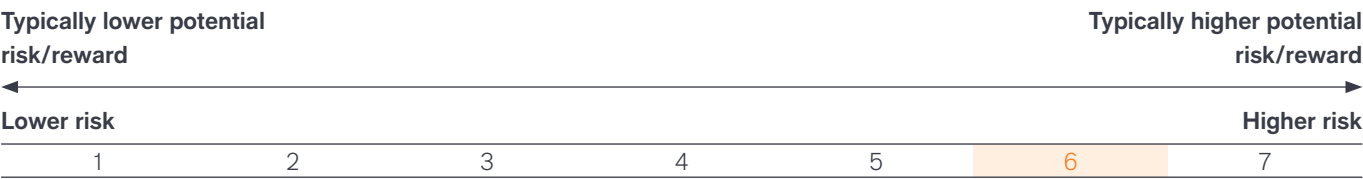
The ongoing charge figure includes fees payable to Distributors. In some cases where the fund's outperformance target (before the deduction of charges) relative to the benchmark has been achieved, the return for an individual class may ultimately be below the benchmark return if its ongoing charge exceed the outperformance.

¹The OCF is a blended rate reflecting new AMC rates which took effect from 3 May 2022.

Risk and reward profile

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

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



The share classes appear at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in Net Asset Value in the past five years than those in lower categories. The lowest category does not mean risk free.

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

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

The rating above is based on the historic volatility of the share classes. Historic data may not be a reliable indication of the future risk profile of the fund. The rating is not guaranteed and may change over time.

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

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

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

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

Portfolio statement as at 30 June 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 98.63% (2022: 97.40%)		
	Indonesia 0.00% (2022: 1.44%)		
	Fixed Rate Bond 0.00% (2022: 1.44%)		
	United Kingdom 98.63% (2022: 95.96%)		
	Fixed Rate Bond 98.63% (2022: 95.96%)		
GBP 1,128,346	UK Treasury 0.50% 22/10/2061	357	1.67
GBP 1,391,206	UK Treasury 0.625% 22/10/2050	564	2.64
GBP 1,012,017	UK Treasury 0.875% 31/01/2046	498	2.32
GBP 441,737	UK Treasury 1.125% 22/10/2073	172	0.80
GBP 707,266	UK Treasury 1.125% 31/01/2039	442	2.06
GBP 1,484,271	UK Treasury 1.25% 22/10/2041	890	4.15
GBP 1,273,658	UK Treasury 1.25% 31/07/2051	631	2.95
GBP 1,043,454	UK Treasury 1.50% 22/07/2047	590	2.75
GBP 566,630	UK Treasury 1.50% 31/07/2053	296	1.38
GBP 1,034,632	UK Treasury 1.625% 22/10/2054	557	2.60
GBP 1,037,482	UK Treasury 1.625% 22/10/2071	514	2.40
GBP 1,279,321	UK Treasury 1.75% 22/01/2049	757	3.54
GBP 1,250,336	UK Treasury 1.75% 22/07/2057	694	3.24
GBP 897,405	UK Treasury 2.50% 22/07/2065	605	2.82
GBP 1,160,425	UK Treasury 3.25% 22/01/2044	965	4.51
GBP 1,261,816	UK Treasury 3.50% 22/01/2045	1,085	5.06
GBP 904,924	UK Treasury 3.50% 22/07/2068	787	3.67
GBP 1,021,267	UK Treasury 3.75% 22/07/2052	911	4.25
GBP 631,240	UK Treasury 3.75% 22/10/2053	561	2.62
GBP 1,219,339	UK Treasury 4.00% 22/01/2060	1,165	5.44
GBP 223,644	UK Treasury 4.00% 22/10/2063	215	1.00
GBP 1,057,203	UK Treasury 4.25% 07/09/2039	1,026	4.79
GBP 1,260,602	UK Treasury 4.25% 07/12/2040	1,221	5.70
GBP 1,246,632	UK Treasury 4.25% 07/12/2046	1,201	5.61
GBP 918,170	UK Treasury 4.25% 07/12/2049	888	4.15
GBP 1,241,591	UK Treasury 4.25% 07/12/2055	1,220	5.70
GBP 1,233,454	UK Treasury 4.50% 07/12/2042	1,232	5.75
GBP 1,054,306	UK Treasury 4.75% 07/12/2038	1,084	5.06
		<u>21,128</u>	<u>98.63</u>
	Collective Investment Schemes 0.23% (2022: 1.15%)		
50,525	Deutsche Global Liquidity Managed Platinum Sterling Fund	<u>51</u>	<u>0.23</u>
	Derivatives (0.13%) (2022: (0.28%))		
	Futures (0.14%) (2022: 0.04%)		
16	CBT US 5 Year Note September 2023	(26)	(0.11)
1	EUX Euro Buxl September 2023 ¹	-	-
4	ICE Long Gilt September 2023	(4)	(0.02)
5	SFE Australia 10 Year Bond September 2023	<u>(2)</u>	<u>(0.01)</u>
		<u>(32)</u>	<u>(0.14)</u>
	Swaps 0.01% (2022: (0.33%))²		
	Interest Rate Swaps 0.01% (2022: 0.01%)²		
3,550,000	IRS 3.2045% STIBOR 3 month - Pay Fixed - SEK	<u>2</u>	<u>0.01</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Overnight Index Swaps 0.00% (2022: (0.34%))²			
Forward Foreign Exchange Contracts 0.00% (2022: 0.01%)²			
	Buy GBP 1,359 : Sell SEK 18,391 July 2023 ¹	-	-
	Buy GBP 1,506 : Sell SEK 20,676 July 2023 ¹	-	-
	Buy GBP 2,168 : Sell SEK 29,562 July 2023 ¹	-	-
	Buy GBP 2,702 : Sell SEK 36,882 July 2023 ¹	-	-
	Buy GBP 24,089 : Sell AUD 44,800 July 2023	1	-
	Buy GBP 29,137 : Sell USD 36,791 July 2023 ¹	-	-
	Buy GBP 412 : Sell SEK 5,636 July 2023 ¹	-	-
	Buy GBP 8,337 : Sell USD 10,600 July 2023 ¹	-	-
	Buy GBP 8,930 : Sell EUR 10,400 July 2023 ¹	-	-
	Buy SEK 19,095 : Sell GBP 1,403 July 2023 ¹	-	-
	Buy SEK 24,027 : Sell GBP 1,776 July 2023 ¹	-	-
	Buy SEK 47,349 : Sell GBP 3,474 July 2023 ¹	-	-
		<u>1</u>	<u>-</u>
	Investment assets including investment liabilities	21,150	98.73
	Other net assets	<u>272</u>	<u>1.27</u>
	Total net assets	21,422	100.00

¹ Due to rounding to nearest £1,000

² Not listed on an official stock exchange

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

The collective investment schemes held are approved regulated collective investment schemes within the meaning of the FCA rules.

Statement of total return for the year ended 30 June 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital losses	2		(8,912)		(12,034)
Revenue	3	661		686	
Expenses	4	(61)		(156)	
Interest payable and similar charges	5	(1)		(2)	
Net revenue before taxation		599		528	
Taxation	6	-		(5)	
Net revenue after taxation			599		523
Total return before distributions			(8,313)		(11,511)
Distributions	7		(599)		(523)
Change in net assets attributable to shareholders from investment activities			(8,912)		(12,034)

Statement of change in net assets attributable to shareholders for the year ended 30 June 2023

	2023		2022	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		37,025		56,057
Amounts receivable on issue of shares	10,352		3,450	
Amounts payable on cancellation of shares	(17,554)		(10,926)	
		(7,202)		(7,476)
Dilution adjustment		12		-
Change in net assets attributable to shareholders from investment activities		(8,912)		(12,034)
Retained distributions on accumulation shares		499		478
Closing net assets attributable to shareholders		21,422		37,025

Balance sheet as at 30 June 2023

	Note	2023 £000	2022 £000
Assets:			
Investments		21,182	36,888
Current assets:			
Debtors	8	406	327
Cash and bank balances	9	134	520
Total assets		21,722	37,735
Liabilities:			
Investment liabilities		32	504
Creditors:			
Amounts held at derivative clearing houses and brokers		9	147
Bank overdrafts		-	7
Distributions payable		22	9
Other creditors	10	237	43
Total liabilities		300	710
Net assets attributable to shareholders		21,422	37,025

Notes to the financial statements for the year ended 30 June 2023

1 Accounting policies

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

2 Net capital losses

Net capital losses on investments during the year comprise:

	2023 £000	2022 £000
Derivative securities	(373)	(177)
Forward currency contracts	48	(47)
Non-derivative securities	(8,580)	(11,817)
Other currency gains	-	14
Transaction costs	(7)	(7)
Net capital losses	(8,912)	(12,034)

3 Revenue

	2023 £000	2022 £000
Bank interest	2	1
Derivative revenue	4	8
Interest on debt securities	644	674
Interest on margin	4	-
Overseas dividends*	7	3
Total revenue	661	686

* Includes distributions from overseas funds.

4 Expenses

	2023 £000	2022 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	44	122
GAC*	14	27
	58	149
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	2	5
Safe custody fees	1	2
	3	7
Total expenses	61	156

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £13,503 (2022: £12,249).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2023 £000	2022 £000
Interest payable	1	1
Interest on margin	-	1
Total interest payable and similar charges	1	2

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2023 £000	2022 £000
Current tax		
Corporation tax	-	1
Double tax relief	-	(1)
Overseas withholding tax	-	5
Total tax (note 6b)	-	5

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 OEIC of 20% (2022: 20%). The differences are explained below:

	2023 £000	2022 £000
Net revenue before taxation	599	528
Corporation tax at 20% (2022: 20%)	120	106
Effects of:		
Double tax relief	-	(1)
Overseas withholding tax	-	5
Revenue being paid as interest distributions	(120)	(105)
Tax charge for the year (note 6a)	-	5

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 (2022: nil).

d) Factors that may affect future tax charges

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

Notes to the financial statements (continued)

7 Distributions

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

	2023 £000	2022 £000
Interim income	61	29
Interim accumulation	364	373
Final income	22	9
Final accumulation	135	105
	<u>582</u>	<u>516</u>
Amounts deducted on cancellation of shares	45	11
Amounts received on issue of shares	(28)	(4)
Total distributions	<u>599</u>	<u>523</u>

Details of the distribution per share are set out in the Distribution tables on pages 211 to 214.

8 Debtors

	2023 £000	2022 £000
Accrued revenue	200	230
Amounts receivable for issue of shares	60	2
Sales awaiting settlement	146	95
Total debtors	<u>406</u>	<u>327</u>

9 Cash and bank balances

	2023 £000	2022 £000
Amounts held at derivative clearing houses and brokers	134	520
Total cash and bank balances	<u>134</u>	<u>520</u>

10 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	3	5
Accrued Depositary's fee	-	1
Accrued other expenses	2	3
Amounts payable for cancellation of shares	230	34
Derivative revenue payable	2	-
Total other creditors	<u>237</u>	<u>43</u>

11 Contingent liabilities and commitments

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

Notes to the financial statements (continued)

12 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 199 and 200 and notes 4, 7, 8 and 10 on pages 201 to 203 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 (2022: Harewood Nominees Limited 52.78%).

13 Shareholders' funds

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

	2023	2022
	%	%
Class A	0.50	0.50
Class E	0.25	0.25
Class I	0.25	0.25
Class Z ¹	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 191 to 194. The distribution per share class is given in the Distribution tables on pages 211 to 214. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2023

	Class A accumulation	Class A income	Class E accumulation	Class E income
Opening number of shares	318,278	3,214,302	6,608	45,737
Issues during the year	2,549,509	1,297,785	1,738	709
Cancellations during the year	(1,448,101)	(1,560,108)	(5,332)	-
Shares converted during the year	(90,526)	-	-	-
Closing shares in issue	1,329,160	2,951,979	3,014	46,446

	Class I accumulation	Class Z accumulation
Opening number of shares	4,079,120	9,358,157
Issues during the year	1,929,924	232,775
Cancellations during the year	(3,425,385)	(2,880,328)
Shares converted during the year	60,008	-
Closing shares in issue	2,643,667	6,710,604

14 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

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

There was no collateral pledged or collateral held in respect of swaps, futures or forward foreign exchange contracts as at 30 June 2023 (2022: nil). The fund had cash assets of £133,650 (2022: £519,620) and cash liabilities of £8,544 (2022: £147,203) held in margin accounts at derivative clearing houses and brokers as at 30 June 2023. These balances are held as collateral on the fund's futures contracts.

Notes to the financial statements (continued)

14 Financial derivatives (continued)

2023

As at 30 June 2023 the counterparty exposure calculated using the positive marked-to-market value for the derivatives held, which is considered to be risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Interest rate swaps £000	Total by counterparty £000
BNP Paribas	1	-	1
Citigroup	-	2	2
	1	2	3

2022

As at 30 June 2022 the counterparty exposure calculated using the positive marked-to-market value for the derivatives held, which is considered to be risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Interest rate swaps £000	Overnight index swaps £000
BNP Paribas	33	-	-
Goldman Sachs	-	2	-
JPMorgan Chase	8	-	182
Salomon Brothers	-	-	152
UBS	-	-	-
	41	2	334

Counterparty	Futures £000	Total by counterparty £000
BNP Paribas	-	33
Goldman Sachs	-	2
JPMorgan Chase	-	190
Salomon Brothers	-	152
UBS	20	20
	20	397

15 Risk

Currency risk

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

Notes to the financial statements (continued)

15 Risk (continued)

Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2023				
Australian dollar	16		1	17
Euro	9	-	-	9
Swedish krona	3	-	6	9
UK sterling	58	21,128	451	21,637
US dollar	50	-	-	50
Total	136	21,128	458	21,722
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2022				
Euro	40	-	7	47
Indonesian rupiah	-	533	107	640
Japanese yen	207	-	-	207
Korean won	-	-	2	2
Swedish krona	21	-	1	22
Swiss franc	143	-	-	143
UK sterling	426	35,531	659	36,616
US dollar	18	-	40	58
Total	855	36,064	816	37,735
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2023				
Australian dollar	-	-	2	2
Swedish krona	8	-	2	10
UK sterling	-	-	261	261
US dollar	-	-	27	27
Total	8	-	292	300
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2022				
Chinese yuan	-	-	24	24
Euro	14	-	-	14
Japanese yen	206	-	13	219
Korean won	-	-	2	2
Swedish krona	3	-	-	3
Swiss franc	120	-	-	120
UK sterling	244	-	52	296
US dollar	27	-	5	32
	614	-	96	710

Notes to the financial statements (continued)

15 Risk (continued)

Credit ratings

	Market value £000	Percentage of total net assets %
2023		
Investments		
Investment grade (AAA - BBB)	21,128	98.63
Total debt securities	21,128	98.63
Collective investment schemes	51	0.23
Derivatives	(29)	(0.13)
Investment assets including investment liabilities	21,150	98.73
Other net assets	272	1.27
Total net assets	21,422	100.00
	Market value £000	Percentage of total net assets %
2022		
Investments		
Investment grade (AAA - BBB)	36,064	97.40
Total debt securities	36,064	97.40
Collective investment schemes	427	1.15
Derivatives	(107)	(0.28)
Investment assets including investment liabilities	36,384	98.27
Other net assets	641	1.73
Total net assets	37,025	100.00

Sensitivity analysis

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

VaR results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%	%	%	%	%
2023	97.12	104.07	101.16	200	48.56	52.04	50.58
2022	94.15	103.07	98.80	200	47.08	51.53	49.40
Leverage							
	Minimum	Maximum	Average				
	%	%	%				
2023	10.47	186.61	55.99				
2022	92.68	195.03	146.20				

Notes to the financial statements (continued)

15 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2023				
Amounts held at derivatives clearing houses and brokers	9	-	-	-
Derivative financial liabilities	-	32	-	-
Distribution payable	-	22	-	-
Other creditors	-	237	-	-
Total	9	291	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2022				
Amounts held at derivatives clearing houses and brokers	147	-	-	-
Bank overdrafts	7	-	-	-
Derivative financial liabilities	-	43	354	107
Distribution payable	-	9	-	-
Other creditors	-	43	-	-
Total	154	95	354	107

16 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2023		2022	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	21,128*	32	35,551*	4
Level 2	54	-	1,337	500
Level 3	-	-	-	-
	21,182	32	36,888	504

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £21,127,893 as at 30 June 2023 (2022: £35,531,096).

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trades in the year				
Debt securities	19,164	8,248	25,395	14,348
Trades in the year before transaction costs	19,164	8,248	25,395	14,348
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	19,164	8,248	25,395	14,348

	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Debt securities	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
	2023	2022		
	%	%		

Total transaction costs expressed as a percentage of net asset value

Commissions	-	-
Taxes	-	-
Other expenses	-	-
Total costs	-	-

Notes to the financial statements (continued)

17 Direct transaction costs (continued)

There were no in specie transfers during the year (2022: nil). There were no corporate actions during the year (2022: nil).

There were direct transaction costs associated with derivatives in the year of £418 (2022: £965) which is 0.00% of the average net asset value of the fund (2022: 0.00%).

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

The costs of acquiring and disposing of units/shares in other collective investment schemes are included within the expense ratio which is an intrinsic part of the NAV price per unit/share of the underlying fund.

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

The portfolio dealing spread as at 30 June 2023 was 0.00% (2022: 0.01%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

As at 11 October 2023, the Net Asset Value (NAV) of the fund is £18,315,013 which is a decrease of 14.50% from the Balance sheet date. The decrease in NAV is due to net inflows in the fund. The movements are considered to be a non-adjusting post Balance sheet event and therefore no adjustments to the financial statements were required as a result.

The future of the fund is being considered by the ACD. Shareholders will be contacted in due course.

Distribution tables for the year ended 30 June 2023 (in pence per share)

Interim interest distribution (accounting date 30 September 2022, paid on 30 November 2022)

Group 1: shares purchased prior to 1 July 2022

Group 2: shares purchased on or after 1 July 2022

	Distribution per share	Equalisation	Total distribution per share 30/11/22	Total distribution per share 30/11/21
Class A accumulation				
Group 1	0.5902	-	0.5902	0.3277
Group 2	0.3474	0.2428	0.5902	0.3277
Class A income				
Group 1	0.5159	-	0.5159	0.2880
Group 2	0.1416	0.3743	0.5159	0.2880
Class E accumulation				
Group 1	0.7123	-	0.7123	0.4900
Group 2	0.3406	0.3717	0.7123	0.4900
Class E income				
Group 1	0.6144	-	0.6144	0.4281
Group 2	0.2544	0.3600	0.6144	0.4281
Class I accumulation				
Group 1	1.1530	-	1.1530	0.8673
Group 2	0.3154	0.8376	1.1530	0.8673
Class Z accumulation				
Group 1	0.9784	-	0.9784	0.9238
Group 2	0.7681	0.2103	0.9784	0.9238

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2022, paid on 28 February 2023)

Group 1: shares purchased prior to 1 October 2022

Group 2: shares purchased on or after 1 October 2022

	Distribution per share	Equalisation	Total distribution per share 28/02/23	Total distribution per share 28/02/22
Class A accumulation				
Group 1	0.7696	-	0.7696	0.2886
Group 2	0.7339	0.0357	0.7696	0.2886
Class A income				
Group 1	0.6769	-	0.6769	0.2531
Group 2	0.2812	0.3957	0.6769	0.2531
Class E accumulation				
Group 1	0.8866	-	0.8866	0.4429
Group 2	0.4055	0.4811	0.8866	0.4429
Class E income				
Group 1	0.7602	-	0.7602	0.3912
Group 2	0.2636	0.4966	0.7602	0.3912
Class I accumulation				
Group 1	1.3983	-	1.3983	0.8039
Group 2	0.6080	0.7903	1.3983	0.8039
Class Z accumulation				
Group 1	1.1430	-	1.1430	0.8736
Group 2	1.1430	-	1.1430	0.8736

Distribution tables (continued)

Interim interest distribution (accounting date 31 March 2023, paid on 31 May 2023)

Group 1: shares purchased prior to 1 January 2023

Group 2: shares purchased on or after 1 January 2023

	Distribution per share	Equalisation	Total distribution per share 31/05/23	Total distribution per share 31/05/22
Class A accumulation				
Group 1	0.8110	-	0.8110	0.3009
Group 2	0.2958	0.5152	0.8110	0.3009
Class A income				
Group 1	0.7059	-	0.7059	0.2640
Group 2	0.4824	0.2235	0.7059	0.2640
Class E accumulation				
Group 1	0.9092	-	0.9092	0.4460
Group 2	0.4028	0.5064	0.9092	0.4460
Class E income				
Group 1	0.7865	-	0.7865	0.3889
Group 2	0.2761	0.5104	0.7865	0.3889
Class I accumulation				
Group 1	1.4507	-	1.4507	0.7881
Group 2	0.7059	0.7448	1.4507	0.7881
Class Z accumulation				
Group 1	1.1787	-	1.1787	0.8372
Group 2	1.1787	-	1.1787	0.8372

Distribution tables (continued)

Final interest distribution (accounting date 30 June 2023, paid on 31 August 2023)

Group 1: shares purchased prior to 1 April 2023

Group 2: shares purchased on or after 1 April 2023

	Distribution per share	Equalisation	Total distribution per share 31/08/23	Total distribution per share 31/08/22
Class A accumulation				
Group 1	0.8750	-	0.8750	0.3317
Group 2	0.2800	0.5950	0.8750	0.3317
Class A income				
Group 1	0.7515	-	0.7515	0.2906
Group 2	0.3569	0.3946	0.7515	0.2906
Class E accumulation				
Group 1	0.9567	-	0.9567	0.4685
Group 2	0.4271	0.5296	0.9567	0.4685
Class E income				
Group 1	0.8285	-	0.8285	0.4014
Group 2	0.2851	0.5434	0.8285	0.4014
Class I accumulation				
Group 1	1.5265	-	1.5265	0.7961
Group 2	0.7470	0.7795	1.5265	0.7961
Class Z accumulation				
Group 1	1.2327	-	1.2327	0.7604
Group 2	1.2327	-	1.2327	0.7604

Janus Henderson Institutional Short Duration Bond Fund

Authorised Corporate Director's report

Investment Fund Managers

Denis Struc, Ian Bettney and Colin Fleury

Investment objective and policy

The fund aims to provide a return primarily from income with the potential for some capital growth over the long term.

Performance target: To outperform SONIA by 0.25% per annum, before the deduction of charges, over any 3 year period.

The fund invests in a global portfolio of short duration bonds, money market instruments and other fixed income and variable rate securities, issued by governments, companies or any other type of issuer, this may include but is not limited to ABS and residential mortgage backed securities (RMBS).

The fund may also hold CIS (including those managed by Janus Henderson) and cash.

The Investment Manager may use derivatives (complex financial instruments) to reduce risk (specifically credit, currency and interest rate risks) or to manage the fund more efficiently.

The fund is actively managed with reference to SONIA, as this forms the basis of the fund's performance target. The Investment Manager has complete discretion to choose investments for the fund and is not constrained by a benchmark.

Strategy

The Investment Manager aims to generate returns through the interest income from a diversified portfolio of primarily senior and short maturity investments with a focus on floating rate or low interest rate sensitivity. Investments are spread across highly rated corporate bonds, ABS, residential mortgage-backed securities and money market instruments. With no benchmark to follow the managers have the flexibility to vary the portfolio mix based on relative value and the desired risk and return.

Performance summary

Cumulative performance

	One year 30 Jun 22 - 30 Jun 23 %	Three years 30 Jun 20 - 30 Jun 23 %	Five years 30 Jun 18 - 30 Jun 23 %	Since inception 24 Nov 15 - 30 Jun 23 %
Class Z accumulation (Net)	3.6	4.3	6.4	8.8
SONIA*	3.2	3.6	5.2	6.5
Class Z accumulation (Gross)	3.6	4.4	6.6	9.1
SONIA + 0.25%	3.5	4.4	6.6	8.6

Discrete performance	30 Jun 22 - 30 Jun 23 %	30 Jun 21 - 30 Jun 22 %	30 Jun 20 - 30 Jun 21 %	30 Jun 19 - 30 Jun 20 %	30 Jun 18 - 30 Jun 19 %
Class Z accumulation (Net)	3.6	0.1	0.6	1.0	1.1
SONIA*	3.2	0.4	0.1**	0.7*	0.8*
Class Z accumulation (Gross)	3.6	0.2	0.6	1.0	1.1
SONIA + 0.25%	3.5	0.6	0.3**	1.0**	1.1*

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

* From 19 April 2021, the fund benchmark changed from the 3 month GBP LIBOR Interest Rate to SONIA. Past performance before 19 April 2021 is shown for the previous fund benchmark.

** Performance is a blend of the old and new benchmark.

Authorised Corporate Director's report (continued)

Performance summary (continued)

Source: BNP Paribas

Class Z accumulation (Net), net of OCF and net income reinvested as at 12 noon valuation point.

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

Benchmark values are as at close of business.

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

Benchmark usage:

Index: SONIA

Index usage: Target

Index description: SONIA reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions. The BoE is the administrator for SONIA and they are responsible for its governance and publication every London business day. It is the basis of the fund's performance target.

Past performance does not predict future returns. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Significant portfolio changes for the year ended 30 June 2023

Largest purchases	£000	Largest sales/maturities	£000
Commonwealth Bank of Australia 2.71% 06/07/2023	10,000	Banque Fédérative du Crédit Mutuel 1.875% 13/12/2022	16,860
Commonwealth Bank of Australia 3.57% 02/06/2023	10,000	Silver Arrow Athlon FRN 26/04/2031 1 A	15,746
DZ Bank 2.30% 16/01/2023	10,000	Silverstone Master Issuer 2020 FRN 21/01/2070 1X1A	13,755
DZ Bank 2.82% 26/04/2023	10,000	Purple Master Credit Cards FRN 25/05/2034 1 A	12,727
National Australia Bank 3.55% 21/08/2023	10,000	US Bank 1.95% 09/01/2023	12,188
National Bank of Canada 2.50% 06/04/2023	10,000	Coventry Building Society 1.50% 23/01/2023	11,960
Nordea Bank 2.56% 25/01/2023	10,000	Bumper BE1 A FRN 23/10/2031	11,773
Nordea Bank 2.75% 06/03/2023	10,000	BL Consumer Issuance Platform FRN 25/09/2038 1 A	11,392
Rabobank 2.79% 05/05/2023	10,000	Bavarian Sky UK 4A FRN 20/08/2029	10,810
Société Générale 2.54% 13/03/2023	10,000	Bumper FR 2022-1 FRN 27/04/2032	10,582
Total purchases	518,326	Total sales/maturities	784,383

Investment review

The fund returned 3.6% (Net), 3.6% (Gross) based on Class Z accumulation over the year under review, compared with a return of 3.2% in the SONIA and a return of 3.5% in the Target Index + 0.25%.

Macroeconomic conditions for fixed income markets remained challenging during the reporting year. In most developed countries, government bond prices fell and yields rose. This was most pronounced at the short end of the yield curve as economic growth exceeded expectations, which resulted in heightened expectations for interest rate increases (which were duly fulfilled). The longer end of the curve also sold off, although not to the same extent. Therefore, yield curve inversion became a pronounced feature of the US and European bond markets. For example, in the US, the two-year bond yield rose from 3.0% to 4.9%, while the 10-year bond yield only increased from 3.0% to 3.8%. This yield curve inversion reflected expectations that higher interest rates would eventually impact economic growth. The corollary of the higher-than-expected economic growth was that concerns about credit risk eased. Floating rate issues, such as ABS, thus benefited both from higher rates and a narrowing in spreads as delinquencies remained low. Elsewhere, high-yield bonds benefited from a reduction in perceived default risk.

As already mentioned, central banks continued to tighten monetary policy through interest rate increases and quantitative tightening. For example, the Fed hiked rates by 350 bps to a range of 5.00-5.25%. This came against the backdrop of an exceptionally tight US labour market. Concerns grew about the stickiness of 'underlying inflation', even as headline inflation rates fell due to declines in energy and basic material prices. There were two main exceptions to this general picture. Firstly, in response to the US regional banking crisis in March, the Fed acted promptly to increase liquidity in the financial system through a variety of open market operations. Concerns about a financial meltdown were soon alleviated and government bond prices, which had rallied, fell back once more. The Fed then moved to reduce the extra liquidity in the system. Secondly, in China, where the economic recovery appeared to have stumbled, and the People's Bank of China responded with modest interest rate reductions.

The fund's performance benefited from positive returns across all the asset classes held. Of the main three segments, ABS led the way in performance terms, which was mainly due to the beneficial impact of higher interest rates. In addition, continued high employment levels meant that delinquencies remained at modest levels, with spreads narrowing.

Money market instruments had the next highest return level, with income again the main factor. The price return was a small negative, as although the assets held were of ultra-short duration, aggressive interest rate hikes by central banks impacted even at very short tenors.

In corporate credit, the bulk of returns came from income with a marginally negative price return, again due to the impact of rising interest rates. The fund's foreign exchange and interest rate hedging strategies, while only incremental, delivered a small boost to returns.

During the year, we took advantage of rising short-term interest rates by increasing the fund's exposure to money market instruments in addition to recycling the existing holdings on maturity. We purchased some treasury bills, although, in general, our preferred instrument remained certificates of deposits, held with a variety of banks. To fund this, we used the proceeds of corporate bond repayments at their maturity as relative value was less compelling in that asset class. A marginal reduction in ABS exposure during the year was due to natural amortisation of the bonds. However, we continued to maintain a higher allocation by reinvesting the proceeds primarily into short-dated consumer and automotive ABS transactions. Elsewhere, we added a small exposure to short-dated government bonds, driven by the sharp increase in yields available, although these positions have since matured.

At the end of the year, the fund had an average credit rating of AA with a credit spread of around 31 bps and stable spread duration of around a year. Asset allocation was split between ABS (36%), money market instruments (39%), corporate credit (20%) and cash. Throughout the year, most major central banks remained in policy tightening mode. This is expected to remain the case in the second half of 2023. As a result, the fund should continue to benefit from its ultra-short duration and floating rate exposure. At some point, monetary policy tightening is likely to impact economic growth and, if past cycles are any guide, will have negative repercussions for both corporate profitability and consumer finances. In this event, we would expect asset pricing to be impacted through a widening in credit spreads. We do not expect a hard economic landing nor a sharp increase in default rates or delinquencies. At the time of writing, interest coverage ratios were healthy, although leverage was generally higher than in past cycles. Any shift from this market environment is likely to entail an increase in both price volatility and price dispersion.

Our focus remains on adhering to our investment process, with its strong emphasis on relative value, while seeking to take advantage of the evolving opportunity set and, at the same time, maintaining a prudent approach to risk.

Comparative table for the year ended 30 June 2023

	Class Z accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	105.00	104.86	104.25
Return before operating charges*	3.84	0.18	0.65
Operating charges	(0.04)	(0.04)	(0.04)
Return after operating charges*	3.80	0.14	0.61
Distributions on accumulation shares	(3.25)	(0.50)	(0.40)
Retained distributions on accumulation shares	3.25	0.50	0.40
Closing net asset value per share	108.80	105.00	104.86
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.62%	0.13%	0.59%
Other information			
Closing net asset value (£000s)	495,463	800,602	966,316
Closing number of shares	455,389,849	762,464,668	921,563,079
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	108.80	105.04	104.89
Lowest share price (pence)	105.04	104.89	104.30

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

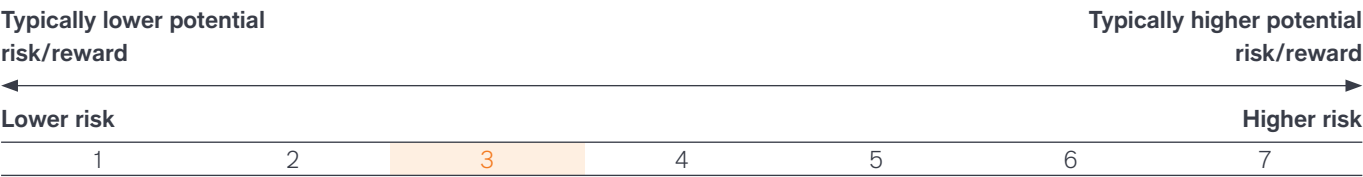
	2023	2022
	%	%
Class Z accumulation	0.04	0.04

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

Risk and reward profile

The fund currently has one type of share class in issue: Z accumulation.

The risk and reward profile is as follows:



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

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

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

The rating above is based on the historic volatility of the share class. Historic data may not be a reliable indication of the future risk profile of the fund. The rating is not guaranteed and may change over time.

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

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

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

Portfolio statement as at 30 June 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 55.46% (2022: 62.35%)		
	Australia 6.82% (2022: 2.73%)		
	Asset Backed 5.08% (2022: 1.88%)		
AUD 8,612,899	Metro Finance 2023-1 Trust FRN 18/02/2029	4,508	0.91
AUD 14,219,713	Panorama Auto Trust 2023-1 FRN 15/05/2031	7,445	1.50
AUD 5,038,729	Pepper SPARKZ Trust No.3 FRN 17/08/2028 3 A1A	2,636	0.53
AUD 8,258,002	Pepper SPARKZ Trust No.4 A 1A FRN 15/09/2030	4,295	0.87
AUD 8,090,000	Pepper SPARKZ Trust No.6 A1A FRN 16/03/2032	4,235	0.86
AUD 3,824,086	Plenti PL-Green ABS Trust 2023-1 FRN 11/01/2034	2,005	0.41
		<u>25,124</u>	<u>5.08</u>
	Fixed Rate Bond 1.74% (2022: 0.85%)		
EUR 3,330,000	Toyota Finance Australia 0.064% 13/01/2025	2,685	0.54
EUR 7,000,000	Westpac 3.703% 16/01/2026	5,927	1.20
		<u>8,612</u>	<u>1.74</u>
	Austria 0.88% (2022: 1.72%)		
	Asset Backed 0.88% (2022: 1.72%)		
EUR 5,069,735	FACT Master FRN 20/07/2028 1 A	4,365	0.88
	Belgium 0.45% (2022: 3.11%)		
	Asset Backed 0.45% (2022: 3.11%)		
EUR 2,623,042	Bumper BE1 A FRN 23/10/2031	2,251	0.45
	Canada 5.26% (2022: 0.00%)		
	Floating Rate Note 5.26% (2022: 0.00%)		
GBP 7,200,000	Bank of Montreal FRN 14/12/2025	7,214	1.46
GBP 9,200,000	Bank of Nova Scotia FRN 26/01/2026	9,286	1.87
GBP 2,200,000	Royal Bank of Canada FRN 03/10/2024	2,203	0.45
EUR 6,000,000	Royal Bank of Canada FRN 17/01/2025	5,157	1.04
GBP 2,200,000	Royal Bank of Canada FRN 30/01/2025	2,199	0.44
		<u>26,059</u>	<u>5.26</u>
	Denmark 0.48% (2022: 0.63%)		
	Fixed Rate Bond 0.48% (2022: 0.63%)		
EUR 2,900,000	Novo Nordisk Finance 0% 04/06/2022	2,401	0.48
	France 8.87% (2022: 11.12%)		
	Asset Backed 5.05% (2022: 6.42%)		
EUR 6,954,709	Auto ABS French Leases FRN 29/06/2033 FR1 A	5,978	1.21
EUR 4,066,916	Bumper FR 2022-1 FRN 27/04/2032	3,494	0.70
EUR 3,203,282	FCT Noria 2021-1 A FRN 25/10/2049	2,754	0.56
EUR 4,186,153	FCT Pixel 2021-1 A FRN 25/02/2038	3,594	0.72
EUR 3,200,000	Ginkgo Auto Loans FRN 25/07/2043	2,757	0.56
EUR 7,500,000	Purple Master Credit Cards FRN 25/07/2036	6,432	1.30
		<u>25,009</u>	<u>5.05</u>
	Fixed Rate Bond 1.60% (2022: 3.99%)		
GBP 8,300,000	Banque Fédérative du Crédit Mutuel 5.00% 19/01/2026	7,952	1.60

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Floating Rate Note 2.22% (2022: 0.71%)		
EUR 6,500,000	L'Oréal FRN 29/03/2024	5,604	1.13
EUR 6,300,000	Red and Black Auto Lease FRN 27/10/2033	5,408	1.09
		<u>11,012</u>	<u>2.22</u>
	Germany 6.10% (2022: 6.75%)		
	Asset Backed 4.80% (2022: 4.11%)		
EUR 5,600,000	Bumper DE FRN 23/08/2032	4,811	0.97
EUR 10,234,129	PBD Germany Auto Lease Master - Compartment 2021-1 FRN 26/11/2030	8,793	1.77
EUR 1,533,443	Red & Black Auto No.7 FRN 15/10/2029 7 A	1,319	0.27
EUR 5,482,065	SC Germany SA Compartment Consumer 2021-1A FRN 14/11/2035	4,713	0.95
EUR 4,825,107	SC Germany SA Compartment Consumer FRN 14/11/2034 1 A	4,148	0.84
		<u>23,784</u>	<u>4.80</u>
	Fixed Rate Bond 0.00% (2022: 2.64%)		
	Floating Rate Note 1.30% (2022: 0.00%)		
EUR 7,500,000	Compartment VCL 39 FRN 21/04/2029	<u>6,439</u>	<u>1.30</u>
	Japan 1.66% (2022: 1.62%)		
	Fixed Rate Bond 1.66% (2022: 1.62%)		
USD 5,800,000	NTT Finance 0.583% 01/03/2024	4,408	0.89
EUR 4,500,000	Toyota Motor Finance 0.625% 26/09/2023	3,832	0.77
		<u>8,240</u>	<u>1.66</u>
	Netherlands 1.01% (2022: 3.65%)		
	Asset Backed 1.01% (2022: 2.88%)		
EUR 5,811,696	Magoi FRN 27/07/2039 A	<u>4,987</u>	<u>1.01</u>
	Fixed Rate Bond 0.00% (2022: 0.77%)		
	Spain 0.44% (2022: 0.64%)		
	Asset Backed 0.44% (2022: 0.64%)		
EUR 2,533,163	Driver Espana FRN 25/09/2030 6A	<u>2,174</u>	<u>0.44</u>
	Sweden 0.00% (2022: 1.64%)		
	Fixed Rate Bond 0.00% (2022: 1.64%)		
	Switzerland 0.00% (2022: 0.31%)		
	Fixed Rate Bond 0.00% (2022: 0.31%)		
	United Kingdom 22.53% (2022: 26.03%)		
	Asset Backed 15.96% (2022: 18.67%)		
GBP 4,481,459	Bavarian Sky UK 4A FRN 20/08/2029	4,479	0.90
GBP 6,850,000	Bavarian Sky UK 5 FRN 20/04/2031	6,863	1.39
GBP 4,100,696	Brass No.10 FRN 16/04/2069 10XA2	4,093	0.83
GBP 6,679,794	Brass No.8 FRN 16/11/2066 8XA2	6,696	1.35
GBP 3,686,253	Bumper Finance 1 FRN 20/12/2030 1 A	3,686	0.74
GBP 8,850,000	Delamare Cards MTN Issuer FRN 19/04/2031	8,866	1.79
GBP 3,178,125	Economic Master Issuer 1 A FRN 25/06/2074	3,190	0.64
GBP 2,308,000	Economic Master Issuer FRN 25/06/2072 1X A1	2,309	0.47

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Asset Backed (continued)			
GBP 5,890,880	Elvet Mortgages 2021-1 FRN 22/10/2063	5,873	1.19
GBP 6,981,757	Friary FRN 21/11/2067 6 A	7,006	1.41
GBP 3,807,486	Friary No. 7 FRN 21/10/2070	3,823	0.77
GBP 4,000,000	Lanark Master Issuer FRN 22/12/2069	4,028	0.81
GBP 3,095,000	Lanark Master Issuer FRN 22/12/2069 2A	3,099	0.63
GBP 980,000	PCL Funding V FRN 15/10/2025 1 A	981	0.20
GBP 4,150,000	PCL Funding VI 1 A FRN 15/07/2026	4,161	0.84
GBP 4,280,000	PCL Funding VIII FRN A 15/05/2028	4,286	0.86
GBP 2,792,137	Silver Arrow Compartment Silver Arrow UK 2021-2UK A FRN 20/10/2027	2,792	0.56
GBP 2,851,286	Turbo Finance FRN 20/08/2028 9 A	2,854	0.58
		<u>79,085</u>	<u>15.96</u>
Fixed Rate Bond 0.00% (2022: 2.58%)			
Floating Rate Note 6.57% (2022: 4.78%)			
GBP 7,300,000	Clydesdale Bank FRN 22/03/2024	7,321	1.48
GBP 7,000,000	HSBC FRN 09/03/2025	7,000	1.41
GBP 5,000,000	Nationwide Building Society FRN 10/01/2024	5,011	1.01
GBP 8,180,000	Santander FRN 12/11/2024	8,201	1.66
GBP 5,000,000	Yorkshire Building Society FRN 21/11/2024	5,011	1.01
		<u>32,544</u>	<u>6.57</u>
United States 0.96% (2022: 2.40%)			
Fixed Rate Bond 0.00% (2022: 2.40%)			
Floating Rate Note 0.96% (2022: 0.00%)			
USD 6,000,000	PepsiCo FRN 13/02/2026	<u>4,742</u>	<u>0.96</u>
Certificates of deposit 38.41% (2022: 27.54%)			
Australia 6.96% (2022: 2.50%)			
GBP 5,000,000	Australia & New Zealand Bank 0.00% 02/04/2024	4,788	0.96
GBP 5,000,000	Australia & New Zealand Bank 0.00% 03/01/2024	4,858	0.98
GBP 5,000,000	Australia & New Zealand Bank 0.00% 21/11/2023	4,893	0.99
GBP 5,000,000	Commonwealth Bank of Australia 2.71% 06/07/2023	4,999	1.01
GBP 5,000,000	Commonwealth Bank of Australia 5.5% 09/02/2024	4,992	1.01
GBP 10,000,000	National Australia Bank 3.55% 21/08/2023	9,975	2.01
		<u>34,505</u>	<u>6.96</u>
Canada 4.03% (2022: 10.21%)			
GBP 5,000,000	Bank of Nova Scotia 4.56% 07/09/2023	4,994	1.01
GBP 5,000,000	Canadian Imperial Bank of Commerce 4.65% 27/09/2023	4,991	1.01
GBP 5,000,000	Toronto-Dominion Bank 2.85% 05/07/2023	4,999	1.01
GBP 5,000,000	Toronto-Dominion Bank 3.29% 18/08/2023	4,987	1.00
		<u>19,971</u>	<u>4.03</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Denmark 3.02% (2022: 3.62%)		
GBP 5,000,000	DNB Bank 4.92% 25/10/2023	4,992	1.00
GBP 5,000,000	DNB Bank 5.00% 06/11/2023	4,991	1.01
GBP 5,000,000	DNB Bank 5.32% 04/12/2023	4,994	1.01
		<u>14,977</u>	<u>3.02</u>
	Finland 3.03% (2022: 0.00%)		
GBP 5,000,000	Nordea Bank 4.40% 04/08/2023	4,997	1.01
GBP 5,000,000	Nordea Bank 4.49% 07/09/2023	4,992	1.01
GBP 5,000,000	Nordea Bank 5.01% 31/10/2023	5,000	1.01
		<u>14,989</u>	<u>3.03</u>
	France 5.24% (2022: 0.87%)		
GBP 5,000,000	Crédit Agricole 5.11% 02/01/2024	4,987	1.00
GBP 5,000,000	Crédit Agricole 5.46% 08/01/2024	4,993	1.01
GBP 6,000,000	Crédit Industriel et Commercial 4.12% 06/09/2023	5,986	1.21
GBP 5,000,000	Société Générale 4.54% 31/08/2023	4,994	1.01
GBP 5,000,000	Société Générale 5.35% 13/11/2023	4,997	1.01
		<u>25,957</u>	<u>5.24</u>
	Netherlands 3.02% (2022: 1.24%)		
GBP 5,000,000	ING Bank 4.77% 03/11/2023	4,989	1.00
GBP 5,000,000	ING Bank 5.04% 16/11/2023	4,991	1.01
GBP 5,000,000	Rabobank 4.39% 15/08/2023	4,995	1.01
		<u>14,975</u>	<u>3.02</u>
	Singapore 3.03% (2022: 0.00%)		
GBP 5,000,000	United Overseas Bank 4.37% 18/07/2023	4,998	1.01
GBP 5,000,000	United Overseas Bank 4.44% 06/07/2023	5,000	1.01
GBP 5,000,000	United Overseas Bank 5.05% 06/10/2023	4,996	1.01
		<u>14,994</u>	<u>3.03</u>
	Sweden 4.03% (2022: 1.25%)		
GBP 5,000,000	Handelsbanken 4.30% 17/07/2023	4,998	1.01
GBP 5,000,000	Handelsbanken 4.38% 03/08/2023	4,997	1.01
GBP 5,000,000	SEB 4.80% 30/10/2023	4,989	1.00
GBP 5,000,000	SEB 6.10% 20/06/2024	5,004	1.01
		<u>19,988</u>	<u>4.03</u>
	Switzerland 2.01% (2022: 2.25%)		
GBP 10,000,000	UBS 4.15% 08/09/2023	9,976	2.01
	United Arab Emirates 2.02% (2022: 2.49%)		
GBP 5,000,000	First Abu Dhabi Bank 4.74% 28/11/2023	4,982	1.01
GBP 5,000,000	First Abu Dhabi Bank 6.10% 29/01/2024	5,010	1.01
		<u>9,992</u>	<u>2.02</u>
	United Kingdom 1.01% (2022: 3.11%)		
GBP 5,000,000	Barclays 4.48% 27/07/2023	4,998	1.01

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	United States 1.01% (2022: 0.00%)		
GBP 5,000,000	Citibank 5.75% 07/12/2023	5,003	1.01
	Derivatives 0.25% (2022: 0.24%)		
	Swaps 0.15% (2022: 0.24%)¹		
	Interest Rate Swaps 0.08% (2022: 0.06%)¹		
3,330,000	IRS -0.1740% EURIBOR 3 Month - Pay Fixed EUR	172	0.03
2,900,000	IRS -0.4520% EURIBOR 3 Month - Pay Fixed EUR	98	0.02
4,500,000	IRS -0.4865% EURIBOR 3 Month - Pay Fixed EUR	38	0.01
7,000,000	IRS 2.96% EURIBOR 3 Month - Pay Fixed EUR	92	0.02
		400	0.08
	Overnight Index Swaps 0.07% (2022: 0.18%)¹		
5,800,000	OIS 0.3737% SOFR 1 Day - Receive Floating - USD	154	0.03
8,300,000	OIS 4.0134% SONIA 1 Day - Receive Floating - GBP	205	0.04
		359	0.07
	Forward Foreign Exchange Contracts 0.10% (2022: 0.00%)¹		
	Buy AUD 124,697 : Sell GBP 65,511 July 2023 ²	-	-
	Buy AUD 392,109 : Sell GBP 208,387 July 2023	(3)	-
	Buy AUD 1,649,904 : Sell GBP 877,889 July 2023	(14)	-
	Buy AUD 217,415 : Sell GBP 116,382 July 2023	(3)	-
	Buy AUD 34,676 : Sell GBP 18,604 July 2023	(1)	-
	Buy EUR 1,400 : Sell GBP 1,211 July 2023 ²	-	-
	Buy EUR 649,770 : Sell GBP 561,108 July 2023	(3)	-
	Buy EUR 190,702 : Sell GBP 164,681 July 2023	(1)	-
	Buy EUR 34,708 : Sell GBP 29,894 July 2023 ²	-	-
	Buy EUR 10,928 : Sell GBP 9,397 July 2023 ²	-	-
	Buy EUR 417,015 : Sell GBP 358,254 July 2023 ²	-	-
	Buy EUR 150,003 : Sell GBP 128,800 July 2023 ²	-	-
	Buy EUR 16,171 : Sell GBP 13,859 July 2023 ²	-	-
	Buy EUR 479,199 : Sell GBP 410,616 July 2023	1	-
	Buy EUR 54,727 : Sell GBP 46,723 July 2023 ²	-	-
	Buy GBP 67,570 : Sell AUD 126,983 July 2023	1	-
	Buy GBP 27,091,062 : Sell AUD 50,382,471 July 2023	700	0.14
	Buy GBP 2,701,300 : Sell EUR 3,122,970 July 2023	19	-
	Buy GBP 5,398,130 : Sell EUR 6,300,000 July 2023	(12)	-
	Buy GBP 87,794,832 : Sell EUR 102,554,293 July 2023	(281)	(0.05)
	Buy GBP 6,408,713 : Sell EUR 7,500,000 July 2023	(32)	(0.01)
	Buy GBP 12,857,362 : Sell USD 16,234,625 July 2023	90	0.02
		461	0.10
	Investment assets including investment liabilities	466,325	94.12
	Other net assets	29,138	5.88
	Total net assets	495,463	100.00

¹ Not listed on an official stock exchange

² Due to rounding to nearest £1,000

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

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

Statement of total return for the year ended 30 June 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		2,402		(3,062)
Revenue	3	16,141		4,735	
Expenses	4	(236)		(387)	
Interest payable and similar charges	5	(39)		(7)	
Net revenue before taxation		15,866		4,341	
Taxation	6	-		-	
Net revenue after taxation			15,866		4,341
Total return before distributions			18,268		1,279
Distributions	7		(15,866)		(4,341)
Change in net assets attributable to shareholders from investment activities			2,402		(3,062)

Statement of change in net assets attributable to shareholders for the year ended 30 June 2023

		2023	2022
Opening net assets attributable to shareholders		800,602	966,316
Amounts receivable on issue of shares		1,484	14,198
Amounts payable on cancellation of shares		(324,421)	(181,097)
		(322,937)	(166,899)
Dilution adjustment		99	15
Change in net assets attributable to shareholders from investment activities		2,402	(3,062)
Retained distributions on accumulation shares		15,297	4,232
Closing net assets attributable to shareholders		495,463	800,602

Balance sheet as at 30 June 2023

	Note	2023 £000	2022 £000
Assets:			
Investments		466,675	721,860
Current assets:			
Debtors	8	4,409	8,561
Cash and bank balances	9	25,944	76,705
Total assets		497,028	807,126
Liabilities:			
Investment liabilities		350	162
Creditors:			
Amounts held at derivative clearing houses and brokers		1,119	2,152
Bank overdrafts		35	-
Other creditors	10	61	4,210
Total liabilities		1,565	6,524
Net assets attributable to shareholders		495,463	800,602

Notes to the financial statements for the year ended 30 June 2023

1 Accounting policies

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

2 Net capital gains/(losses)

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

	2023 £000	2022 £000
Derivative securities	51	2,396
Forward currency contracts	400	(2,700)
Non-derivative securities	1,590	(3,037)
Other currency gains	364	280
Transaction costs	(3)	(1)
Net capital gains/(losses)	2,402	(3,062)

3 Revenue

	2023 £000	2022 £000
Bank interest	991	133
Derivative revenue	1,326	(188)
Interest on debt securities	13,815	4,789
Interest on margin	9	1
Total revenue	16,141	4,735

4 Expenses

	2023 £000	2022 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
GAC*	170	277
	170	277
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	41	61
Safe custody fees	25	49
	66	110
Total expenses	236	387

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £13,503 (2022: £12,249).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2023 £000	2022 £000
Interest payable	39	7
Total interest payable and similar charges	39	7

6 Taxation

a) Analysis of charge in the year

There is no tax charge for the current year (2022: nil).

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICs of 20% (2022: 20%). The differences are explained below:

	2023 £000	2022 £000
Net revenue before taxation	15,866	4,341
Corporation tax at 20% (2022: 20%)	3,173	868
Effects of:		
Overseas dividends	1	-
Revenue being paid as interest distributions	(3,174)	(868)
Tax charge for the year (note 6a)	-	-

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2022: nil).

d) Factors that may affect future tax charges

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

7 Distributions

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

	2023 £000	2022 £000
Interim accumulation	9,893	2,795
Final accumulation	5,404	1,437
	15,297	4,232
Amounts deducted on cancellation of shares	585	118
Amounts received on issue of shares	(16)	(9)
Total distributions	15,866	4,341

Details of the distribution per share are set out in the Distribution tables on page 237.

Notes to the financial statements (continued)

8 Debtors

	2023 £000	2022 £000
Accrued revenue	4,162	2,016
Currency transactions awaiting settlement	-	11
Overseas withholding tax reclaimable	-	34
Sales awaiting settlement	247	6,500
Total debtors	4,409	8,561

9 Cash and bank balances

	2023 £000	2022 £000
Amounts held at derivative clearing houses and brokers	601	507
Cash and bank balances	25,343	76,198
Total cash and bank balances	25,944	76,705

10 Other creditors

	2023 £000	2022 £000
Accrued Depositary's fee	5	10
Accrued other expenses	14	29
Derivative revenue payable	42	21
Purchases awaiting settlement	-	4,150
Total other creditors	61	4,210

11 Contingent liabilities and commitments

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

12 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 226 and 227 and notes 4, 7 and 10 on pages 228 to 230 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

HSBC Global Custody Nominee (UK) Limited, as a material shareholder, is a related party holding shares comprising 100% of the total net assets of the fund as at the year end (2022: 100%).

13 Shareholders' funds

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

	2023 %	2022 %
Class Z ¹	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative table on page 218. The distribution per share class is given in the Distribution tables on page 237.

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation as at 30 June 2023

	Class Z accumulation
Opening number of shares	762,464,668
Issues during the year	1,379,682
Cancellations during the year	(308,454,501)
Closing shares in issue	455,389,849

14 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

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

There was no collateral pledged or collateral held in respect of swaps or forward foreign exchange contracts as at 30 June 2023 (2022: nil). The fund had cash assets of £601,245 (2022: £506,683) and cash liabilities of £1,118,610 (2022: £2,152,101) held in margin accounts at derivative clearing houses and brokers as at 30 June 2023. These balances are held as collateral on the fund's futures contracts.

2023

As at 30 June 2023, the counterparty exposure calculated using the positive marked-to-market value for each category of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Interest rate swaps £000	Overnight index swaps £000	Total by counterparty £000
BNP Paribas	811	38	-	849
Credit Suisse	-	-	154	154
JPMorgan Chase	-	92	-	92
Morgan Stanley	-	270	-	270
Societe Generale	-	-	205	205
	811	400	359	1,570

2022

As at 30 June 2022, the counterparty exposure calculated using the positive marked-to-market value for each category of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Interest rate swaps £000	Overnight index swaps £000	Total by counterparty £000
BNP Paribas	198	245	225	668
Credit Suisse	-	-	360	360
Deutsche Bank	-	-	156	156
JPMorgan Chase	-	42	150	192
Lloyds TSB Bank	-	-	97	97
Morgan Stanley	-	319	223	542
Societe Generale	-	-	199	199
	198	606	1,410	2,214

Notes to the financial statements (continued)

15 Risk

Currency risk

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

Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2023				
Australian dollar	25,123	-	809	25,932
Euro	85,968	14,846	337	101,151
UK sterling	154,468	198,277	3,870	356,615
US dollar	8,718	4,407	205	13,330
Total	274,277	217,530	5,221	497,028
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2022				
Australian dollar	15,038	-	12	15,050
Euro	157,438	34,317	2,845	194,600
UK sterling	265,057	294,280	5,707	565,044
US dollar	834	31,401	197	32,432
Total	438,367	359,998	8,761	807,126
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2023				
Australian dollar	35	-	20	55
Euro	431	-	366	797
UK sterling	336	-	19	355
US dollar	352	-	6	358
Total	1,154	-	411	1,565
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2022				
Australian dollar	-	-	19	19
Euro	625	-	29	654
UK sterling	680	-	4,189	4,869
US dollar	847	-	135	982
Total	2,152	-	4,372	6,524

Notes to the financial statements (continued)

15 Risk (continued)

Credit ratings

	Market value £000	Percentage of total net assets %
2023		
Investments		
Investment grade (AAA - BBB)*	465,105	93.87
Total debt securities	465,105	93.87
Derivatives	1,220	0.25
Investment assets including investment liabilities	466,325	94.12
Other net assets	29,138	5.88
Total net assets	495,463	100.00
	Market value £000	Percentage of total net assets %
2022		
Investments		
Investment grade (AAA - BBB)*	719,646	89.89
Total debt securities	719,646	89.89
Derivatives	2,052	0.24
Investment assets including investment liabilities	721,698	90.13
Other net assets	78,904	9.87
Total net assets	800,602	100.00

* Certificates of deposit included within investment grade have been rated based on the rating of the issuer.

Sensitivity analysis

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

VaR results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%	%	%	%	%
2023	0.08	0.22	0.14	20	0.41	1.08	0.68
2022	0.07	0.43	0.23	20	0.04	0.21	0.12

Leverage

	Minimum	Maximum	Average
	%	%	%
2023	35.15	141.91	58.48
2022	48.40	116.21	66.04

Notes to the financial statements (continued)

15 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2023				
Amounts held at derivatives clearing houses and brokers	1,119	-	-	-
Bank overdrafts	35	-	-	-
Derivative financial liabilities	-	350	-	-
Other creditors	-	61	-	-
Total	1,154	411	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2022				
Amounts held at derivatives clearing houses and brokers	2,152	-	-	-
Derivative financial liabilities	-	162	-	-
Other creditors	-	4,210	-	-
Total	2,152	4,372	-	-

16 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2023		2022	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	-	-	-	-
Level 2	466,675	350	721,860	162
Level 3	-	-	-	-
	466,675	350	721,860	162

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trades in the year				
Certificates of deposit	340,510	264,974	380,248	378,000
Debt securities	177,816	182,403	404,135	313,929
Trades in the year before transaction costs	518,326	447,377	784,383	691,929
Transaction costs				
Commissions				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	518,326	447,377	784,383	691,929

	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Taxes				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
Other expenses				
Certificates of deposit	-	-	-	-
Debt securities	-	-	-	-
	2023	2022		
	%	%		

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

Notes to the financial statements (continued)

17 Direct transaction costs (continued)

There were no in specie transfers during the year (2022: nil). There were no corporate actions during the year (2022: nil).

There were no direct transaction costs associated with derivatives in the year (2022: nil).

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

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

The portfolio dealing spread as at 30 June 2023 was 0.12% (2022: 0.13%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

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

Distribution tables for the year ended 30 June 2023 (in pence per share)

Interim interest distribution (accounting date 30 September 2022, paid on 30 November 2022)

Group 1: shares purchased prior to 1 July 2022

Group 2: shares purchased on or after 1 July 2022

	Distribution per share	Equalisation	Total distribution per share 30/11/22	Total distribution per share 30/11/21
Class Z accumulation				
Group 1	0.3588	-	0.3588	0.0671
Group 2	0.0008	0.3580	0.3588	0.0671

Interim interest distribution (accounting date 31 December 2022, paid on 28 February 2023)

Group 1: shares purchased prior to 1 October 2022

Group 2: shares purchased on or after 1 October 2022

	Distribution per share	Equalisation	Total distribution per share 28/02/23	Total distribution per share 28/02/22
Class Z accumulation				
Group 1	0.7324	-	0.7324	0.1151
Group 2	0.7324	-	0.7324	0.1151

Interim interest distribution (accounting date 31 March 2023, paid on 31 May 2023)

Group 1: shares purchased prior to 1 January 2023

Group 2: shares purchased on or after 1 January 2023

	Distribution per share	Equalisation	Total distribution per share 31/05/23	Total distribution per share 31/05/22
Class Z accumulation				
Group 1	0.9743	-	0.9743	0.1330
Group 2	0.9743	-	0.9743	0.1330

Final interest distribution (accounting date 30 June 2023, paid on 31 August 2023)

Group 1: shares purchased prior to 1 April 2023

Group 2: shares purchased on or after 1 April 2023

	Distribution per share	Equalisation	Total distribution per share 31/08/23	Total distribution per share 31/08/22
Class Z accumulation				
Group 1	1.1866	-	1.1866	0.1885
Group 2	0.0283	1.1583	1.1866	0.1885

Janus Henderson Institutional UK Gilt Fund

Authorised Corporate Director's report

Investment Fund Manager

Helen Anthony

Please note that as of 1 November 2022, Andrew Mulliner and Bethany Payne no longer manage this fund. Helen Anthony now manages this fund.

Investment objective and policy

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

Performance target: To outperform the FTSE Actuaries All Stocks Gilt Index by 0.75% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in UK government bonds (also known as gilts) of any maturity.

The fund may also hold other assets including bonds of other types from any issuer, CIS (including those managed by Janus Henderson), cash and money market instruments. The Investment Manager may use derivatives (complex financial instruments) with the aim of making investment gains in line with the fund's objective, to reduce risk or to manage the fund more efficiently.

The fund is actively managed with reference to the FTSE Actuaries All Stocks Gilt Index, which is broadly representative of the bonds in which it may invest, as this forms the basis of the fund's performance target. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

Strategy

The Investment Manager aims to provide a return in excess of the benchmark by investing primarily in UK government bonds, including inflation-linked gilts and floating rate assets. The managers can also invest in other global fixed income securities with a focus on G10 government bond markets and associated fixed income derivatives, with the aim of providing diversification in the portfolio, as well as looking to enhance returns and/or manage risk.

Performance summary

Cumulative performance

	One year 30 Jun 22 - 30 Jun 23 %	Three years 30 Jun 20 - 30 Jun 23 %	Five years 30 Jun 18 - 30 Jun 23 %	Since inception 4 Sep 00 - 30 Jun 23 %
Class I accumulation (Net)	(14.6)	(32.5)	(21.3)	63.5
FTSE Actuaries All Stocks Gilt Index	(14.5)	(30.7)	(19.2)	106.8
IA UK Gilts Sector	(14.2)	(31.7)	(19.7)	71.4
Class I accumulation (Gross)	(14.3)	(31.6)	(19.4)	84.1
FTSE Actuaries All Stocks Gilt Index + 0.75%	(13.8)	(29.1)	(16.1)	145.3

Discrete performance

	30 Jun 22 - 30 Jun 23 %	30 Jun 21 - 30 Jun 22 %	30 Jun 20 - 30 Jun 21 %	30 Jun 19 - 30 Jun 20 %	30 Jun 18 - 30 Jun 19 %
Class I accumulation (Net)	(14.6)	(14.9)	(7.2)	11.5	4.5
FTSE Actuaries All Stocks Gilt Index	(14.5)	(13.6)	(6.2)	11.2	4.9
IA UK Gilts Sector	(14.2)	(14.4)	(7.0)	12.0	5.0
Class I accumulation (Gross)	(14.3)	(14.5)	(6.7)	12.1	5.1
FTSE Actuaries All Stocks Gilt Index + 0.75%	(13.8)	(13.0)	(5.5)	12.0	5.7

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

Authorised Corporate Director's report (continued)

Performance summary (continued)

Source: Morningstar

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

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

Benchmark values are as at close of business.

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

Benchmark usage:

Index: FTSE Actuaries All Stocks Gilt Index

Index usage: Target

Index description: The FTSE Actuaries All Stocks Gilt Index is a measure of the combined performance of conventional bonds issued by the British government. It is the basis for the fund's performance target.

Peer group: IA UK Gilts Sector

Peer group usage: Comparator

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

Past performance does not predict future returns. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Significant portfolio changes for the year ended 30 June 2023

Largest purchases	£000	Largest sales/maturities	£000
UK Treasury 0.375% 22/10/2026	3,258	Janus Henderson Asset-Backed Securities Fund Z Accumulation ¹	3,254
UK Treasury 1.625% 22/10/2028	2,671	UK Treasury 0.50% 22/07/2022	2,072
UK Treasury 1.00% 22/04/2024	2,622	UK Treasury 1.75% 07/09/2022	1,746
UK Treasury 0.75% 22/07/2023	2,069	UK Treasury 0.25% 31/07/2031	1,678
UK Treasury 4.25% 07/06/2032	1,855	UK Treasury 0.625% 07/06/2025	1,227
UK Treasury 4.50% 07/09/2034	1,793	UK Treasury 3.75% 22/07/2052	1,146
UK Treasury 4.75% 07/12/2038	1,712	UK Treasury 1.75% 07/09/2037	1,042
UK Treasury 4.25% 07/12/2046	1,261	Indonesia (Republic of) 8.375% 15/03/2034	919
UK Treasury 3.75% 22/07/2052	1,182	UK Treasury 1.50% 22/07/2047	879
UK Treasury 1.00% 31/01/2032	1,066	UK Treasury 0.625% 31/07/2035	792
Total purchases	31,714	Total sales/maturities	18,928

¹ Related party to the fund

Investment review

The fund fell 14.6% (Net), 14.3% (Gross) based on Class I accumulation over the year under review, compared with a fall of 14.5% in the FTSE Actuaries All Stocks Gilt Index, a fall of 13.8% in the Target Index + 0.75% and a fall of 14.2% in the IA UK Gilts Sector peer group benchmark.

Government bonds struggled as central banks raised interest rates increasingly aggressively during the reporting year to try to tame inflation, which soared to multi-decade highs in the US (9.1%) and UK (11.1%) and an all-time high in the eurozone (10.6%). The UK gilt market suffered a particularly turbulent period after the new government, led by Liz Truss, announced unfunded spending and tax cuts in September 2022. This later forced the BoE to intervene by purchasing longer maturity UK government bonds. The gilt market stabilised in the fourth quarter following the emergency package and the appointment of a new government that prioritised fiscal discipline. However, this was short-lived as in the spring UK gilt yields continued to move higher as core inflation remained stubbornly high compared with expectations (and other developed markets). This was compounded by the significant net issuance of bonds as a result of the large fiscal deficit.

During the year, the BoE hiked rates to 5.0% (from 1.25% in June 2022), while 10-year gilt yields doubled, moving from 2.2% to almost 4.5%. Gilts underperformed other developed markets such as the US and eurozone.

Bond yields continued to trend higher (prices fell, reflecting their inverse relationship), as central banks retained a focus on continuing to hike interest rates to bring down inflation. As yields continued to rise globally, we closed the fund's long position in short-term Swiss rates as it reached our loss threshold. However, the fund made some gains from its short bond futures positions in core markets, which we managed tactically during the year.

Yield curve positions were the main detractor. The fund made gains in Japan, where we expected the yield curve to steepen, but losses in the eurozone, where it was positioned for the yield curve to flatten. We also exited, at a loss, the position in the UK expecting front-end rates to outperform relative to intermediate maturities.

Currency management aided performance, notably with the outperformance of the US dollar versus a basket of Asian currencies.

Towards the end of 2022, market sentiment improved as US inflation data came in below expectations and the US 10-year bond yield peaked early in the fourth quarter. We moved the fund's duration (interest rate sensitivity) higher, favouring the US. This proved beneficial in 2023, when the fund's performance was helped by an overweight position in government duration in core bond markets in the US and Australia. Government bond yields fell as markets began to contemplate the last few hikes from major central banks. The UK was an outlier, with gilt yields moving sharply higher towards the end of the year, and the fund's (small) overweight duration stance in the UK detracted from performance.

Derivatives including currency forward positions, bond futures and interest rate swaps were mainly used to take the active positions outlined above.

Bonds are a reflexive asset class. The more central banks hike rates, the tougher the medicine, and the bigger the potential cost in terms of lost output and unemployment. Some commentators suggest that we have only seen around one-third of the effect of the rate hikes so far. The key issue is how quickly core inflation can be squeezed out of the system. The US seems well advanced towards lowering core inflation, while the situation is tentative in Europe and the UK is an outlier. Central banks in most markets are contemplating what are expected to be the last few rate hikes in the cycle. We have not made any significant changes to the fund's duration positioning and believe that bond yields will recouple to the weak economic momentum.

Comparative tables for the year ended 30 June 2023

	Class A income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	185.07	216.50	235.13
Return before operating charges*	(27.39)	(29.24)	(15.40)
Operating charges	(1.15)	(1.73)	(1.90)
Return after operating charges*	(28.54)	(30.97)	(17.30)
Distributions on income shares	(2.11)	(0.46)	(1.33)
Closing net asset value per share	154.42	185.07	216.50
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(15.42%)	(14.30%)	(7.36%)
Other information			
Closing net asset value (£000s)	407	519	811
Closing number of shares	263,780	280,627	374,389
Operating charges	0.69%	0.82%	0.84%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	193.62	225.61	236.85
Lowest share price (pence)	148.72	179.72	213.13

	Class D accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	141.50	164.26	176.39
Return before operating charges*	(21.03)	(22.30)	(11.62)
Operating charges	(0.26)	(0.46)	(0.51)
Return after operating charges*	(21.29)	(22.76)	(12.13)
Distributions on accumulation shares	(2.26)	(1.20)	(1.92)
Retained distributions on accumulation shares	2.26	1.20	1.92
Closing net asset value per share	120.21	141.50	164.26
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(15.05%)	(13.86%)	(6.88%)
Other information			
Closing net asset value (£000s)	5,140	4,413	4,111
Closing number of shares	4,275,923	3,118,568	2,502,794
Operating charges	0.20%	0.29%	0.30%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	148.10	171.70	177.76
Lowest share price (pence)	114.12	137.28	161.37

Comparative tables (continued)

	Class E income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	185.06	216.49	235.13
Return before operating charges*	(27.40)	(29.25)	(15.42)
Operating charges	(0.74)	(1.19)	(1.33)
Return after operating charges*	(28.14)	(30.44)	(16.75)
Distributions on income shares	(2.53)	(0.99)	(1.89)
Closing net asset value per share	154.39	185.06	216.49
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(15.21%)	(14.06%)	(7.12%)
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Other information

Closing net asset value (£000s)	93	126	135
Closing number of shares	59,809	68,388	62,388
Operating charges	0.44%	0.57%	0.59%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	193.65	225.71	236.89
Lowest share price (pence)	148.71	179.81	213.19

	Class I accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	308.62	358.78	385.84
Return before operating charges*	(45.86)	(48.66)	(25.38)
Operating charges	(0.83)	(1.50)	(1.68)
Return after operating charges*	(46.69)	(50.16)	(27.06)
Distributions on accumulation shares	(4.64)	(2.13)	(3.64)
Retained distributions on accumulation shares	4.64	2.13	3.64
Closing net asset value per share	261.93	308.62	358.78
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(15.13%)	(13.98%)	(7.01%)
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Other information

Closing net asset value (£000s)	6,682	4,163	5,326
Closing number of shares	2,550,988	1,348,774	1,484,526
Operating charges	0.30%	0.43%	0.45%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest share price (pence)	322.98	374.76	388.80
Lowest share price (pence)	248.83	299.42	352.53

Comparative tables (continued)

	Class I income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	183.55	214.74	233.22
Return before operating charges*	(27.18)	(29.02)	(15.28)
Operating charges	(0.50)	(0.90)	(1.01)
Return after operating charges*	(27.68)	(29.92)	(16.29)
Distributions on income shares	(2.74)	(1.27)	(2.19)
Closing net asset value per share	153.13	183.55	214.74
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(15.08%)	(13.93%)	(6.98%)
Other information			
Closing net asset value (£000s)	901	1,196	1,678
Closing number of shares	588,495	651,556	781,217
Operating charges	0.30%	0.43%	0.45%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	192.09	223.93	235.01
Lowest share price (pence)	147.50	178.40	211.49
	Class Z accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	206.93	239.66	256.70
Return before operating charges*	(30.78)	(32.61)	(16.92)
Operating charges	(0.09)	(0.12)	(0.12)
Return after operating charges*	(30.87)	(32.73)	(17.04)
Distributions on accumulation shares	(3.59)	(2.31)	(3.42)
Retained distributions on accumulation shares	3.59	2.31	3.42
Closing net asset value per share	176.06	206.93	239.66
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.92%)	(13.66%)	(6.64%)
Other information			
Closing net asset value (£000s)	53,654	55,063	57,794
Closing number of shares	30,474,402	26,609,760	24,115,526
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price (pence)	216.61	250.77	258.76
Lowest share price (pence)	166.96	200.75	235.35

Comparative tables (continued)

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

	2023 %	2022 %
Class A income	0.69	0.82 ¹
Class D accumulation	0.20	0.29 ¹
Class E income	0.44	0.57 ¹
Class I accumulation	0.30	0.43 ¹
Class I income	0.30	0.43 ¹
Class Z accumulation	0.05	0.05 ¹

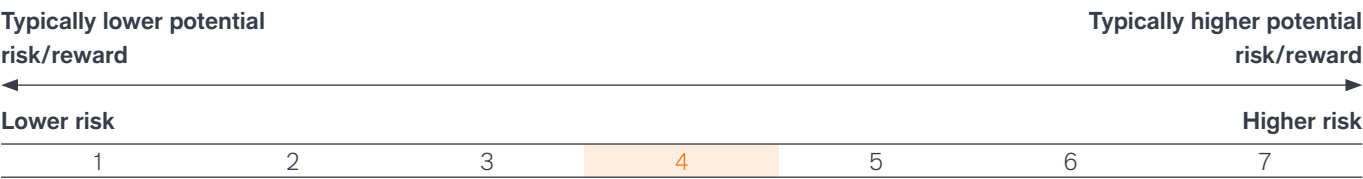
The OCF is calculated in accordance with guidelines issued by ESMA.

¹ The OCF is a blended rate reflecting new AMC rates which took effect from 3 May 2022.

Risk and reward profile

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

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



The share classes appear at 4 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in Net Asset Value in the past five years than those in lower categories. The lowest category does not mean risk free.

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

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

The rating above is based on the historic volatility of the share classes. Historic data may not be a reliable indication of the future risk profile of the fund. The rating is not guaranteed and may change over time.

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

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

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

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

Holding	Investment	Market value £000	Percentage of total net assets %
	Bonds 98.55% (2022: 92.03%)		
	Indonesia 0.00% (2022: 1.42%)		
	Fixed Rate Bond 0.00% (2022: 1.42%)		
	United Kingdom 98.55% (2022: 90.61%)		
	Fixed Rate Bond 98.55% (2022: 90.61%)		
GBP 3,847,822	UK Treasury 0.125% 30/01/2026	3,393	5.07
GBP 1,863,735	UK Treasury 0.125% 31/01/2024	1,810	2.71
GBP 1,489,872	UK Treasury 0.125% 31/01/2028	1,207	1.80
GBP 2,931,265	UK Treasury 0.25% 31/01/2025	2,706	4.05
GBP 1,737,379	UK Treasury 0.25% 31/07/2031	1,254	1.88
GBP 3,642,352	UK Treasury 0.375% 22/10/2026	3,120	4.67
GBP 2,760,831	UK Treasury 0.375% 22/10/2030	2,070	3.10
GBP 1,326,674	UK Treasury 0.50% 22/10/2061	420	0.63
GBP 3,117,683	UK Treasury 0.625% 07/06/2025	2,855	4.27
GBP 1,433,955	UK Treasury 0.625% 22/10/2050	582	0.87
GBP 2,423,381	UK Treasury 0.625% 31/07/2035	1,567	2.34
GBP 2,106,760	UK Treasury 0.75% 22/07/2023	2,102	3.14
GBP 2,877,788	UK Treasury 0.875% 22/10/2029	2,307	3.45
GBP 1,023,271	UK Treasury 0.875% 31/01/2046	504	0.75
GBP 1,271,668	UK Treasury 0.875% 31/07/2033	911	1.36
GBP 2,707,329	UK Treasury 1.00% 22/04/2024	2,616	3.91
GBP 1,842,423	UK Treasury 1.00% 31/01/2032	1,401	2.09
GBP 444,961	UK Treasury 1.125% 22/10/2073	173	0.26
GBP 778,599	UK Treasury 1.125% 31/01/2039	486	0.73
GBP 3,426,825	UK Treasury 1.25% 22/07/2027	2,976	4.45
GBP 1,534,432	UK Treasury 1.25% 22/10/2041	921	1.38
GBP 1,092,305	UK Treasury 1.25% 31/07/2051	541	0.81
GBP 213,005	UK Treasury 1.50% 22/07/2026	192	0.29
GBP 1,150,197	UK Treasury 1.50% 22/07/2047	650	0.97
GBP 272,862	UK Treasury 1.50% 31/07/2053	142	0.21
GBP 3,198,629	UK Treasury 1.625% 22/10/2028	2,746	4.11
GBP 1,043,447	UK Treasury 1.625% 22/10/2054	562	0.84
GBP 1,088,820	UK Treasury 1.625% 22/10/2071	540	0.81
GBP 2,199,672	UK Treasury 1.75% 07/09/2037	1,572	2.35
GBP 1,366,060	UK Treasury 1.75% 22/01/2049	809	1.21
GBP 1,377,199	UK Treasury 1.75% 22/07/2057	764	1.14
GBP 104,190	UK Treasury 2.25% 07/09/2023	104	0.15
GBP 912,787	UK Treasury 2.50% 22/07/2065	616	0.92
GBP 1,738,553	UK Treasury 2.75% 07/09/2024	1,686	2.52
GBP 1,348,022	UK Treasury 3.25% 22/01/2044	1,121	1.68
GBP 1,294,929	UK Treasury 3.50% 22/01/2045	1,114	1.67
GBP 941,313	UK Treasury 3.50% 22/07/2068	819	1.22
GBP 1,156,985	UK Treasury 3.75% 22/07/2052	1,032	1.54
GBP 1,012,112	UK Treasury 3.75% 22/10/2053	900	1.35
GBP 1,071,648	UK Treasury 4.00% 22/01/2060	1,024	1.53
GBP 72,223	UK Treasury 4.00% 22/10/2063	69	0.10
GBP 700,422	UK Treasury 4.25% 07/03/2036	688	1.03
GBP 2,222,797	UK Treasury 4.25% 07/06/2032	2,211	3.31
GBP 1,051,954	UK Treasury 4.25% 07/09/2039	1,020	1.53
GBP 1,248,618	UK Treasury 4.25% 07/12/2040	1,209	1.81

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 1,162,900	UK Treasury 4.25% 07/12/2046	1,120	1.66
GBP 955,113	UK Treasury 4.25% 07/12/2049	923	1.38
GBP 1,174,716	UK Treasury 4.25% 07/12/2055	1,154	1.73
GBP 1,584,682	UK Treasury 4.50% 07/09/2034	1,597	2.39
GBP 1,253,777	UK Treasury 4.50% 07/12/2042	1,252	1.87
GBP 943,266	UK Treasury 4.75% 07/12/2030	964	1.44
GBP 1,344,099	UK Treasury 4.75% 07/12/2038	1,382	2.07
		<u>65,904</u>	<u>98.55</u>
Collective Investment Schemes 0.57% (2022: 6.84%)			
383,389	Deutsche Global Liquidity Managed Platinum Sterling Fund	<u>383</u>	<u>0.57</u>
Derivatives (0.16%) (2022: (0.43%))			
Futures (0.17%) (2022: (0.11%))			
60	CBT US 5 Year Note September 2023	(100)	(0.15)
4	EUX Euro Buxl September 2023	1	-
7	ICE Long Gilt September 2023	(9)	(0.01)
13	SFE Australia 10 Year Bond September 2023	(4)	(0.01)
		<u>(112)</u>	<u>(0.17)</u>
Swaps 0.01% (2022: (0.34%))¹			
Interest Rate Swaps 0.01% (2022: 0.00%)¹			
9,720,000	IRS 3.2045% STIBOR 3 month - Pay Fixed - SEK	<u>7</u>	<u>0.01</u>
Overnight Index Swaps 0.00% (2022: (0.34%))¹			
Forward Foreign Exchange Contracts 0.00% (2022: 0.02%)¹			
	Buy GBP 1,483 : Sell SEK 20,438 July 2023 ²	-	-
	Buy GBP 1,567 : Sell SEK 21,211 July 2023 ²	-	-
	Buy GBP 2,132 : Sell SEK 29,024 July 2023 ²	-	-
	Buy GBP 232,273 : Sell USD 293,285 July 2023	1	-
	Buy GBP 2,696 : Sell SEK 36,726 July 2023 ²	-	-
	Buy GBP 3,722 : Sell SEK 50,355 July 2023 ²	-	-
	Buy GBP 35,718 : Sell EUR 41,600 July 2023 ²	-	-
	Buy GBP 36,178 : Sell USD 46,000 July 2023 ²	-	-
	Buy GBP 4,124 : Sell SEK 56,611 July 2023 ²	-	-
	Buy GBP 60,277 : Sell AUD 112,100 July 2023	2	-
	Buy GBP 7,398 : Sell SEK 100,983 July 2023 ²	-	-
	Buy SEK 129,643 : Sell GBP 9,513 July 2023 ²	-	-
	Buy SEK 16,201 : Sell GBP 1,184 July 2023 ²	-	-
	Buy SEK 48,875 : Sell GBP 3,626 July 2023 ²	-	-
	Buy SEK 51,714 : Sell GBP 3,784 July 2023 ²	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Forward Foreign Exchange Contracts <small>(continued)</small>		
	Buy SEK 52,283 : Sell GBP 3,842 July 2023 ²	-	-
	Buy USD 186,896 : Sell GBP 147,823 July 2023	(1)	-
		2	-
	Investment assets including investment liabilities	66,184	98.96
	Other net assets	693	1.04
	Total net assets	66,877	100.00

¹ Not listed on an official stock exchange

² Due to rounding to nearest £1,000

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

The collective investment schemes held are approved regulated collective investment schemes within the meaning of the FCA rules.

Statement of total return for the year ended 30 June 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital losses	2		(11,164)		(11,012)
Revenue	3	1,311		753	
Expenses	4	(57)		(73)	
Interest payable and similar charges	5	(2)		(2)	
Net revenue before taxation		1,252		678	
Taxation	6	-		(7)	
Net revenue after taxation			1,252		671
Total return before distributions			(9,912)		(10,341)
Distributions	7		(1,252)		(671)
Change in net assets attributable to shareholders from investment activities			(11,164)		(11,012)

Statement of change in net assets attributable to shareholders for the year ended 30 June 2023

	2023		2022	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		65,480		69,855
Amounts receivable on issue of shares	19,510		14,397	
Amounts payable on cancellation of shares	(8,201)		(8,421)	
		11,309		5,976
Dilution adjustment		3		1
Change in net assets attributable to shareholders from investment activities		(11,164)		(11,012)
Retained distributions on accumulation shares		1,249		660
Closing net assets attributable to shareholders		66,877		65,480

Balance sheet as at 30 June 2023

	Note	2023 £000	2022 £000
Assets:			
Investments		-	65,280
Current assets:			
Investments		66,298	-
Debtors	8	368	312
Cash and bank balances	9	365	929
Total assets		67,031	66,521
Liabilities:			
Investment liabilities		-	822
Creditors:			
Investment liabilities		114	-
Amounts held at derivative clearing houses and brokers		24	193
Distributions payable		7	3
Other creditors	10	9	23
Total liabilities		154	1,041
Net assets attributable to shareholders		66,877	65,480

Notes to the financial statements for the year ended 30 June 2023

1 Accounting policies

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

2 Net capital losses

Net capital losses on investments during the year comprise:

	2023 £000	2022 £000
Capital management fee rebates	-	1
Derivative securities	(847)	(309)
Forward currency contracts	90	(72)
Non-derivative securities	(10,398)	(10,644)
Other currency (losses)/gains	(3)	18
Transaction costs	(6)	(6)
Net capital losses	(11,164)	(11,012)

3 Revenue

	2023 £000	2022 £000
Bank interest	4	2
Derivative revenue	1	5
Distributions from UK regulated collective investment schemes:		
Interest distribution	11	23
Interest on debt securities	1,235	716
Interest on margin	7	-
Management fee rebates	1	-
Overseas dividends*	52	7
Total revenue	1,311	753

* Includes distributions from overseas funds.

4 Expenses

	2023 £000	2022 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	28	41
GAC*	21	23
	<u>49</u>	<u>64</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	6	6
Safe custody fees	2	3
	<u>8</u>	<u>9</u>
Total expenses	57	73

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £13,503 (2022: £12,249).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2023 £000	2022 £000
Interest payable	2	2
Total interest payable and similar charges	2	2

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2023 £000	2022 £000
Current tax		
Corporation tax	-	2
Double tax relief	-	(2)
Overseas withholding tax	-	7
Total tax (note 6b)	-	7

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICs of 20% (2022: 20%). The differences are explained below:

	2023 £000	2022 £000
Net revenue before taxation	1,252	678
Corporation tax at 20% (2022: 20%)	250	136
Effects of:		
Double tax relief	-	(2)
Overseas withholding tax	-	7
Revenue being paid as interest distributions	(250)	(134)
Tax charge for the year (note 6a)	-	7

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 (2022: nil).

d) Factors that may affect future tax charges

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

Notes to the financial statements (continued)

7 Distributions

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

	2023 £000	2022 £000
Interim income	18	8
Interim accumulation	889	501
Final income	7	3
Final accumulation	360	159
	<u>1,274</u>	<u>671</u>
Amounts deducted on cancellation of shares	14	7
Amounts received on issue of shares	(36)	(7)
Total distributions	<u>1,252</u>	<u>671</u>

Details of the distribution per share are set out in the Distribution tables on pages 262 to 265.

8 Debtors

	2023 £000	2022 £000
Accrued revenue	365	289
Amounts receivable for issue of shares	3	23
Total debtors	<u>368</u>	<u>312</u>

9 Cash and bank balances

	2023 £000	2022 £000
Amounts held at derivative clearing houses and brokers	364	918
Cash and bank balances	1	11
Total cash and bank balances	<u>365</u>	<u>929</u>

10 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	2	2
Accrued Depositary's fee	1	1
Accrued other expenses	2	4
Amounts payable for cancellation of shares	-	14
Derivative revenue payable	4	2
Total other creditors	<u>9</u>	<u>23</u>

11 Contingent liabilities and commitments

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

Notes to the financial statements (continued)

12 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 250 and 251 and notes 4, 7, 8 and 10 on pages 252 to 254 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

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

- a) The value of purchase transactions was nil (2022: £3,280,000) and sales transactions was £3,253,709 (2022: nil) and the balance outstanding at the year end was purchases nil (2022: nil) and sales nil (2022: nil).
- b) Revenue receivable for the year was £11,642 (2022: £23,039) and the balance outstanding at the year end was nil (2022: nil).
- c) The aggregate value of investments held at the year end was nil (2022: £3,223,642).

Harewood Nominees Ltd, as a material shareholder, is a related party holding shares comprising 60.50% of the total net assets of the fund as at the year end (2022: 69.31%).

13 Shareholders' funds

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

	2023	2022
	%	%
Class A	0.50	0.50
Class D	0.15	0.15
Class E	0.25	0.25
Class I	0.25	0.25
Class Z ¹	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 241 to 244. The distribution per share class is given in the Distribution tables on pages 262 to 265. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2023

	Class A income	Class D accumulation	Class E income
Opening number of shares	280,627	3,118,568	68,388
Issues during the year	77,170	1,025,112	15,217
Cancellations during the year	(87,400)	(176,953)	(9,307)
Shares converted during the year	(6,617)	309,196	(14,489)
Closing shares in issue	263,780	4,275,923	59,809

	Class I accumulation	Class I income	Class Z accumulation
Opening number of shares	1,348,774	651,556	26,609,760
Issues during the year	1,427,223	128,480	7,626,568
Cancellations during the year	(225,009)	(212,826)	(3,550,618)
Shares converted during the year	-	21,285	(211,308)
Closing shares in issue	2,550,988	588,495	30,474,402

Notes to the financial statements (continued)

14 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

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

There was no collateral pledged or collateral held in respect of swaps, forward foreign exchange and future contracts as at 30 June 2023 (2022: nil). The fund had cash assets of £364,147 (2022: £917,656) and cash liabilities of £23,739 (2022: £193,367) held in margin accounts at derivative clearing houses and brokers as at 30 June 2023. These balances are held as collateral on the fund's swaps and futures contracts.

2023

As at 30 June 2023 the counterparty exposure calculated using the positive marked-to-market value for the derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Interest rate swaps £000	Total by counterparty £000
BNP Paribas	3	-	-	3
Citigroup	-	-	7	7
UBS	-	1	-	1
	3	1	7	11

2022

As at 30 June 2022 the counterparty exposure calculated using the positive marked-to-market value for the derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Interest rate swaps £000	Overnight index swaps £000	Total by counterparty £000
BNP Paribas	53	-	-	-	53
Goldman Sachs	-	-	3	-	3
JP Morgan Chase	13	-	-	246	259
Salomon Brothers	-	-	-	208	208
UBS	-	11	-	-	11
	66	11	3	454	534

15 Risk

Currency risk

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

Notes to the financial statements (continued)

15 Risk (continued)

Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2023				
Australian dollar	39	-	2	41
Euro	37	-	1	38
Swedish krona	6	-	16	22
UK sterling	101	65,904	734	66,739
US dollar	189	-	2	191
Total	372	65,904	755	67,031
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
2022				
Euro	70	-	11	81
Indonesian rupiah	-	933	21	954
Japanese yen	283	-	-	283
Korean won	-	-	3	3
Swedish krona	37	-	2	39
Swiss franc	245	-	-	245
UK sterling	719	59,334	4,766	64,819
US dollar	32	-	65	97
Total	1,386	60,267	4,868	66,521
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2023				
Australian dollar	-	-	4	4
Euro	1	-	-	1
Swedish krona	23	-	5	28
UK sterling	-	-	21	21
US dollar	-	-	100	100
Total	24	-	130	154
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
2022				
Chinese yuan	-	-	39	39
Euro	24	-	-	24
Japanese yen	282	-	21	303
Korean won	-	-	3	3
Swedish krona	5	-	-	5
Swiss franc	206	-	1	207
UK sterling	306	-	102	408
US dollar	44	-	8	52
Total	867	-	174	1,041

Notes to the financial statements (continued)

15 Risk (continued)

Credit ratings

	Market value £000	Percentage of total net assets %
2023		
Investments		
Investment grade (AAA - BBB)	65,904	98.55
Total debt securities	65,904	98.55
Collective investment schemes	383	0.57
Derivatives	(103)	(0.16)
Investment assets including investment liabilities	66,184	98.96
Other net assets	693	1.04
Total net assets	66,877	100.00
	Market value £000	Percentage of total net assets %
2022		
Investments		
Investment grade (AAA - BBB)	60,267	92.03
Total debt securities	60,267	92.03
Collective investment schemes	4,479	6.84
Derivatives	(288)	(0.43)
Investment assets including investment liabilities	64,458	98.44
Other net assets	1,022	1.56
Total net assets	65,480	100.00

Sensitivity analysis

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

VaR results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%		%	%	%
2023	96.08	107.26	102.56	200	48.04	53.63	51.28
2022	92.02	105.01	98.16	200	46.01	52.50	49.08

Leverage

	Minimum	Maximum	Average
	%	%	%
2023	10.64	157.67	45.35
2022	91.52	175.29	134.53

Notes to the financial statements (continued)

15 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2023				
Amounts held at derivatives clearing houses and brokers	24	-	-	-
Derivative financial liabilities	-	114	-	-
Distribution payable	-	7	-	-
Other creditors	-	9	-	-
Total	24	130	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2022				
Amounts held at derivatives clearing houses and brokers	193	-	-	-
Derivative financial liabilities	-	148	529	145
Distribution payable	-	3	-	-
Other creditors	-	23	-	-
Total	193	174	529	145

16 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2023		2022	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	65,905*	113	59,345*	83
Level 2	393	1	5,935	739
Level 3	-	-	-	-
	66,298	114	65,280	822

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £65,903,972 as at 30 June 2023 (2022: £59,345,131).

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trades in the year				
Collective investment schemes	-	3,280	3,254	-
Debt securities	31,714	16,098	15,674	11,311
Trades in the year before transaction costs	31,714	19,378	18,928	11,311
Transaction costs				
Commissions				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Total commissions	-	-	-	-
Taxes				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Total taxes	-	-	-	-
Other expenses				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	-	-	-	-
Total net trades in the year after transaction costs	31,714	19,378	18,928	11,311

	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Taxes				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-
Other expenses				
Collective investment schemes	-	-	-	-
Debt securities	-	-	-	-

	2023	2022
	%	%
Total transaction costs expressed as a percentage of net asset value		
Commissions	-	-
Taxes	-	-
Other expenses	-	-
Total costs	-	-

Notes to the financial statements (continued)

17 Direct transaction costs (continued)

There were no in specie transfers during the year (2022: nil). There were no corporate actions during the year (2022: nil).

There were direct transaction costs associated with derivatives in the year of £919 (2022: £1,342) which is 0.00% of the average net asset value of the fund (2022: 0.00%).

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

The costs of acquiring and disposing of units/shares in other collective investment schemes are included within the expense ratio which is an intrinsic part of the NAV price per unit/share of the underlying fund.

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

The portfolio dealing spread as at 30 June 2023 was 0.00% (2022: 0.01%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

The future of the fund is being considered by the ACD. Shareholders will be contacted in due course.

Distribution tables for the year ended 30 June 2023 (in pence per share)

Interim interest distribution (accounting date 30 September 2022, paid on 30 November 2022)

Group 1: shares purchased prior to 1 July 2022

Group 2: shares purchased on or after 1 July 2022

	Distribution per share	Equalisation	Total distribution per share 30/11/22	Total distribution per share 30/11/21
Class A income				
Group 1	0.3624	-	0.3624	0.1336
Group 2	0.0935	0.2689	0.3624	0.1336
Class D accumulation				
Group 1	0.4466	-	0.4466	0.3295
Group 2	0.2064	0.2402	0.4466	0.3295
Class E income				
Group 1	0.4748	-	0.4748	0.2729
Group 2	0.2747	0.2001	0.4748	0.2729
Class I accumulation				
Group 1	0.8982	-	0.8982	0.5826
Group 2	0.4876	0.4106	0.8982	0.5826
Class I income				
Group 1	0.5343	-	0.5343	0.3477
Group 2	0.3177	0.2166	0.5343	0.3477
Class Z accumulation				
Group 1	0.7292	-	0.7292	0.6348
Group 2	0.1684	0.5608	0.7292	0.6348

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2022, paid on 28 February 2023)

Group 1: shares purchased prior to 1 October 2022

Group 2: shares purchased on or after 1 October 2022

	Distribution per share	Equalisation	Total distribution per share 28/02/23	Total distribution per share 28/02/22
Class A income				
Group 1	0.5578	-	0.5578	0.0648
Group 2	0.2307	0.3271	0.5578	0.0648
Class D accumulation				
Group 1	0.5836	-	0.5836	0.2749
Group 2	0.3673	0.2163	0.5836	0.2749
Class E income				
Group 1	0.6607	-	0.6607	0.2021
Group 2	0.2583	0.4024	0.6607	0.2021
Class I accumulation				
Group 1	1.2035	-	1.2035	0.4649
Group 2	1.0872	0.1163	1.2035	0.4649
Class I income				
Group 1	0.7127	-	0.7127	0.2767
Group 2	0.3515	0.3612	0.7127	0.2767
Class Z accumulation				
Group 1	0.9236	-	0.9236	0.5536
Group 2	0.6724	0.2512	0.9236	0.5536

Distribution tables (continued)

Interim interest distribution (accounting date 31 March 2023, paid on 31 May 2023)

Group 1: shares purchased prior to 1 January 2023

Group 2: shares purchased on or after 1 January 2023

	Distribution per share	Equalisation	Total distribution per share 31/05/23	Total distribution per share 31/05/22
Class A income				
Group 1	0.5804	-	0.5804	0.1198
Group 2	0.1876	0.3928	0.5804	0.1198
Class D accumulation				
Group 1	0.6013	-	0.6013	0.3028
Group 2	0.2565	0.3448	0.6013	0.3028
Class E income				
Group 1	0.6815	-	0.6815	0.2485
Group 2	0.2591	0.4224	0.6815	0.2485
Class I accumulation				
Group 1	1.2423	-	1.2423	0.5323
Group 2	0.5823	0.6600	1.2423	0.5323
Class I income				
Group 1	0.7333	-	0.7333	0.3179
Group 2	0.2114	0.5219	0.7333	0.3179
Class Z accumulation				
Group 1	0.9490	-	0.9490	0.5850
Group 2	0.3752	0.5738	0.9490	0.5850

Distribution tables (continued)

Final interest distribution (accounting date 30 June 2023, paid on 31 August 2023)

Group 1: shares purchased prior to 1 April 2023

Group 2: shares purchased on or after 1 April 2023

	Distribution per share	Equalisation	Total distribution per share 31/08/23	Total distribution per share 31/08/22
Class A income				
Group 1	0.6143	-	0.6143	0.1452
Group 2	0.1949	0.4194	0.6143	0.1452
Class D accumulation				
Group 1	0.6271	-	0.6271	0.2973
Group 2	0.2694	0.3577	0.6271	0.2973
Class E income				
Group 1	0.7140	-	0.7140	0.2659
Group 2	0.2529	0.4611	0.7140	0.2659
Class I accumulation				
Group 1	1.2991	-	1.2991	0.5538
Group 2	0.9695	0.3296	1.2991	0.5538
Class I income				
Group 1	0.7633	-	0.7633	0.3298
Group 2	0.2807	0.4826	0.7633	0.3298
Class Z accumulation				
Group 1	0.9857	-	0.9857	0.5342
Group 2	0.8159	0.1698	0.9857	0.5342

Janus Henderson Strategic Bond Fund

Authorised Corporate Director's report

Investment Fund Managers

Jenna Barnard and John Pattullo

Investment objective and policy

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

Performance target: To outperform the IA Sterling Strategic Bond Sector average, after the deduction of charges, over any 5 year period.

The fund invests in a global portfolio of bonds of any quality, including high yield (non-investment grade) bonds, issued by governments or companies. Where investments are made in assets in currencies other than the base currency of the fund, the fund will seek to hedge those assets back to the base currency to remove the risk of currency exchange rate movements. The fund may also hold other assets including bonds of other types from any issuer, preference shares, cash and money market instruments.

In certain market conditions, the fund may invest more than 35% of its assets in government bonds issued by any one body. The Investment Manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the fund's objective, to reduce risk or to manage the fund more efficiently.

The fund is actively managed with reference to the IA Sterling Strategic Bond Sector average, which is based on a peer group of broadly similar funds, as this forms the basis of the fund's performance target. The Investment Manager has complete freedom to choose individual investments for the fund and to vary allocations between different types of bonds.

Strategy

The Investment Manager follows a flexible strategy that seeks to deliver total returns (capital appreciation and income) from investments across the entire spectrum of fixed income assets. Using careful macroeconomic research and credit analysis, the portfolio managers actively vary the allocation to different types of bonds to suit the prevailing economic environment.

Performance summary

Cumulative performance

	One year	Three years	Five years	Since inception
	30 Jun 22 -	30 Jun 20 -	30 Jun 18 -	31 Jan 95 -
	30 Jun 23	30 Jun 23	30 Jun 23	30 Jun 23
	%	%	%	%
Class I accumulation (Net)	(5.8)	(13.6)	(1.4)	127.1
IA Sterling Strategic Bond Sector	(0.2)	(5.0)	2.9	93.4

Discrete performance

	30 Jun 22 -	30 Jun 21 -	30 Jun 20 -	30 Jun 19 -	30 Jun 18 -
	30 Jun 23	30 Jun 22	30 Jun 21	30 Jun 20	30 Jun 19
	%	%	%	%	%
Class I accumulation (Net)	(5.8)	(13.0)	5.4	6.2	7.5
IA Sterling Strategic Bond Sector	(0.2)	(10.8)	6.7	3.1	5.1

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

Source: Morningstar

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

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

Benchmark usage:

Index: IA Sterling Strategic Bond Sector

Index usage: Target

Index description: The IA group funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) forms the basis for the fund's performance target.

Past performance does not predict future returns. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 30 June 2023

Largest purchases	£000	Largest sales/maturities	£000
UK Treasury 4.25% 07/06/2032	198,692	US Treasury 2.50% 31/03/2027	136,042
US Treasury 2.875% 15/05/2032	135,341	US Treasury 2.875% 15/05/2032	111,257
UK Treasury 1.25% 22/07/2027	88,550	US Treasury 1.375% 31/12/2028	91,799
UK Treasury 1.00% 22/04/2024	84,023	US Treasury 1.50% 31/01/2027	90,322
UK Treasury 0.125% 15/09/2023	71,104	UK Treasury 1.00% 22/04/2024	84,551
US Treasury 3.25% 30/06/2029	62,624	UK Treasury 1.25% 22/07/2027	70,012
US Treasury 3.00% 31/07/2024	62,137	UK Treasury 4.25% 07/06/2032	68,806
UK Treasury 0.625% 22/10/2050	61,640	US Treasury 3.00% 31/07/2024	66,480
Germany (Federal Republic of) 2.30% 15/02/2033	48,829	UK Treasury 0.125% 15/09/2023	65,044
US Treasury 1.25% 31/03/2028	43,414	US Treasury 3.25% 30/06/2029	58,262
Total purchases	1,772,556	Total sales/maturities	1,723,492

Investment review

The fund fell 5.8% based on Class I accumulation (Net) over the year under review, compared with a fall of 0.2% in the IA Sterling Strategic Bond Sector peer group benchmark.

The reporting year was characterised as late cycle: asset classes were pushed and pulled around, while cash on deposit was very competitive. This, of course, is how monetary policy is meant to work. Central bankers have reacted in a delayed and panicky way to the excessive monetary and fiscal policy since COVID-19 lockdown. Excess fiscal stimulus was compounded by numerous supply side bottlenecks, which was further compounded by the Ukraine war and led to a significant inflationary problem. The initial response to a 'transitory' inflation shock changed in late summer as the Fed became increasingly concerned about runaway inflation and that inflation expectations would become unanchored. Robust employment markets confounded policy makers and commentators alike. European economies lagged, as did the ECB policy response, which became aggressive albeit from an historically low starting point. Monetary policy, of course, famously has long and variable lags and central banks have generally lacked the patience to wait for the evidence that policy was having its desired effect.

Inflation, unemployment and default rates have lagged economic indicators and headline and core inflation have, so far, been the only ones to have peaked and started falling reasonably fast – more so in the US than Europe. The UK has faced a dreadful trade-off between growth and inflation and has encountered a number of specific issues. Volatility in the UK gilt market was wild as investors took fright at the Liz Truss mini-budget debacle. Global markets began signalling classic recessionary warning signs – inverted yield curves, falling money supply growth, falling commodity prices and a reasonably firm US dollar. Real interest rates have become very restrictive. Having said that, we were surprised by the resilience of labour markets, the 'semi-persistence' of core inflation and the robustness of credit markets. The Silicon Valley Bank and Credit Suisse banking runs rattled markets, although only for a short period of time. We have been surprised by relative strength of economies, probably because during inflationary recessions, sales growth holds up pretty well while employees confuse nominal wage gains with real ones. At the time of writing, we were increasingly concerned about the rising number of profit warnings from a range of cyclical sectors (chemicals, packaging, recruitment businesses, etc). Europe has entered a recession and the Chinese reopening has been patchy at best.

The fund was poorly positioned for this 'risk on' environment. We remained surprised at the resilience of markets compared with economic reality. Sovereign bonds, in which the fund had an overweight position, underperformed high yield and investment grade, where we were underweight relative to the peer group. This divergence was very wide and unusual at this time in this unusual cycle. In hindsight, we were too early into this defensive positioning and were surprised by the need for central banks to keep raising rates to stifle inflation and smother employment markets. Counterintuitively, equities and risk performed very well against this fading backdrop as commentators appeared to dismiss a hard or soft economic landing in favour of a no landing scenario. The highest beta high yield performed the best. US CCC rated bonds rose by more than 9%, and the broader US high yield market gained 7.2%. Investment grade was broadly flat, while US Treasury bonds were weak, falling by more than 3%. Gilts were exceptionally poor, declining by more than 15%, which compared with a 3% drop in European sovereign bonds. The fund had some limited exposure to gilts and sterling-based corporate bonds, which were significant detractors as the magnitude of the gilt market underperformance was exceptionally large.

Activity was fairly limited as we felt positioning was appropriate for the deteriorating economic outlook. Broadly speaking, we increased interest rate sensitivity (duration) to more than nine years and the bulk was held in the US, which seemed better progressed in monetary policy terms. The Fed also seemed more coherent than its European counterparts. We thinned the high-yield and investment-grade credit books materially. In the autumn, given the inverted yield curve, we allocated around 10% into short-dated bonds in the 5-7% yield area for five years and less. We also had an exposure to residential mortgage-backed securities (US mortgage bonds), given their relative appeal. Interest rate futures were used actively to efficiently add synthetic exposure. Credit derivatives were used from both the long and more recently short risk side.

Bonds are a reflexive asset class. The more central banks hike rates, the tougher the medicine, and the bigger the potential cost in lost output and unemployment. Some commentators suggest we have only seen around one-third of the effect of the hikes so far. A recession seems inevitable. Recessions are non-linear and are hard to model. It is possible Europe may be more vulnerable than the US. The next six months will be crucial to see how this plays out. Soon, employment markets could break and/or something else could break in the economy and then bonds would start to perform as investors focus less on inflation and more on the lack of growth.

Comparative tables for the year ended 30 June 2023

	Class A income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	109.33	129.79	128.28
Return before operating charges*	(5.81)	(14.99)	7.75
Operating charges	(1.50)	(1.79)	(1.88)
Return after operating charges*	(7.31)	(16.78)	5.87
Distributions on income shares	(3.12)	(3.68)	(4.36)
Closing net asset value per share	98.90	109.33	129.79
* after direct transaction costs of:	0.01	0.01	-

Performance

Return after charges	(6.69%)	(12.93%)	4.58%
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Other information

Closing net asset value (£000s)	70,528	92,707	120,167
Closing number of shares	71,313,899	84,792,692	92,584,481
Operating charges	1.43%	1.43%	1.43%
Direct transaction costs	0.01%	0.00%	0.00%

Prices

Highest share price (pence)	114.30	132.30	134.40
Lowest share price (pence)	98.53	107.70	128.20

	Class E income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	110.99	131.10	128.93
Return before operating charges*	(5.93)	(15.20)	7.80
Operating charges	(0.99)	(1.18)	(1.23)
Return after operating charges*	(6.92)	(16.38)	6.57
Distributions on income shares	(3.17)	(3.73)	(4.40)
Closing net asset value per share	100.90	110.99	131.10
* after direct transaction costs of:	0.01	0.01	-

Performance

Return after charges	(6.23%)	(12.49%)	5.10%
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Other information

Closing net asset value (£000s)	5,861	6,467	8,045
Closing number of shares	5,809,087	5,826,202	6,136,298
Operating charges	0.93%	0.93%	0.93%
Direct transaction costs	0.01%	0.00%	0.00%

Prices

Highest share price (pence)	116.10	133.80	135.50
Lowest share price (pence)	100.20	109.30	129.20

Comparative tables (continued)

	Class G accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	326.35	372.52	353.00
Return before operating charges*	(17.58)	(44.23)	21.50
Operating charges	(1.71)	(1.94)	(1.98)
Return after operating charges*	(19.29)	(46.17)	19.52
Distributions on accumulation shares	(9.90)	(11.28)	(13.01)
Retained distributions on accumulation shares	9.90	11.28	13.01
Closing net asset value per share	307.06	326.35	372.52
* after direct transaction costs of:	0.02	0.02	-

Performance

Return after charges	(5.91%)	(12.39%)	5.53%
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Other information

Closing net asset value (£000s)	39,742	35,743	18,354
Closing number of shares	12,942,509	10,952,403	4,926,902
Operating charges	0.54%	0.54%	0.54%
Direct transaction costs	0.01%	0.00%	0.00%

Prices

Highest share price (pence)	341.60	380.50	375.10
Lowest share price (pence)	296.90	318.60	353.80

	Class G income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	115.83	136.48	133.91
Return before operating charges*	(6.21)	(15.86)	8.24
Operating charges	(0.60)	(0.71)	(0.74)
Return after operating charges*	(6.81)	(16.57)	7.50
Distributions on income shares	(3.47)	(4.08)	(4.93)
Closing net asset value per share	105.55	115.83	136.48
* after direct transaction costs of:	0.01	0.01	-

Performance

Return after charges	(5.88%)	(12.14%)	5.60%
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Other information

Closing net asset value (£000s)	417,520	277,127	270,166
Closing number of shares	395,561,204	239,257,803	197,954,588
Operating charges	0.54%	0.54%	0.54%
Direct transaction costs	0.01%	0.00%	0.00%

Prices

Highest share price (pence)	121.20	139.40	140.80
Lowest share price (pence)	104.60	114.10	134.20

Comparative tables (continued)

	Class I accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	344.28	393.64	373.59
Return before operating charges*	(18.52)	(46.68)	22.77
Operating charges	(2.34)	(2.68)	(2.72)
Return after operating charges*	(20.86)	(49.36)	20.05
Distributions on accumulation shares	(10.23)	(11.68)	(13.24)
Retained distributions on accumulation shares	10.23	11.68	13.24
Closing net asset value per share	323.42	344.28	393.64
* after direct transaction costs of:	0.02	0.02	-

Performance

Return after charges	(6.06%)	(12.54%)	5.37%
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Other information

Closing net asset value (£000s)	1,329,553	1,457,079	1,501,864
Closing number of shares	411,094,675	423,219,163	381,533,676
Operating charges	0.70%	0.70%	0.70%
Direct transaction costs	0.01%	0.00%	0.00%

Prices

Highest share price (pence)	360.30	401.90	396.70
Lowest share price (pence)	313.10	336.10	374.40

	Class I income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	122.08	143.99	141.39
Return before operating charges*	(6.52)	(16.73)	8.56
Operating charges	(0.82)	(0.97)	(1.02)
Return after operating charges*	(7.34)	(17.70)	7.54
Distributions on income shares	(3.59)	(4.21)	(4.94)
Closing net asset value per share	111.15	122.08	143.99
* after direct transaction costs of:	0.01	0.01	-

Performance

Return after charges	(6.01%)	(12.29%)	5.33%
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Other information

Closing net asset value (£000s)	792,398	1,067,779	1,353,436
Closing number of shares	712,886,017	874,620,842	939,939,538
Operating charges	0.70%	0.70%	0.70%
Direct transaction costs	0.01%	0.00%	0.00%

Prices

Highest share price (pence)	127.80	147.00	148.70
Lowest share price (pence)	110.20	120.20	141.70

Comparative tables (continued)

	Class Z accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	384.05	436.22	411.27
Return before operating charges*	(20.74)	(52.00)	25.12
Operating charges	(0.15)	(0.17)	(0.17)
Return after operating charges*	(20.89)	(52.17)	24.95
Distributions on accumulation shares	(11.68)	(13.22)	(14.89)
Retained distributions on accumulation shares	11.68	13.22	14.89
Closing net asset value per share	363.16	384.05	436.22
* after direct transaction costs of:	0.02	0.02	-
Performance			
Return after charges	(5.44%)	(11.96%)	6.07%
Other information			
Closing net asset value (£000s)	6,661	8,120	10,206
Closing number of shares	1,834,197	2,114,345	2,339,605
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.01%	0.00%	0.00%
Prices			
Highest share price (pence)	402.10	446.00	438.20
Lowest share price (pence)	350.00	374.80	412.20

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

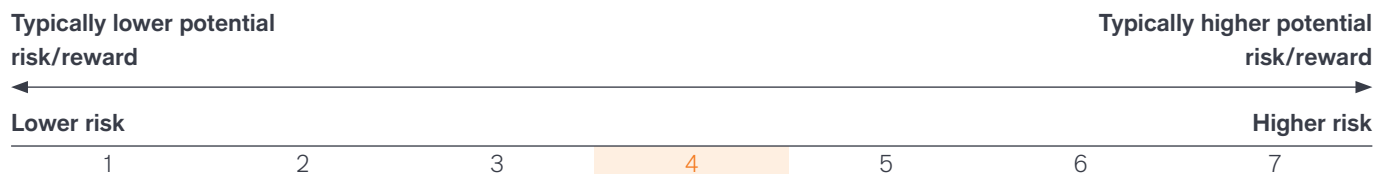
	2023 %	2022 %
Class A income	1.43	1.43
Class E income	0.93	0.93
Class G accumulation	0.54	0.54
Class G income	0.54	0.54
Class I accumulation	0.70	0.70
Class I income	0.70	0.70
Class Z accumulation	0.04	0.04

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

Risk and reward profile

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

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



The share classes appear at 4 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in Net Asset Value in the past five years than those in lower categories. The lowest category does not mean risk free.

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

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

The rating above is based on the historic volatility of the share classes. Historic data may not be a reliable indication of the future risk profile of the fund. The rating is not guaranteed and may change over time.

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

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

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

* Class E income launched on 8 July 2019, Class G accumulation and Class G income launched on 5 May 2020. As these share classes do not have a five year history, a synthetic history has been created for Class E income using the A income share class and for Class G accumulation and Class G income using the fund's sector average.

Portfolio statement as at 30 June 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 0.56% (2022: 0.63%)		
	United Kingdom 0.56% (2022: 0.63%)		
	Financials 0.56% (2022: 0.63%)		
130,350	Nationwide Building Society CCDS	14,909	0.56
	Bonds 95.60% (2022: 91.20%)		
	Australia 10.03% (2022: 8.73%)		
	Fixed Rate Bond 10.03% (2022: 8.73%)		
AUD 89,978,000	Australia (Commonwealth of) 0.25% 21/11/2025	43,014	1.62
AUD 52,830,000	Australia (Commonwealth of) 0.50% 21/09/2026	24,739	0.93
AUD 70,000,000	Australia (Commonwealth of) 1.00% 21/12/2030	29,593	1.11
AUD 140,000,000	Australia (Commonwealth of) 1.25% 21/05/2032	58,202	2.19
AUD 60,000,000	Australia (Commonwealth of) 1.75% 21/06/2051	18,263	0.69
AUD 90,000,000	Australia (Commonwealth of) 1.75% 21/11/2032	38,780	1.46
AUD 128,122,000	Australia (Commonwealth of) 2.75% 21/05/2041	54,073	2.03
		266,664	10.03
	Belgium 0.88% (2022: 0.35%)		
	Fixed Rate Bond 0.88% (2022: 0.35%)		
EUR 10,260,000	Anheuser-Busch InBev 2.70% 31/03/2026	8,568	0.32
USD 7,090,000	Anheuser-Busch InBev 4.70% 01/02/2036	5,422	0.20
USD 8,220,000	Anheuser-Busch InBev 3.50% 01/06/2030	6,008	0.23
AUD 7,000,000	Anheuser-Busch InBev 4.10% 06/09/2027	3,524	0.13
		23,522	0.88
	Canada 6.54% (2022: 5.41%)		
	Fixed Rate Bond 6.54% (2022: 5.41%)		
USD 7,715,000	1011778 BC 3.50% 15/02/2029	5,322	0.20
CAD 88,000,000	Canada (Government of) 1.00% 01/09/2026	47,732	1.79
CAD 90,000,000	Canada (Government of) 1.25% 01/03/2027	48,755	1.83
CAD 90,000,000	Canada (Government of) 1.25% 01/06/2030	46,515	1.75
CAD 48,000,000	Canada (Government of) 2.00% 01/06/2032	25,672	0.97
		173,996	6.54
	France 0.64% (2022: 0.72%)		
	Fixed Rate Bond 0.64% (2022: 0.67%)		
GBP 9,500,000	BNP Paribas 5.75% 13/06/2032	8,996	0.34
GBP 4,400,000	Électricité de France 5.50% 25/01/2035	3,922	0.14
EUR 5,100,000	Orange 1.125% 15/07/2024	4,249	0.16
		17,167	0.64
	Variable Rate Bond 0.00% (2022: 0.05%)		
	Germany 2.29% (2022: 3.34%)		
	Fixed Rate Bond 2.29% (2022: 2.66%)		
EUR 30,149,214	Germany (Federal Republic of) 0.00% 15/08/2050	13,850	0.52
EUR 55,225,005	Germany (Federal Republic of) 2.30% 15/02/2033	46,986	1.77
		60,836	2.29

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Variable Rate Bond 0.00% (2022: 0.68%)		
	Ireland 0.00% (2022: 0.07%)		
	Fixed Rate Bond 0.00% (2022: 0.07%)		
	Netherlands 0.54% (2022: 1.64%)		
	Fixed Rate Bond 0.54% (2022: 1.44%)		
USD 7,180,000	Coöperatieve Rabobank 3.75% 21/07/2026	5,269	0.20
USD 12,220,000	Heineken 3.50% 29/01/2028	9,140	0.34
		<u>14,409</u>	<u>0.54</u>
	Variable Rate Bond 0.00% (2022: 0.07%)		
	Stepped Rate Bond 0.00% (2022: 0.13%)		
	New Zealand 1.62% (2022: 1.62%)		
	Fixed Rate Bond 1.62% (2022: 1.62%)		
NZD 75,000,000	New Zealand (Government of) 1.50% 15/05/2031	28,850	1.08
NZD 30,000,000	New Zealand (Government of) 4.50% 15/04/2027	14,356	0.54
		<u>43,206</u>	<u>1.62</u>
	Spain 0.42% (2022: 0.65%)		
	Fixed Rate Bond 0.42% (2022: 0.65%)		
EUR 14,470,000	Lorca Telecom 4.00% 18/09/2027	11,305	0.42
	Sweden 0.79% (2022: 1.29%)		
	Fixed Rate Bond 0.79% (2022: 1.29%)		
SEK 100,000,000	Sweden (Kingdom of) 1.75% 11/11/2033	6,775	0.26
SEK 200,000,000	Sweden (Kingdom of) 2.25% 01/06/2032	14,211	0.53
		<u>20,986</u>	<u>0.79</u>
	Switzerland 2.89% (2022: 0.55%)		
	Fixed Rate Bond 1.90% (2022: 0.55%)		
CHF 60,000,000	Switzerland (Government of) 0.50% 27/06/2032	50,647	1.90
	Variable Rate Bond 0.99% (2022: 0.00%)		
USD 26,950,000	UBS 4.49% 05/08/2025	20,717	0.78
USD 7,090,000	UBS 5.959% 12/01/2034	5,537	0.21
		<u>26,254</u>	<u>0.99</u>
	United Kingdom 22.95% (2022: 15.83%)		
	Fixed Rate Bond 18.55% (2022: 11.50%)		
USD 14,973,000	Bacardi 4.45% 15/05/2025	11,471	0.43
USD 18,991,000	Bacardi 4.70% 15/05/2028	14,477	0.54
GBP 23,605,000	BUPA Finance 4.125% 14/06/2035	17,419	0.65
GBP 2,950,000	BUPA Finance 5.00% 08/12/2026	2,733	0.10
USD 3,914,000	Diageo Capital 2.00% 29/04/2030	2,592	0.10
GBP 12,090,000	Diageo Finance 2.875% 27/03/2029	10,443	0.39
AUD 12,090,000	Lloyds Bank 4.25% 22/11/2027	5,849	0.22
USD 19,380,000	Nationwide Building Society 1.00% 28/08/2025	13,749	0.52
GBP 4,720,000	NatWest 6.375% 08/11/2027	4,633	0.17

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
GBP 10,570,000	NatWest 6.625% 22/06/2026	10,465	0.39
GBP 2,515,000	Scottish Widows 7.00% 16/06/2043	2,414	0.09
EUR 5,600,000	Sky 2.50% 15/09/2026	4,604	0.17
USD 1,008,000	Tesco 6.15% 15/11/2037	786	0.03
GBP 9,180,571	Tesco Property Finance 5.744% 13/04/2040	8,497	0.32
GBP 7,280,000	Tesco Treasury Services 2.75% 27/04/2030	5,861	0.22
GBP 128,997,834	UK Treasury 0.625% 22/10/2050	52,329	1.97
GBP 80,000,000	UK Treasury 1.25% 22/07/2027	69,472	2.61
GBP 47,000,000	UK Treasury 1.625% 22/10/2028	40,345	1.52
GBP 192,231,722	UK Treasury 4.25% 07/06/2032	191,216	7.18
GBP 6,530,000	Unilever 1.50% 22/07/2026	5,776	0.22
GBP 8,230,000	Virgin Media 4.125% 15/08/2030	6,337	0.24
GBP 14,824,000	Virgin Media 5.25% 15/05/2029	12,504	0.47
		<u>493,972</u>	<u>18.55</u>
Secured Loans 0.00% (2022: 0.23%)¹			
Stepped Rate Bond 0.00% (2022: 0.30%)			
Variable Rate Bond 4.40% (2022: 3.80%)			
GBP 5,330,000	Aviva 4.00% 03/06/2055	3,978	0.15
USD 8,950,000	Barclays 6.278% Perpetual	6,811	0.26
GBP 15,302,000	BUPA Finance 4.00% Perpetual	9,031	0.34
GBP 14,113,000	Lloyds Bank 2.707% 03/12/2035	10,193	0.38
USD 14,080,000	Lloyds Bank 3.369% 14/12/2046	7,307	0.27
USD 14,800,000	Lloyds Bank 4.716% 11/08/2026	11,308	0.42
GBP 7,950,000	Lloyds Bank 6.625% 02/06/2033	7,524	0.28
GBP 12,800,000	Nationwide Building Society 6.178% 07/12/2027	12,382	0.47
USD 5,783,000	NatWest 5.847% 02/03/2027	4,498	0.17
USD 24,148,000	NatWest 7.472% 10/11/2026	19,423	0.73
USD 21,275,000	Santander 6.833% 21/11/2026	16,764	0.63
GBP 8,170,000	Santander 7.098% 16/11/2027	8,013	0.30
		<u>117,232</u>	<u>4.40</u>
United States 46.01% (2022: 51.00%)			
Asset Backed 5.49% (2022: 0.00%)			
USD 4,375,998	Fannie Mae Pool 3.00% 01/01/2052	3,062	0.12
USD 46,901,377	Fannie Mae Pool 3.00% 01/04/2052	32,732	1.23
USD 22,355,992	Fannie Mae Pool 3.00% 01/06/2052	15,472	0.58
USD 15,950,965	Fannie Mae Pool 3.00% 01/09/2050	11,115	0.42
USD 3,613,361	Fannie Mae Pool 3.50% 01/02/2051	2,627	0.10
USD 14,100,744	Fannie Mae Pool 3.50% 01/05/2049	10,187	0.38
USD 8,146,977	Fannie Mae Pool 3.50% 01/08/2052	5,900	0.22
USD 4,254,772	Fannie Mae Pool 4.50% 01/09/2052	3,251	0.12
USD 15,739,922	Fannie Mae Pool A 3.50% 01/09/2052	11,411	0.43
USD 4,428,926	Fannie Mae Pool B 3.50% 01/09/2052	3,198	0.12
USD 22,765,633	Freddie Mac Pool 3.00% 01/11/2051	15,809	0.59
USD 8,020,070	Freddie Mac Pool 3.50% 01/04/2052	5,802	0.22
USD 3,798,009	Freddie Mac Pool 4.00% 01/08/2052	2,835	0.11

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Asset Backed (continued)			
USD 8,600,849	Freddie Mac Pool A 3.00% 01/05/2052	6,051	0.23
USD 23,684,161	Freddie Mac Pool B 3.00% 01/05/2052	16,613	0.62
		<u>146,065</u>	<u>5.49</u>
Fixed Rate Bond 39.91% (2022: 50.52%)			
EUR 5,140,000	Abbott Ireland Financing 1.50% 27/09/2026	4,122	0.15
USD 10,640,000	AbbVie 4.50% 14/05/2035	7,948	0.30
USD 18,710,000	Alphabet 1.10% 15/08/2030	11,901	0.45
USD 71,446,000	Alphabet 1.998% 15/08/2026	51,997	1.95
USD 9,913,000	Alphabet 2.05% 15/08/2050	4,863	0.18
USD 14,240,000	American Tower 3.60% 15/01/2028	10,310	0.39
USD 3,687,000	Amgen 5.25% 02/03/2030	2,905	0.11
USD 10,602,000	Amgen 5.25% 02/03/2033	8,350	0.31
CAD 20,000,000	Apple 2.513% 19/08/2024	11,527	0.43
USD 25,000,000	Apple 2.90% 12/09/2027	18,443	0.69
USD 3,545,000	Apple 3.35% 09/02/2027	2,677	0.10
USD 35,500,000	AT&T 2.55% 01/12/2033	21,934	0.82
USD 7,090,000	AT&T 4.50% 15/05/2035	5,124	0.19
EUR 9,300,000	Avantor Funding 3.875% 15/07/2028	7,295	0.27
USD 15,293,000	Avantor Funding 4.625% 15/07/2028	11,153	0.42
USD 21,049,000	Ball 2.875% 15/08/2030	13,717	0.52
USD 3,640,000	Ball 4.875% 15/03/2026	2,785	0.10
USD 18,730,000	Ball 5.25% 01/07/2025	14,544	0.55
USD 3,600,000	Bank of America 4.20% 26/08/2024	2,778	0.10
EUR 8,250,000	Berkshire Hathaway 0.00% 12/03/2025	6,623	0.25
USD 2,045,000	Booking 3.55% 15/03/2028	1,510	0.06
EUR 18,437,000	Booking 4.00% 15/11/2026	15,844	0.60
USD 14,089,000	Centene 2.50% 01/03/2031	8,837	0.33
USD 13,614,000	Centene 2.625% 01/08/2031	8,533	0.32
USD 8,467,000	Centene 3.00% 15/10/2030	5,550	0.21
EUR 4,800,000	Coca-Cola 1.625% 09/03/2035	3,374	0.13
USD 13,000,000	Coca-Cola 2.125% 06/09/2029	8,955	0.34
EUR 2,650,000	Comcast 0.00% 14/09/2026	2,009	0.08
USD 11,934,000	Crowdstrike 3.00% 15/02/2029	8,095	0.30
USD 2,788,000	Crown Americas 4.25% 30/09/2026	2,090	0.08
USD 1,810,000	Crown Americas 4.75% 01/02/2026	1,382	0.05
USD 13,434,000	Crown Castle International 2.25% 15/01/2031	8,608	0.32
USD 6,880,000	Crown Castle International 3.10% 15/11/2029	4,710	0.18
USD 9,644,000	Crown Castle International 3.65% 01/09/2027	7,089	0.27
USD 8,590,000	Crown Castle International 3.80% 15/02/2028	6,296	0.24
USD 15,993,000	Dell International 5.85% 15/07/2025	12,623	0.47
USD 21,560,000	Dell International 6.02% 15/06/2026	17,232	0.65
USD 8,900,000	Elanco Animal Health 4.90% 28/08/2028	6,792	0.26
USD 24,342,000	Elevance Health 2.25% 15/05/2030	16,030	0.60
USD 30,776,000	Equinix 3.20% 18/11/2029	21,242	0.79
USD 21,741,000	Experian Finance 2.75% 08/03/2030	14,584	0.55
GBP 1,900,000	Experian Finance 3.25% 07/04/2032	1,580	0.06
USD 20,169,000	Experian Finance 4.25% 01/02/2029	15,022	0.56
EUR 4,740,000	Fiserv 1.625% 01/07/2030	3,453	0.13
USD 3,840,000	Fiserv 2.65% 01/06/2030	2,573	0.10

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
USD 6,103,000	Fiserv 3.50% 01/07/2029	4,376	0.16
USD 5,572,000	Fiserv 5.45% 02/03/2028	4,404	0.17
USD 8,715,000	Gartner 3.75% 01/10/2030	5,971	0.22
USD 34,075,000	GE Healthcare Technologies 5.55% 15/11/2024	26,665	1.00
USD 8,803,000	HCA 3.625% 15/03/2032	6,008	0.23
USD 11,563,000	HCA 4.125% 15/06/2029	8,411	0.32
USD 7,834,000	HCA 5.25% 15/06/2026	6,093	0.23
USD 17,190,000	HCA 5.375% 01/02/2025	13,399	0.50
USD 2,467,000	HCA 5.875% 01/02/2029	1,953	0.07
USD 17,950,000	Intercontinental Exchange 1.85% 15/09/2032	10,884	0.41
EUR 3,200,000	IQVIA 2.25% 15/01/2028	2,415	0.09
USD 10,393,000	IQVIA 5.00% 15/05/2027	7,864	0.30
USD 2,044,000	Keurig Dr Pepper 3.20% 01/05/2030	1,441	0.05
USD 8,410,000	Keurig Dr Pepper 3.40% 15/11/2025	6,326	0.24
USD 3,524,000	Kimberly-Clark 3.10% 26/03/2030	2,528	0.09
GBP 845,168	Lehman Brothers 7.875% 08/05/2018 ²	1	-
USD 14,806,000	Levi Strauss 3.50% 01/03/2020	9,637	0.36
USD 20,643,000	Mars 3.20% 01/04/2030	14,722	0.55
USD 50,000,000	Microsoft 2.40% 08/08/2026	36,899	1.39
USD 30,000,000	Microsoft 2.525% 01/06/2050	16,285	0.61
USD 20,000,000	Microsoft 3.45% 08/08/2036	14,339	0.54
USD 5,038,000	MSCI 3.625% 01/09/2030	3,417	0.13
USD 6,592,000	MSCI 4.00% 15/11/2029	4,693	0.18
EUR 2,450,000	NASDAQ 4.50% 15/02/2032	2,126	0.08
USD 2,740,000	NASDAQ 5.35% 28/06/2028	2,158	0.08
USD 1,861,000	NASDAQ 5.55% 15/02/2034	1,469	0.06
EUR 15,450,000	Netflix 3.625% 15/06/2030	12,592	0.47
EUR 2,890,000	Netflix 3.875% 15/11/2029	2,413	0.09
USD 3,257,000	Netflix 4.875% 15/04/2028	2,532	0.10
USD 2,225,000	Netflix 4.875% 15/06/2030	1,722	0.06
USD 15,000,000	Nike 3.375% 27/03/2050	9,542	0.36
USD 12,000,000	Nvidia 0.584% 14/06/2024	9,018	0.34
USD 2,790,000	Nvidia 3.20% 16/09/2026	2,112	0.08
USD 6,476,000	Oracle 2.65% 15/07/2026	4,708	0.18
USD 11,325,000	Oracle 2.95% 01/04/2030	7,769	0.29
USD 6,908,000	Oracle 3.60% 01/04/2050	3,876	0.15
USD 5,264,000	Oracle 4.90% 06/02/2033	4,017	0.15
USD 6,960,000	Oracle 5.55% 06/02/2053	5,295	0.20
USD 22,174,000	Oracle 5.80% 10/11/2025	17,637	0.66
USD 6,914,000	PepsiCo 2.625% 29/07/2029	4,895	0.18
USD 12,243,000	Salesforce.com 1.95% 15/07/2031	7,941	0.30
USD 15,521,000	Salesforce.com 3.70% 11/04/2028	11,765	0.44
USD 19,160,000	Service International 3.375% 15/08/2030	12,585	0.47
USD 12,700,000	Service International 4.00% 15/05/2031	8,511	0.32
USD 16,068,000	Service International 4.625% 15/12/2027	11,975	0.45
USD 5,936,000	Service International 5.125% 01/06/2029	4,414	0.16
USD 12,750,000	T-Mobile USA 2.25% 15/02/2026	9,215	0.35
USD 3,902,000	T-Mobile USA 2.625% 15/02/2029	2,666	0.10
USD 16,800,000	T-Mobile USA 3.50% 15/04/2025	12,702	0.48
USD 20,500,000	T-Mobile USA 3.875% 15/04/2030	14,854	0.56

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Fixed Rate Bond (continued)			
USD 3,997,000	T-Mobile USA 4.75% 01/02/2028	3,059	0.11
USD 60,000,000	US Treasury 1.25% 31/03/2028	41,284	1.55
USD 90,722,200	US Treasury 2.875% 15/05/2032	66,130	2.48
USD 25,255,500	US Treasury 2.875% 15/05/2052	16,436	0.62
AUD 6,830,000	Verizon Communications 2.35% 23/03/2028	3,092	0.12
AUD 8,010,000	Verizon Communications 2.65% 06/05/2030	3,425	0.13
AUD 7,730,000	Verizon Communications 4.50% 17/08/2027	3,917	0.15
USD 10,472,000	VMware 1.00% 15/08/2024	7,798	0.29
USD 5,335,000	VMware 1.40% 15/08/2026	3,704	0.14
USD 14,369,000	VMware 3.90% 21/08/2027	10,712	0.40
USD 9,743,000	VMware 4.50% 15/05/2025	7,504	0.28
USD 16,675,000	VMware 4.70% 15/05/2030	12,528	0.47
USD 20,535,000	Walt Disney 2.00% 01/09/2029	13,747	0.52
USD 8,628,000	Walt Disney 2.65% 13/01/2031	5,907	0.22
USD 7,531,000	Workday 3.80% 01/04/2032	5,330	0.20
USD 10,812,000	Zoetis 2.00% 15/05/2030	7,094	0.27
USD 6,018,000	Zoetis 3.90% 20/08/2028	4,540	0.17
USD 28,068,000	Zoetis 5.40% 14/11/2025	22,141	0.83
		<u>1,062,597</u>	<u>39.91</u>
Variable Rate Bond 0.61% (2022: 0.48%)			
USD 7,150,000	JPMorgan Chase 4.08% 26/04/2026	5,464	0.20
USD 3,318,000	Morgan Stanley 5.123% 01/02/2029	2,573	0.10
GBP 8,600,000	Morgan Stanley 5.789% 18/11/2033	8,223	0.31
		<u>16,260</u>	<u>0.61</u>
Derivatives 0.09% (2022: (2.06%))			
Futures (0.82%) (2022: (0.47%))			
4,495	CBT US 10 Year Note September 2023	(7,526)	(0.28)
2,246	CBT US 10 Year Ultra September 2023	(2,760)	(0.10)
5,237	CBT US 5 Year Note September 2023	(8,688)	(0.33)
1,031	CBT US Long Bond September 2023	(304)	(0.01)
1,427	ICE Long Gilt September 2023	(1,855)	(0.07)
2,027	SFE Australia 10 Year Bond September 2023	(668)	(0.03)
		<u>(21,801)</u>	<u>(0.82)</u>
Swaps (0.18%) (2022: 0.05%)¹			
Credit Default Index Swaps (0.04%) (2022: 0.05%)¹			
65,000,000	CDX 1.00% 20/06/2028 iTraxx-Crossover Receive EUR	(369)	(0.01)
99,300,000	CDX 5.00% 20/06/2028 iTraxx-Crossover Receive EUR	(740)	(0.03)
		<u>(1,109)</u>	<u>(0.04)</u>
Credit Default Swaps (0.14%) (2022: 0.00%)¹			
9,270,000	CDS 1.00% 20/06/2028 Akzo Nobel - Receive - EUR	(25)	-
9,270,000	CDS 1.00% 20/06/2028 Alstom - Receive - EUR	85	-
9,270,000	CDS 1.00% 20/06/2028 Mercedes Benz - Receive - EUR	(133)	-
9,270,000	CDS 1.00% 20/06/2028 Next - Receive - EUR	62	-
9,270,000	CDS 1.00% 20/06/2028 Publicis - Receive - EUR	(117)	(0.01)
9,270,000	CDS 1.00% 20/06/2028 WPP - Receive - EUR	(45)	-
6,600,000	CDS 1.00% 20/12/2027 Barclays - Receive - EUR	218	0.01

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Credit Default Swaps (continued)			
6,600,000	CDS 1.00% 20/12/2027 Barclays - Receive - EUR	218	0.01
9,270,000	CDS 5.00% 20/06/2028 Anglo American - Receive - EUR	(1,168)	(0.05)
9,270,000	CDS 5.00% 20/06/2028 CNH - Receive - EUR	(1,396)	(0.05)
9,270,000	CDS 5.00% 20/06/2028 Wendel - Receive - EUR	(1,449)	(0.05)
		<u>(3,750)</u>	<u>(0.14)</u>
Forward Foreign Exchange Contracts 1.09% (2022: (1.64%))¹			
	Buy AUD 3,081,200 : Sell GBP 1,638,229 July 2023	(24)	-
	Buy AUD 256,913 : Sell GBP 137,095 July 2023	(2)	-
	Buy AUD 2,406,200 : Sell GBP 1,287,959 July 2023	(27)	-
	Buy AUD 1,946,000 : Sell GBP 1,043,738 July 2023	(24)	-
	Buy AUD 106,133 : Sell GBP 56,944 July 2023	(1)	-
	Buy AUD 860,300 : Sell GBP 463,044 July 2023	(12)	-
	Buy AUD 638,200 : Sell GBP 335,884 September 2023	(1)	-
	Buy AUD 1,466,800 : Sell GBP 772,481 September 2023	(3)	-
	Buy AUD 875,000 : Sell GBP 465,321 September 2023	(6)	-
	Buy AUD 721,400 : Sell GBP 383,637 September 2023	(5)	-
	Buy AUD 1,874,150 : Sell GBP 980,247 August 2023	2	-
	Buy AUD 1,783,000 : Sell GBP 935,289 August 2023 ³	-	-
	Buy AUD 26,967,010 : Sell GBP 14,265,580 August 2023	(126)	-
	Buy AUD 1,662,500 : Sell GBP 882,168 August 2023	(10)	-
	Buy AUD 1,261,396 : Sell GBP 679,327 August 2023	(18)	-
	Buy CAD 1,042,500 : Sell GBP 621,525 August 2023	(1)	-
	Buy CHF 195,000 : Sell GBP 173,888 September 2023	(1)	-
	Buy EUR 187,746 : Sell GBP 166,836 July 2023	(6)	-
	Buy EUR 230,318 : Sell GBP 204,543 July 2023	(7)	-
	Buy EUR 205,015 : Sell GBP 181,646 July 2023	(6)	-
	Buy EUR 382,715 : Sell GBP 338,616 July 2023	(10)	-
	Buy EUR 48,116 : Sell GBP 42,023 July 2023	(1)	-
	Buy EUR 98,209 : Sell GBP 85,633 July 2023	(1)	-
	Buy EUR 18,320 : Sell GBP 15,942 July 2023 ³	-	-
	Buy EUR 60,881 : Sell GBP 52,600 September 2023 ³	-	-
	Buy EUR 54,100 : Sell GBP 46,736 September 2023 ³	-	-
	Buy EUR 30,728 : Sell GBP 26,512 September 2023 ³	-	-
	Buy EUR 146,652 : Sell GBP 126,421 September 2023 ³	-	-
	Buy EUR 94,249 : Sell GBP 80,999 September 2023 ³	-	-
	Buy EUR 241,877 : Sell GBP 211,168 August 2023	(3)	-
	Buy EUR 70,582 : Sell GBP 61,008 August 2023 ³	-	-
	Buy EUR 106,377 : Sell GBP 91,484 August 2023 ³	-	-
	Buy EUR 33,275 : Sell GBP 28,600 August 2023 ³	-	-
	Buy EUR 96,963 : Sell GBP 83,242 August 2023 ³	-	-
	Buy EUR 27,562 : Sell GBP 23,639 August 2023 ³	-	-
	Buy EUR 403,817 : Sell GBP 345,325 August 2023	2	-
	Buy GBP 611,714 : Sell AUD 1,161,270 July 2023	3	-
	Buy GBP 648,711 : Sell AUD 1,225,700 July 2023	7	-
	Buy GBP 871,344 : Sell AUD 1,634,507 July 2023	15	-
	Buy GBP 169,179 : Sell AUD 317,100 July 2023	3	-
	Buy GBP 1,028,824 : Sell AUD 1,927,361 July 2023	19	-
	Buy GBP 517,976 : Sell AUD 968,000 July 2023	11	-
	Buy GBP 1,066,769 : Sell AUD 1,992,156 July 2023	23	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy GBP 563,193 : Sell AUD 1,051,146 July 2023	13	-
	Buy GBP 51,267 : Sell AUD 95,675 July 2023	1	-
	Buy GBP 463,079 : Sell AUD 863,117 July 2023	11	-
	Buy GBP 108,027,808 : Sell AUD 199,559,566 July 2023	3,480	0.13
	Buy GBP 414,980 : Sell AUD 762,355 July 2023	16	-
	Buy GBP 238,812 : Sell AUD 455,175 September 2023 ³	-	-
	Buy GBP 93,042,614 : Sell AUD 174,737,734 September 2023	1,343	0.05
	Buy GBP 495,099 : Sell AUD 936,400 August 2023	4	-
	Buy GBP 116,749,052 : Sell AUD 220,429,687 August 2023	1,168	0.04
	Buy GBP 48,983 : Sell AUD 92,319 August 2023	1	-
	Buy GBP 301,401 : Sell AUD 564,215 August 2023	6	-
	Buy GBP 198,329 : Sell AUD 370,333 August 2023	4	-
	Buy GBP 223,540 : Sell AUD 417,399 August 2023	5	-
	Buy GBP 247,424 : Sell AUD 461,953 August 2023	5	-
	Buy GBP 1,816,146 : Sell AUD 3,384,786 August 2023	41	-
	Buy GBP 273,404 : Sell AUD 509,386 August 2023	6	-
	Buy GBP 1,393,734 : Sell AUD 2,592,837 August 2023	34	-
	Buy GBP 351,615 : Sell AUD 652,951 August 2023	9	-
	Buy GBP 101,864,461 : Sell CAD 170,466,524 July 2023	515	0.02
	Buy GBP 33,688,118 : Sell CAD 56,990,849 September 2023	(229)	(0.01)
	Buy GBP 51,236,889 : Sell CAD 86,024,907 August 2023	67	-
	Buy GBP 5,883,038 : Sell CHF 6,494,398 July 2023	159	0.01
	Buy GBP 5,711,576 : Sell CHF 6,494,398 September 2023	(51)	-
	Buy GBP 41,419,168 : Sell CHF 45,929,065 August 2023	796	0.03
	Buy GBP 45,908 : Sell EUR 51,702 July 2023	2	-
	Buy GBP 10,335,820 : Sell EUR 11,674,846 July 2023	306	0.01
	Buy GBP 98,086 : Sell EUR 111,037 July 2023	3	-
	Buy GBP 116,102 : Sell EUR 131,805 July 2023	3	-
	Buy GBP 32,455,519 : Sell EUR 37,099,696 July 2023	583	0.02
	Buy GBP 262,829 : Sell EUR 300,590 July 2023	5	-
	Buy GBP 20,981,101 : Sell EUR 24,004,354 July 2023	359	0.01
	Buy GBP 68,792 : Sell EUR 78,704 July 2023	1	-
	Buy GBP 23,008 : Sell EUR 26,393 July 2023 ³	-	-
	Buy GBP 131,060 : Sell EUR 150,383 July 2023	2	-
	Buy GBP 156,531 : Sell EUR 179,772 July 2023	2	-
	Buy GBP 62,623 : Sell EUR 71,979 July 2023	1	-
	Buy GBP 65,466 : Sell EUR 75,281 July 2023	1	-
	Buy GBP 220,582 : Sell EUR 253,755 July 2023	3	-
	Buy GBP 107,307 : Sell EUR 123,639 September 2023	1	-
	Buy GBP 87,638 : Sell EUR 101,151 September 2023 ³	-	-
	Buy GBP 2,098,442 : Sell EUR 2,440,078 September 2023	(4)	-
	Buy GBP 28,579,423 : Sell EUR 33,307,820 September 2023	(126)	-
	Buy GBP 172,144 : Sell EUR 197,603 August 2023	2	-
	Buy GBP 54,094,155 : Sell EUR 62,106,934 August 2023	652	0.02
	Buy GBP 208,369 : Sell EUR 239,538 August 2023	2	-
	Buy GBP 150,182 : Sell EUR 173,433 August 2023	1	-
	Buy GBP 25,904 : Sell EUR 30,013 August 2023 ³	-	-
	Buy GBP 190,810 : Sell EUR 221,364 August 2023 ³	-	-
	Buy GBP 58,825 : Sell EUR 68,251 August 2023 ³	-	-
	Buy GBP 27,034 : Sell EUR 31,368 August 2023 ³	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy GBP 456,032 : Sell EUR 531,223 August 2023	(1)	-
	Buy GBP 44,434 : Sell EUR 51,818 August 2023 ³	-	-
	Buy GBP 201,734 : Sell EUR 235,708 August 2023	(1)	-
	Buy GBP 15,809,475 : Sell NZD 31,955,313 July 2023	415	0.02
	Buy GBP 15,435,253 : Sell NZD 31,955,313 September 2023	45	-
	Buy GBP 15,435,490 : Sell NZD 31,392,813 August 2023	315	0.01
	Buy GBP 7,986,004 : Sell SEK 102,377,241 July 2023	523	0.02
	Buy GBP 7,487,385 : Sell SEK 102,377,241 September 2023	2	-
	Buy GBP 7,730,134 : Sell SEK 102,377,241 August 2023	256	0.01
	Buy GBP 2,604,413 : Sell USD 3,290,991 July 2023	16	-
	Buy GBP 8,211,075 : Sell USD 10,374,800 July 2023	52	-
	Buy GBP 19,364,028 : Sell USD 24,382,564 July 2023	189	0.01
	Buy GBP 8,547,173 : Sell USD 10,761,814 July 2023	84	-
	Buy GBP 8,067,244 : Sell USD 10,116,445 July 2023	112	-
	Buy GBP 18,332,899 : Sell USD 22,984,744 July 2023	257	0.01
	Buy GBP 6,008,129 : Sell USD 7,526,762 July 2023	89	-
	Buy GBP 1,497,275 : Sell USD 1,870,269 July 2023	26	-
	Buy GBP 3,978,321 : Sell USD 4,967,296 July 2023	72	-
	Buy GBP 1,883,821 : Sell USD 2,352,008 July 2023	34	-
	Buy GBP 3,589,224 : Sell USD 4,480,874 July 2023	65	-
	Buy GBP 29,219,866 : Sell USD 36,477,116 July 2023	534	0.02
	Buy GBP 2,917,122 : Sell USD 3,639,900 July 2023	55	-
	Buy GBP 6,195,296 : Sell USD 7,715,603 July 2023	128	0.01
	Buy GBP 473,669,885 : Sell USD 589,380,981 July 2023	10,171	0.38
	Buy GBP 1,455,947 : Sell USD 1,810,955 July 2023	32	-
	Buy GBP 3,886,244 : Sell USD 4,832,653 July 2023	86	-
	Buy GBP 2,252,497 : Sell USD 2,798,604 July 2023	52	-
	Buy GBP 443,056,754 : Sell USD 567,838,913 September 2023	(3,507)	(0.13)
	Buy GBP 11,171,053 : Sell USD 14,205,915 September 2023	(1)	-
	Buy GBP 5,918,536 : Sell USD 7,524,856 September 2023	1	-
	Buy GBP 3,614,133 : Sell USD 4,595,026 September 2023 ³	-	-
	Buy GBP 4,098,273 : Sell USD 5,169,725 September 2023	33	-
	Buy GBP 1,978,221 : Sell USD 2,533,760 August 2023	(14)	-
	Buy GBP 6,527,944 : Sell USD 8,297,037 August 2023	3	-
	Buy GBP 566,094 : Sell USD 714,400 August 2023	4	-
	Buy GBP 5,860,079 : Sell USD 7,355,342 August 2023	76	-
	Buy GBP 3,224,322 : Sell USD 4,039,015 August 2023	48	-
	Buy GBP 890,777 : Sell USD 1,111,617 August 2023	17	-
	Buy GBP 1,729,128 : Sell USD 2,149,413 August 2023	39	-
	Buy GBP 8,493,857 : Sell USD 10,556,200 August 2023	193	0.01
	Buy GBP 24,012,117 : Sell USD 29,834,263 August 2023	551	0.02
	Buy GBP 464,856,905 : Sell USD 575,174,054 August 2023	12,557	0.47
	Buy GBP 1,266,120 : Sell USD 1,564,149 August 2023	36	-
	Buy GBP 6,859,807 : Sell USD 8,473,872 August 2023	196	0.01
	Buy NZD 675,000 : Sell GBP 335,077 July 2023	(10)	-
	Buy NZD 562,500 : Sell GBP 280,255 July 2023	(9)	-
	Buy SEK 4,500,000 : Sell GBP 335,662 August 2023	(7)	-
	Buy USD 39,140 : Sell GBP 30,942 July 2023 ³	-	-
	Buy USD 20,456,718 : Sell GBP 16,209,594 July 2023	(122)	-
	Buy USD 3,549,899 : Sell GBP 2,819,488 July 2023	(28)	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy USD 4,267,779 : Sell GBP 3,389,922 July 2023	(34)	-
	Buy USD 2,507,807 : Sell GBP 1,998,092 July 2023	(26)	-
	Buy USD 15,357,300 : Sell GBP 12,235,908 July 2023	(159)	(0.01)
	Buy USD 1,655,039 : Sell GBP 1,318,650 July 2023	(17)	-
	Buy USD 742,014 : Sell GBP 591,581 July 2023	(8)	-
	Buy USD 10,885,788 : Sell GBP 8,681,571 July 2023	(121)	-
	Buy USD 20,037,430 : Sell GBP 15,980,724 July 2023	(223)	(0.01)
	Buy USD 570,982 : Sell GBP 456,326 July 2023	(7)	-
	Buy USD 24,988,058 : Sell GBP 19,974,834 July 2023	(324)	(0.01)
	Buy USD 14,776,045 : Sell GBP 11,822,680 July 2023	(203)	(0.01)
	Buy USD 13,200,177 : Sell GBP 10,569,772 July 2023	(189)	(0.01)
	Buy USD 2,546,176 : Sell GBP 2,038,983 July 2023	(37)	-
	Buy USD 530,642 : Sell GBP 425,030 July 2023	(8)	-
	Buy USD 5,463,000 : Sell GBP 4,397,938 July 2023	(102)	-
	Buy USD 31,679,005 : Sell GBP 25,508,048 July 2023	(595)	(0.02)
	Buy USD 6,058,200 : Sell GBP 4,878,304 July 2023	(114)	-
	Buy USD 2,614,267 : Sell GBP 2,111,829 July 2023	(56)	-
	Buy USD 39,366 : Sell GBP 30,878 September 2023 ³	-	-
	Buy USD 1,961,395 : Sell GBP 1,538,653 September 2023	4	-
	Buy USD 274,982 : Sell GBP 215,741 September 2023	1	-
	Buy USD 3,658,176 : Sell GBP 2,871,164 September 2023	6	-
	Buy USD 4,803,952 : Sell GBP 3,778,863 September 2023	(1)	-
	Buy USD 7,369,153 : Sell GBP 5,839,095 September 2023	(44)	-
	Buy USD 8,318,645 : Sell GBP 6,487,770 August 2023	54	-
	Buy USD 2,926,397 : Sell GBP 2,294,114 August 2023	7	-
	Buy USD 6,468,783 : Sell GBP 5,135,732 August 2023	(49)	-
	Buy USD 2,781,304 : Sell GBP 2,216,940 August 2023	(30)	-
	Buy USD 16,929,026 : Sell GBP 13,503,090 August 2023	(191)	(0.01)
	Buy USD 4,574,086 : Sell GBP 3,659,286 August 2023	(62)	-
	Buy USD 23,137,296 : Sell GBP 18,551,467 August 2023	(357)	(0.01)
	Buy USD 524,145 : Sell GBP 421,873 August 2023	(10)	-
	Buy USD 728,777 : Sell GBP 587,065 August 2023	(14)	-
	Buy USD 28,917,730 : Sell GBP 23,383,319 August 2023	(643)	(0.02)
		<u>29,105</u>	<u>1.09</u>
	Investment assets including investment liabilities	2,562,472	96.25
	Other net assets	99,791	3.75
	Total net assets	2,662,263	100.00

¹ Not listed on an official stock exchange

² Defaulted

³ Due to rounding to nearest £1,000

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

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

Statement of total return for the year ended 30 June 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital losses	2		(249,053)		(498,160)
Revenue	3	91,234		96,623	
Expenses	4	(20,146)		(23,037)	
Interest payable and similar charges	5	(31)		(40)	
Net revenue before taxation		71,057		73,546	
Taxation	6	(92)		(30)	
Net revenue after taxation			70,965		73,516
Total return before distributions			(178,088)		(424,644)
Distributions	7		(88,456)		(99,671)
Change in net assets attributable to shareholders from investment activities			(266,544)		(524,315)

Statement of change in net assets attributable to shareholders for the year ended 30 June 2023

	2023		2022	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		2,945,022		3,282,238
Amounts receivable on issue of shares	410,023		419,235	
Amounts payable on cancellation of shares	(471,914)		(280,922)	
		(61,891)		138,313
Change in net assets attributable to shareholders from investment activities		(266,544)		(524,315)
Retained distributions on accumulation shares		45,671		48,779
Unclaimed distributions		5		7
Closing net assets attributable to shareholders		2,662,263		2,945,022

Balance sheet as at 30 June 2023

	Note	2023 £000	2022 £000
Assets:			
Investments		2,597,744	2,729,877
Current assets:			
Debtors	8	21,027	79,439
Cash and bank balances	9	100,601	241,999
Total assets		2,719,372	3,051,315
Liabilities:			
Investment liabilities		35,272	86,234
Creditors:			
Amounts held at derivative clearing houses and brokers		1,908	1,435
Bank overdrafts		5	-
Distributions payable		9,295	12,923
Other creditors	10	10,629	5,701
Total liabilities		57,109	106,293
Net assets attributable to shareholders		2,662,263	2,945,022

Notes to the financial statements for the year ended 30 June 2023

1 Accounting policies

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

2 Net capital losses

Net capital losses on investments during the year comprise:

	2023 £000	2022 £000
Derivative securities	(106,749)	(43,619)
Forward currency contracts	61,685	(239,166)
Non-derivative securities	(208,756)	(217,005)
Other currency gains	4,773	1,635
Transaction costs	(6)	(5)
Net capital losses	(249,053)	(498,160)

* Where realised gains/(losses) include gains/(losses) arising in previous years, a corresponding gain/(loss) is included in unrealised gains/(losses).

3 Revenue

	2023 £000	2022 £000
Bank interest	3,653	39
Derivative revenue	(4,223)	5,357
Interest on debt securities	89,347	89,818
Interest on margin	1,078	14
Stock lending revenue	79	59
UK dividends	1,300	1,336
Total revenue	91,234	96,623

4 Expenses

	2023 £000	2022 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	17,477	19,963
GAC*	2,460	2,835
	<u>19,937</u>	<u>22,798</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	95	109
Safe custody fees	114	130
	<u>209</u>	<u>239</u>
Total expenses	20,146	23,037

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £13,503 (2022: £12,249).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2023 £000	2022 £000
Interest payable	31	19
Interest on margin	-	21
Total interest payable and similar charges	31	40

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2023 £000	2022 £000
Current tax		
Overseas withholding tax	92	30
Total tax (note 6b)	92	30

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICs of 20% (2022: 20%). The differences are explained below:

	2023 £000	2022 £000
Net revenue before taxation	71,057	73,546
Corporation tax at 20% (2022: 20%)	14,211	14,709
Effects of:		
Overseas withholding tax	92	30
Revenue being paid as interest distributions	(13,951)	(14,442)
UK dividends*	(260)	(267)
Tax charge for the year (note 6a)	92	30

* 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 (2022: nil).

d) Factors that may affect future tax charges

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

Notes to the financial statements (continued)

7 Distributions

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

	2023 £000	2022 £000
Interim income	32,762	38,109
Interim accumulation	35,846	35,401
Final income	9,295	12,923
Final accumulation	9,825	13,378
	<u>87,728</u>	<u>99,811</u>
Amounts deducted on cancellation of shares	2,132	588
Amounts received on issue of shares	(1,404)	(728)
Total distributions	<u>88,456</u>	<u>99,671</u>

Net revenue after taxation	70,965	73,516
Adjustment for coupon basis distribution	-	6,188
Annual management charge borne by the capital account	17,477	19,963
Equalisation on conversions	14	4
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Total distributions	<u>88,456</u>	<u>99,671</u>

Details of the distribution per share are set out in the Distribution tables on pages 298 to 301.

8 Debtors

	2023 £000	2022 £000
Accrued revenue	18,216	21,805
Amounts receivable for issue of shares	2,811	7,347
Currency transactions awaiting settlement	-	25
Sales awaiting settlement	-	50,262
Total debtors	<u>21,027</u>	<u>79,439</u>

9 Cash and bank balances

	2023 £000	2022 £000
Amounts held at derivative clearing houses and brokers	60,041	48,303
Cash and bank balances	36,110	193,696
Cash pledged as collateral	4,450	-
Total cash and bank balances	<u>100,601</u>	<u>241,999</u>

Notes to the financial statements (continued)

10 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	1,328	1,483
Accrued Depositary's fee	11	21
Accrued other expenses	192	234
Amounts payable for cancellation of shares	9,009	2,912
Derivative revenue payable	89	103
Currency transactions awaiting settlement	-	1
Purchases awaiting settlement	-	947
Total other creditors	10,629	5,701

11 Contingent liabilities and commitments

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

12 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 285 and 286 and notes 4, 7, 8 and 10 on pages 287 to 290 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 (2022: nil).

13 Shareholders' funds

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

	2023 %	2022 %
Class A	1.25	1.25
Class E	0.75	0.75
Class G	0.50	0.50
Class I	0.60	0.60
Class Z ¹	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 269 to 272. The distribution per share class is given in the Distribution tables on pages 298 to 301. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2023

	Class A income	Class E income	Class G accumulation	Class G income
Opening number of shares	84,792,692	5,826,202	10,952,403	239,257,803
Issues during the year	5,843,288	294,417	3,552,061	81,899,040
Cancellations during the year	(15,978,230)	(431,649)	(2,754,958)	(52,211,050)
Shares converted during the year	(3,343,851)	120,117	1,193,003	126,615,411
Closing shares in issue	71,313,899	5,809,087	12,942,509	395,561,204

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation as at 30 June 2023 (continued)

	Class I accumulation	Class I income	Class Z accumulation
Opening number of shares	423,219,163	874,620,842	2,114,345
Issues during the year	60,616,565	84,255,485	197,815
Cancellations during the year	(71,287,052)	(128,895,578)	(696,290)
Shares converted during the year	(1,454,001)	(117,094,732)	218,327
Closing shares in issue	411,094,675	712,886,017	1,834,197

14 Financial derivatives

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

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

There was collateral pledged of £4,150,000 (2022: nil) and no collateral held (2022: nil) in respect of forward foreign exchange contracts as at 30 June 2023. The fund had cash assets of £60,041,469 (2022: £48,303,154) and cash liabilities of £1,908,495 (2022: £1,435,372) held in margin accounts at derivative clearing houses and brokers as at 30 June 2023. These balances are held as collateral on the fund's futures and swaps contracts.

2023

As at 30 June 2023 the counterparty exposure calculated using the positive marked-to-market value for each category of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Credit default index swaps £000	Forward foreign exchange contracts £000	Total by counterparty £000
BNP Paribas	-	37,134	37,134
Goldman Sachs	436	-	436
JPMorgan Chase	62	-	62
Citigroup	85	-	85
	583	37,134	37,717

2022

As at 30 June 2022 the counterparty exposure calculated using the positive marked-to-market value for each category of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Credit default index swaps £000	Forward foreign exchange contracts £000	Total by counterparty £000
BNP Paribas	-	23,974	23,974
Deutsche Bank	84	-	84
JPMorgan Chase	1,127	-	1,127
Morgan Stanley	379	-	379
	1,590	23,974	25,564

Notes to the financial statements (continued)

15 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with JPMorgan Chase Bank, National Association (London branch) acting as the stock lending agent in order to generate additional revenue.

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

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by an EU Member State, a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. 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% to 110% of the value of the stock on loan.

2023 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
JPMorgan Chase	9,688	10,571	Government Bond
	9,688	10,571	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	86	7	79

2022 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
HSBC	1,083	1,112	Government Bond
JPMorgan Chase	61,319	63,811	Government Bond
	62,402	64,923	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	64	5	59

16 Risk

Currency risk

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

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk

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

2023	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
Australian dollar	4,754	286,470	6,875	298,099
Canadian dollar	-	180,202	1,182	181,384
Euro	923	152,411	3,545	156,879
New Zealand dollar	-	43,206	978	44,184
Swedish krona	-	20,987	889	21,876
Swiss franc	-	50,647	957	51,604
UK sterling	109,164	454,943	21,326	585,433
US dollar	291,571	1,051,024	37,318	1,379,913
Total	406,412	2,239,890	73,070	2,719,372
2022	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
Australian dollar	1,778	291,604	2,523	295,905
Canadian dollar	-	160,280	814	161,094
Euro	4,928	186,020	29,995	220,943
New Zealand dollar	-	47,604	425	48,029
Swedish krona	-	24,974	353	25,327
Swiss franc	-	16,340	1	16,341
UK sterling	306,443	311,191	30,765	648,399
US dollar	97,869	1,480,232	57,176	1,635,277
Total	411,018	2,518,245	122,052	3,051,315
2023	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
Australian dollar	1,432	-	928	2,360
Canadian dollar	-	-	230	230
Euro	47	5,442	255	5,744
New Zealand dollar	-	-	19	19
Swedish krona	-	-	7	7
Swiss franc	-	-	52	52
UK sterling	434	-	21,691	22,125
US dollar	-	-	26,572	26,572
Total	1,913	5,442	49,754	57,109

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk (continued)

	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing liabilities	Total
2022	£000	£000	£000	£000
Australian dollar	-	-	882	882
Canadian dollar	-	-	5,019	5,019
Euro	1,435	95	7,085	8,615
New Zealand dollar	-	-	3	3
Swedish krona	-	-	6	6
Swiss franc	-	-	804	804
UK sterling	-	-	25,959	25,959
US dollar	-	-	65,005	65,005
Total	1,435	95	104,763	106,293

Credit ratings

	Market value £000	Percentage of total net assets %
2023		
Investments		
Investment grade (AAA - BBB)	2,354,472	88.44
Below investment grade (BB and below)	190,645	7.16
Unrated	1	0.00
Total debt securities	2,545,118	95.60
Derivatives	2,445	0.09
Equities	14,909	0.56
Investment assets including investment liabilities	2,562,472	96.25
Other net assets	99,791	3.75
Total net assets	2,662,263	100.00
	Market value £000	Percentage of total net assets %
2022		
Investments		
Investment grade (AAA - BBB)	2,196,251	74.58
Below investment grade (BB and below)	472,529	16.05
Unrated	16,893	0.57
Total debt securities	2,685,673	91.20
Derivatives	(60,670)	(2.06)
Equities	18,640	0.63
Investment assets including investment liabilities	2,643,643	89.77
Other net assets	301,379	10.23
Total net assets	2,945,022	100.00

Notes to the financial statements (continued)

16 Risk (continued)

Sensitivity analysis

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

VaR results	Actual VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%		%	%	%
2023	3.26	6.76	5.02	20	16.30	33.78	25.08
2022	2.45	6.76	4.72	20	12.27	33.80	23.62

Leverage

	Minimum	Maximum	Average
	%	%	%
2023	152.09	266.37	192.33
2022	92.09	251.00	137.90

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2023				
Amounts held at derivatives clearing houses and brokers	1,908	-	-	-
Bank overdrafts	5	-	-	-
Derivative financial liabilities	-	29,830	5,442	-
Distribution payable	-	9,295	-	-
Other creditors	-	10,629	-	-
Total	1,913	49,754	5,442	-
2022				
Amounts held at derivatives clearing houses and brokers	1,435	-	-	-
Derivative financial liabilities	-	86,139	95	-
Distribution payable	-	12,923	-	-
Other creditors	-	5,701	-	-
Total	1,435	104,763	95	-

17 Fair value disclosure

Fair value measurement

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

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

Notes to the financial statements (continued)

17 Fair value disclosure (continued)

Fair value measurement (continued)

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

	2023		2022	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	1,096,361*	21,801	1,164,795*	13,950
Level 2	1,501,382	13,471	1,565,082	72,284
Level 3	1	-	-	-
	<u>2,597,744</u>	<u>35,272</u>	<u>2,729,877</u>	<u>86,234</u>

* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £706,722,781 as at 30 June 2023 (2022: £800,047,239).

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Investment Manager, at its discretion, may permit an alternative method of valuation to be used if they consider that it better reflects value and is in accordance with good accounting practice. The EPC of the Investment Manager supports the ACD in determining or approving unquoted prices. Where deemed necessary, the EPC will seek ratification of decisions from the Janus Henderson Investment Risk team. The EPC meets on a monthly basis and consists of representatives from various parts of the Investment Manager who act as an independent party, segregated from the fund management function, to review and approve fair value pricing decisions and pricing models on a regular basis. The asset Lehman Brothers 7.875% 08/05/2018 is a defaulted bond which has ceased trading and has been included within level 3 in the current period. This bond has been valued by the EPC at their best estimate of fair value.

18 Direct transaction costs

	Purchases		Sales	
	2023 £000	2022 £000	2023 £000	2022 £000
Trades in the year				
Debt securities	1,772,556	2,250,446	1,723,492	2,246,702
Trades in the year before transaction costs	<u>1,772,556</u>	<u>2,250,446</u>	<u>1,723,492</u>	<u>2,246,702</u>
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Total commissions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Taxes				
Debt securities	-	-	-	-
Total taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other expenses				
Debt securities	-	-	-	46
Total other expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>46</u>
Total transaction costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>46</u>
Total net trades in the year after transaction costs	<u>1,772,556</u>	<u>2,250,446</u>	<u>1,723,492</u>	<u>2,246,656</u>

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Debt securities	-	-	-	-
Taxes				
Debt securities	-	-	-	-
Other expenses				
Debt securities	-	-	-	-
	2023	2022		
	%	%		
Total transaction costs expressed as a percentage of net asset value				
Commissions	-	-		
Taxes	-	-		
Other expenses	-	-		
Total costs	<u>-</u>	<u>-</u>		

There were no in specie transfers during the year (2022: nil). There were corporate actions during the year of £12,047,472 (2022: £28,926,354).

There were direct transaction costs associated with derivatives in the year of £157,330 (2022: £115,907) which is 0.00% of the average net asset value of the fund (2022: 0.00%).

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

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

The portfolio dealing spread as at 30 June 2023 was 0.18% (2022: 0.31%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

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

Distribution tables for the year ended 30 June 2023 (in pence per share)

Interim interest distribution (accounting date 30 September 2022, paid on 30 November 2022)

Group 1: shares purchased prior to 1 July 2022

Group 2: shares purchased on or after 1 July 2022

	Distribution per share	Equalisation	Total distribution per share 30/11/22	Total distribution per share 30/11/21
Class A income				
Group 1	0.6960	-	0.6960	0.8517
Group 2	0.2452	0.4508	0.6960	0.8517
Class E income				
Group 1	0.7071	-	0.7071	0.8623
Group 2	0.3716	0.3355	0.7071	0.8623
Class G accumulation				
Group 1	2.1950	-	2.1950	2.5869
Group 2	1.2902	0.9048	2.1950	2.5869
Class G income				
Group 1	0.7792	-	0.7792	0.9474
Group 2	0.4375	0.3417	0.7792	0.9474
Class I accumulation				
Group 1	2.2631	-	2.2631	2.6726
Group 2	1.2630	1.0001	2.2631	2.6726
Class I income				
Group 1	0.8026	-	0.8026	0.9770
Group 2	0.4207	0.3819	0.8026	0.9770
Class Z accumulation				
Group 1	2.5847	-	2.5847	3.0307
Group 2	0.6597	1.9250	2.5847	3.0307

Distribution tables (continued)

Interim interest distribution (accounting date 31 December 2022, paid on 28 February 2023)

Group 1: shares purchased prior to 1 October 2022

Group 2: shares purchased on or after 1 October 2022

	Distribution per share	Equalisation	Total distribution per share 28/02/23	Total distribution per share 28/02/22
Class A income				
Group 1	0.8953	-	0.8953	0.9197
Group 2	0.5542	0.3411	0.8953	0.9197
Class E income				
Group 1	0.9105	-	0.9105	0.9316
Group 2	0.3863	0.5242	0.9105	0.9316
Class G accumulation				
Group 1	2.8089	-	2.8089	2.8028
Group 2	1.2872	1.5217	2.8089	2.8028
Class G income				
Group 1	0.9899	-	0.9899	1.0228
Group 2	0.4927	0.4972	0.9899	1.0228
Class I accumulation				
Group 1	2.9120	-	2.9120	2.9120
Group 2	1.6594	1.2526	2.9120	2.9120
Class I income				
Group 1	1.0255	-	1.0255	1.0538
Group 2	0.5737	0.4518	1.0255	1.0538
Class Z accumulation				
Group 1	3.3117	-	3.3117	3.2895
Group 2	1.0389	2.2728	3.3117	3.2895

Distribution tables (continued)

Interim interest distribution (accounting date 31 March 2023, paid on 31 May 2023)

Group 1: shares purchased prior to 1 January 2023

Group 2: shares purchased on or after 1 January 2023

	Distribution per share	Equalisation	Total distribution per share 31/05/23	Total distribution per share 31/05/22
Class A income				
Group 1	0.8350	-	0.8350	0.9532
Group 2	0.3368	0.4982	0.8350	0.9532
Class E income				
Group 1	0.8504	-	0.8504	0.9678
Group 2	0.3764	0.4740	0.8504	0.9678
Class G accumulation				
Group 1	2.6546	-	2.6546	2.9194
Group 2	1.1977	1.4569	2.6546	2.9194
Class G income				
Group 1	0.9273	-	0.9273	1.0535
Group 2	0.3512	0.5761	0.9273	1.0535
Class I accumulation				
Group 1	2.7482	-	2.7482	3.0241
Group 2	1.2914	1.4568	2.7482	3.0241
Class I income				
Group 1	0.9593	-	0.9593	1.0899
Group 2	0.5377	0.4216	0.9593	1.0899
Class Z accumulation				
Group 1	3.1338	-	3.1338	3.4285
Group 2	2.2744	0.8594	3.1338	3.4285

Distribution tables (continued)

Final interest distribution (accounting date 30 June 2023, paid on 31 August 2023)

Group 1: shares purchased prior to 1 April 2023

Group 2: shares purchased on or after 1 April 2023

	Distribution per share	Equalisation	Total distribution per share 31/08/23	Total distribution per share 31/08/22
Class A income				
Group 1	0.6909	-	0.6909	0.9545
Group 2	0.3236	0.3673	0.6909	0.9545
Class E income				
Group 1	0.7045	-	0.7045	0.9689
Group 2	0.4553	0.2492	0.7045	0.9689
Class G accumulation				
Group 1	2.2379	-	2.2379	2.9679
Group 2	1.1356	1.1023	2.2379	2.9679
Class G income				
Group 1	0.7751	-	0.7751	1.0536
Group 2	0.4055	0.3696	0.7751	1.0536
Class I accumulation				
Group 1	2.3076	-	2.3076	3.0668
Group 2	1.0168	1.2908	2.3076	3.0668
Class I income				
Group 1	0.7990	-	0.7990	1.0904
Group 2	0.4367	0.3623	0.7990	1.0904
Class Z accumulation				
Group 1	2.6451	-	2.6451	3.4720
Group 2	1.4710	1.1741	2.6451	3.4720

Janus Henderson UK Equity Income & Growth Fund

Authorised Corporate Director's report

Investment Fund Managers

James Henderson and Laura Foll

Investment objective and policy

The fund aims to provide a dividend income, with prospects for both income and capital growth over the long term (5 years or more).

The fund invests at least 80% of its assets in shares (also known as equities) of companies, in any industry, in the UK. Companies will be incorporated, headquartered, or deriving significant revenue from, the UK. The fund will typically have a bias towards small and medium sized companies.

The fund may also invest in other assets including other shares, bonds of any quality from any issuer, cash and money market instruments. The Investment Manager may use derivatives (complex financial instruments) to reduce risk or to manage the fund more efficiently.

The fund is actively managed with reference to the FTSE All Share Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the fund's performance. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

Strategy

The Investment Manager seeks to benefit from investment opportunities created by market inefficiencies and aims to add value by investigating under-analysed areas of the market in order to identify out-of-favour, quality companies. The investment process is driven by fundamental company research and focuses on companies with above-average yield and growing dividends.

Performance summary

Cumulative performance

	One year 30 Jun 22 - 30 Jun 23	Three years 30 Jun 20 - 30 Jun 23	Five years 30 Jun 18 - 30 Jun 23	Since inception 4 Oct 74 - 30 Jun 23
	%	%	%	%
Class I income (Net)	0.0	34.7	(3.5)	20,005.9
FTSE All Share Index	7.9	33.2	16.5	-*
IA UK Equity Income Sector	4.0	29.7	9.1	20,241.9

Discrete performance

	30 Jun 22 - 30 Jun 23	30 Jun 21 - 30 Jun 22	30 Jun 20 - 30 Jun 21	30 Jun 19 - 30 Jun 20	30 Jun 18 - 30 Jun 19
	%	%	%	%	%
Class I income (Net)	0.0	2.1	31.9	(22.1)	(8.0)
FTSE All Share Index	7.9	1.6	21.5	(13.0)	0.6
IA UK Equity Income Sector	4.0	(0.5)	25.4	(13.7)	(2.5)

* Benchmark return is not quoted as the fund inception date is earlier than the benchmark inception date.

Source: Morningstar

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

Benchmark values are as at close of business.

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

Benchmark usage:

Index: FTSE All Share Index

Index usage: Comparator

Index description: The FTSE All Share Index is a measure of the combined performance of a large number of companies listed on the London Stock Exchange and includes large, medium and smaller companies. It provides a useful comparison against which the fund's performance can be assessed over time.

Authorised Corporate Director's report (continued)

Performance summary (continued)

Benchmark usage: (continued)

Peer group: IA UK Equity Income Sector

Peer group usage: Comparator

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

Past performance does not predict future returns. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Significant portfolio changes for the year ended 30 June 2023

Largest purchases	£000	Largest sales	£000
Marshalls	2,146	Centrica	2,890
Vanquis Banking	1,597	ConvaTec	2,352
Conduit	1,575	Euromoney Institutional Investor	2,332
GSK	1,415	Bristol-Myers Squibb	2,063
DS Smith	1,368	Devro	2,060
Hipgnosis Songs Fund	1,337	iEnergizer	2,041
Tyman	1,049	Shell	1,728
Elementis	974	Novartis	1,719
DCC	776	BAE Systems	1,426
ITV	584	Haleon	1,415
Total purchases	19,188	Total sales	26,727

Investment review

The fund had a flat return based on Class I income (Net) over the year under review, compared with a return of 7.9% in the FTSE All Share Index and a return of 4.0% in the IA UK Equity Income Sector peer group benchmark.

For many, the belief was that the acceleration of inflation would be short-lived. This was very much the BoE's view, which meant that it was slow to raise interest rates when inflation emerged. The pricing pressures proved to be 'sticky', which raised concerns that they were becoming embedded. This alarmed policy makers, who raised interest rates rapidly during the reporting year as they sought to catch up. The large increase in rates led to concerns that this would lead to recession. So far, this has been avoided and company results have, in aggregate, held up well as businesses had prepared well for a relatively difficult trading background. Earnings and dividends have overall not disappointed investors.

During the year, the largest detractor from the fund's performance was iEnergizer as it decided to delist from the AIM market, meaning many holders had to sell. We had been taking profits in the holding for an extended period, although we did not sell on the news of the delisting as the company appeared to be trading satisfactorily. We will continue to monitor the situation. Motor insurer Direct Line Insurance was also negative for performance after it reported disappointing underwriting results, which led to the suspension of its dividend. The share price also suffered from negative sentiment towards financial companies due to the interest rate hiking cycle.

The best performing stock during the year was sausage casing manufacturer Devro, which received a cash takeover approach from a European peer at an approximately 60% premium to the undisturbed share price. We were unsurprised that there was takeover interest in the UK market, given its valuation discount to overseas peers. It has been notable that industrial companies have reported good results with strong order backlogs, despite the weakening macroeconomic backdrop. This was helpful for the performance of holdings IML, Senior, Balfour Beatty and Ricardo.

During the year, we initiated positions in Hipgnosis Songs Fund and RWS. In both cases, the shares performed poorly during the year and traded on lower-than-average valuations. Hipgnosis Songs Fund is an investment vehicle that owns song copyrights and has a high-quality portfolio of more than 60,000 songs. The company aims to increase the use of its songs in television, film and advertising. We also initiated a position in Legal & General. We believed the company was well positioned, given the shift from defined benefit to defined contribution pension schemes. The economic weakness provided us with an attractive entry point. Its dividend payments were also attractive to us.

The investment focus remains on companies that will be able to adapt to the circumstances in which they find themselves. They will do this by providing good quality products and services. At the moment, however, investors are focused on macroeconomic concerns, particularly the stickiness of inflation and the level interest rates may reach. It is through periods like this that we can refresh the portfolio and position it so that it will benefit when a degree of confidence returns.

Comparative tables for the year ended 30 June 2023

	Class A accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	713.22	707.24	536.17
Return before operating charges*	6.72	18.62	181.68
Operating charges	(12.73)	(12.64)	(10.61)
Return after operating charges*	(6.01)	5.98	171.07
Distributions on accumulation shares	(34.11)	(32.13)	(26.85)
Retained distributions on accumulation shares	34.11	32.13	26.85
Closing net asset value per share	707.21	713.22	707.24
* after direct transaction costs of:	0.40	0.49	0.99

Performance

Return after charges	(0.84%)	0.85%	31.91%
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Other information

Closing net asset value (£000s)	149	149	129
Closing number of shares	21,029	20,913	18,270
Operating charges	1.73%	1.73%	1.73%
Direct transaction costs	0.05%	0.07%	0.16%

Prices

Highest share price (pence)	799.90	770.00	720.20
Lowest share price (pence)	657.40	669.80	504.10

	Class A income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	502.23	520.79	412.11
Return before operating charges*	4.69	13.90	137.00
Operating charges	(8.81)	(9.17)	(8.01)
Return after operating charges*	(4.12)	4.73	128.99
Distributions on income shares	(23.59)	(23.29)	(20.31)
Closing net asset value per share	474.52	502.23	520.79
* after direct transaction costs of:	0.28	0.36	0.75

Performance

Return after charges	(0.82%)	0.91%	31.30%
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Other information

Closing net asset value (£000s)	7,520	10,061	11,529
Closing number of shares	1,584,845	2,003,259	2,213,828
Operating charges	1.73%	1.73%	1.73%
Direct transaction costs	0.05%	0.07%	0.16%

Prices

Highest share price (pence)	550.30	556.50	536.30
Lowest share price (pence)	456.10	484.10	382.30

Comparative tables (continued)

	Class C income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	142.12	147.37	116.62
Return before operating charges*	1.32	3.93	38.76
Operating charges	(2.49)	(2.59)	(2.27)
Return after operating charges*	(1.17)	1.34	36.49
Distributions on income shares	(6.67)	(6.59)	(5.74)
Closing net asset value per share	134.28	142.12	147.37
* after direct transaction costs of:	0.08	0.10	0.21

Performance

Return after charges	(0.82%)	0.91%	31.29%
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Other information

Closing net asset value (£000s)	3,794	4,303	4,760
Closing number of shares	2,825,753	3,027,912	3,229,895
Operating charges	1.73%	1.73%	1.73%
Direct transaction costs	0.05%	0.07%	0.16%

Prices

Highest share price (pence)	155.70	157.50	151.80
Lowest share price (pence)	129.10	137.00	108.20

	Class E accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	723.97	714.32	538.83
Return before operating charges*	6.68	18.74	183.15
Operating charges	(9.21)	(9.09)	(7.66)
Return after operating charges*	(2.53)	9.65	175.49
Distributions on accumulation shares	(34.70)	(32.54)	(27.06)
Retained distributions on accumulation shares	34.70	32.54	27.06
Closing net asset value per share	721.44	723.97	714.32
* after direct transaction costs of:	0.40	0.50	1.00

Performance

Return after charges	(0.35%)	1.35%	32.57%
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Other information

Closing net asset value (£000s)	320	378	337
Closing number of shares	44,359	52,287	47,179
Operating charges	1.23%	1.23%	1.23%
Direct transaction costs	0.05%	0.07%	0.16%

Prices

Highest share price (pence)	814.40	779.90	727.30
Lowest share price (pence)	668.20	678.80	507.50

Comparative tables (continued)

	Class E income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	144.26	148.84	117.19
Return before operating charges*	1.32	3.96	39.07
Operating charges	(1.80)	(1.87)	(1.63)
Return after operating charges*	(0.48)	2.09	37.44
Distributions on income shares	(6.79)	(6.67)	(5.79)
Closing net asset value per share	136.99	144.26	148.84
* after direct transaction costs of:	0.08	0.10	0.21

Performance

Return after charges	(0.33%)	1.40%	31.95%
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Other information

Closing net asset value (£000s)	104,266	113,562	121,186
Closing number of shares	76,111,245	78,719,661	81,420,219
Operating charges	1.23%	1.23%	1.23%
Direct transaction costs	0.05%	0.07%	0.16%

Prices

Highest share price (pence)	158.60	159.50	153.20
Lowest share price (pence)	131.20	138.80	108.90

	Class G accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	106.68	104.75	78.63
Return before operating charges*	0.96	2.74	26.80
Operating charges	(0.82)	(0.81)	(0.68)
Return after operating charges*	0.14	1.93	26.12
Distributions on accumulation shares	(5.31)	(4.97)	(4.10)
Retained distributions on accumulation shares	5.31	4.97	4.10
Closing net asset value per share	106.82	106.68	104.75
* after direct transaction costs of:	0.06	0.07	0.15

Performance

Return after charges	0.13%	1.84%	33.22%
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Other information

Closing net asset value (£000s)	4	8	141
Closing number of shares	3,494	7,560	134,906
Operating charges	0.75%	0.75%	0.75%
Direct transaction costs	0.05%	0.07%	0.16%

Prices

Highest share price (pence)	120.40	114.70	106.60
Lowest share price (pence)	98.61	99.87	74.17

Comparative tables (continued)

	Class I accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,369.07	1,345.71	1,011.28
Return before operating charges*	12.47	35.21	344.28
Operating charges	(12.06)	(11.85)	(9.85)
Return after operating charges*	0.41	23.36	334.43
Distributions on accumulation shares	(67.60)	(63.24)	(52.39)
Retained distributions on accumulation shares	67.60	63.24	52.39
Closing net asset value per share	1,369.48	1,369.07	1,345.71
* after direct transaction costs of:	0.77	0.94	1.87

Performance

Return after charges	0.03%	1.74%	33.07%
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Other information

Closing net asset value (£000s)	12,555	13,745	16,735
Closing number of shares	916,799	1,003,953	1,243,588
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.05%	0.07%	0.16%

Prices

Highest share price (pence)	1,544.00	1,472.00	1,370.00
Lowest share price (pence)	1,265.00	1,282.00	953.70

	Class I income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	586.01	603.08	473.64
Return before operating charges*	5.32	16.05	158.11
Operating charges	(5.07)	(5.23)	(4.55)
Return after operating charges*	0.25	10.82	153.56
Distributions on income shares	(28.40)	(27.89)	(24.12)
Closing net asset value per share	557.86	586.01	603.08
* after direct transaction costs of:	0.32	0.42	0.86

Performance

Return after charges	0.04%	1.79%	32.42%
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Other information

Closing net asset value (£000s)	24,272	25,758	39,788
Closing number of shares	4,350,892	4,395,495	6,597,396
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.05%	0.07%	0.16%

Prices

Highest share price (pence)	645.20	647.30	621.00
Lowest share price (pence)	533.30	563.70	440.60

Comparative tables (continued)

	Class Z accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	229.48	223.82	166.92
Return before operating charges*	2.01	5.82	57.03
Operating charges	(0.17)	(0.16)	(0.13)
Return after operating charges*	1.84	5.66	56.90
Distributions on accumulation shares	(11.42)	(10.62)	(8.71)
Retained distributions on accumulation shares	11.42	10.62	8.71
Closing net asset value per share	231.32	229.48	223.82
* after direct transaction costs of:	0.13	0.16	0.31

Performance

Return after charges	0.80%	2.53%	34.09%
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Other information

Closing net asset value (£000s)	10,376	10,914	11,478
Closing number of shares	4,485,490	4,755,750	5,128,099
Operating charges	0.07%	0.07%	0.07%
Direct transaction costs	0.05%	0.07%	0.16%

Prices

Highest share price (pence)	260.00	245.90	227.80
Lowest share price (pence)	212.50	214.40	157.80

	Class Z income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	188.38	192.42	149.98
Return before operating charges*	1.65	5.09	50.28
Operating charges	(0.13)	(0.14)	(0.12)
Return after operating charges*	1.52	4.95	50.16
Distributions on income shares	(9.21)	(8.99)	(7.72)
Closing net asset value per share	180.69	188.38	192.42
* after direct transaction costs of:	0.10	0.13	0.27

Performance

Return after charges	0.81%	2.57%	33.44%
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Other information

Closing net asset value (£000s)	1,142	1,414	1,653
Closing number of shares	631,851	750,444	858,840
Operating charges	0.07%	0.07%	0.07%
Direct transaction costs	0.05%	0.07%	0.16%

Prices

Highest share price (pence)	208.40	207.40	198.10
Lowest share price (pence)	171.80	180.80	139.90

Comparative tables (continued)

	Class A accumulation (EUR hedged)		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	946.93	944.57	762.73
Return before operating charges*	(9.42)	18.96	196.55
Operating charges	(16.93)	(16.60)	(14.71)
Return after operating charges*	(26.35)	2.36	181.84
Distributions on accumulation shares	(45.53)	(42.39)	(36.75)
Retained distributions on accumulation shares	45.53	42.39	36.75
Closing net asset value per share	920.58	946.93	944.57
* after direct transaction costs of:	0.53	0.65	1.37
Performance			
Return after charges (Share class base currency)	(2.78%)	0.25%	23.84%
Return after charges (Share class currency hedged)	(2.48%)	(0.03%)	31.14%
Other information			
Closing net asset value (£000s)	6	6	6
Closing number of shares	650	650	650
Operating charges	1.73%	1.73%	1.73%
Direct transaction costs	0.05%	0.07%	0.16%
Prices			
Highest share price (Euro cents)	1,221.00	1,195.00	1,121.00
Lowest share price (Euro cents)	1,009.00	1,038.00	786.70
	Class A accumulation (USD hedged)		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,028.58	892.25	752.01
Return before operating charges*	(23.09)	152.92	153.97
Operating charges	(18.80)	(16.59)	(13.73)
Return after operating charges*	(41.89)	136.33	140.24
Distributions on accumulation shares	(50.30)	(44.07)	(35.03)
Retained distributions on accumulation shares	50.30	44.07	35.03
Closing net asset value per share	986.69	1,028.58	892.25
* after direct transaction costs of:	0.59	0.65	1.28
Performance			
Return after charges (Share class base currency)	(4.07%)	15.28%	18.65%
Return after charges (Share class currency hedged)	0.42%	1.34%	32.65%
Other information			
Closing net asset value (£000s)	130	3	2
Closing number of shares	13,143	250	250
Operating charges	1.73%	1.73%	1.73%
Direct transaction costs	0.05%	0.07%	0.16%
Prices			
Highest share price (USD cents)	1,415.00	1,345.00	1,255.00
Lowest share price (USD cents)	1,157.00	1,172.00	875.00

Comparative tables (continued)

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

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

Operating charges

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

Share class launches and closures

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

Hedged share classes

Class A accumulation (EUR hedged) and Class A accumulation (USD hedged) are hedged share classes. Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in those classes and sterling which is the base currency of the fund.

Ongoing charge figure

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

	2023 %	2022 %
Class A accumulation	1.73	1.73
Class A income	1.73	1.73
Class C income	1.73	1.73
Class E accumulation	1.23	1.23
Class E income	1.23	1.23
Class G accumulation	0.75	0.75
Class I accumulation	0.85	0.85
Class I income	0.85	0.85
Class Z accumulation	0.07	0.07
Class Z income	0.07	0.07
Class A accumulation (EUR hedged)	1.73	1.73
Class A accumulation (USD hedged)	1.73	1.73

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

Risk and reward profile

The fund currently has 12 types of share class in issue: A accumulation, A income, C income, E accumulation, E income, G accumulation, I accumulation, I income, Z accumulation, Z income, A accumulation (EUR hedged) and A accumulation (USD hedged).

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



The share classes appear at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in Net Asset Value in the past five years than those in lower categories. The lowest category does not mean risk free.

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

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

The rating above is based on the historic volatility of the share classes. Historic data may not be a reliable indication of the future risk profile of the fund. The rating is not guaranteed and may change over time.

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

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

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

* Class G accumulation launched on 14 February 2019, Class E accumulation and Class E income launched on 8 July 2019. As these share classes do not have a five year history, a synthetic history has been created for Class G accumulation using the fund’s relevant sector average and for Class E accumulation and Class E income using the A accumulation and C income share classes, respectively.

Portfolio statement as at 30 June 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 100.30% (2022: 99.93%)		
	France 0.75% (2022: 1.37%)		
	Health Care 0.75% (2022: 1.37%)		
1,282	Euroapi	12	0.01
14,500	Sanofi	1,222	0.74
		<u>1,234</u>	<u>0.75</u>
	Germany 0.68% (2022: 0.69%)		
	Health Care 0.68% (2022: 0.69%)		
25,500	Bayer	1,109	0.68
	India 0.55% (2022: 5.14%)		
	Industrials 0.55% (2022: 5.14%)		
1,597,894	iEnergizer	911	0.55
	Ireland 0.97% (2022: 0.68%)		
	Industrials 0.97% (2022: 0.68%)		
400,000	Irish Continental	1,603	0.97
	South Africa 0.00% (2022: 0.00%)		
	Consumer Discretionary 0.00% (2022: 0.00%)		
8,535	Fastjet ¹	-	-
	Switzerland 0.00% (2022: 0.96%)		
	Health Care 0.00% (2022: 0.96%)		
	United Kingdom 96.73% (2022: 85.13%)		
	Basic Materials 6.14% (2022: 5.35%)		
150,000	Anglo American	3,349	2.04
1,000,000	Elementis	1,018	0.62
125,000	Hill & Smith	1,878	1.13
77,500	Rio Tinto	3,863	2.35
		<u>10,108</u>	<u>6.14</u>
	Consumer Discretionary 7.98% (2022: 6.43%)		
30,000	Bellway	596	0.36
1,175,000	DFS Furniture	1,269	0.77
892,440	Halfords	1,922	1.17
680,264	Headlam	1,694	1.03
2,700,000	ITV	1,844	1.12
1,086,030	Kingfisher	2,516	1.53
800,000	Marks & Spencer	1,541	0.94
1,071,850	Reach	714	0.43
800,694	Studio Retail ²	-	-
1,000,000	Taylor Wimpey	1,028	0.63
		<u>13,124</u>	<u>7.98</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Consumer Staples 7.88% (2022: 7.51%)			
58,069	Cranswick	1,885	1.15
27,000	Reckitt Benckiser	1,596	0.97
1,921,052	Tesco	4,772	2.90
115,000	Unilever	4,712	2.86
		<u>12,965</u>	<u>7.88</u>
Energy 9.24% (2022: 8.32%)			
1,514,254	BP	6,941	4.22
352,808	Shell	8,264	5.02
		<u>15,205</u>	<u>9.24</u>
Financials 27.97% (2022: 24.27%)			
3,591,500	ACHP ¹	-	-
893,000	Aviva	3,528	2.14
1,700,000	Barclays	2,608	1.59
46,500	Brooks Macdonald	953	0.58
936,947	Chesnara	2,535	1.54
425,000	Conduit	1,959	1.19
1,513,199	Direct Line Insurance	2,057	1.25
1,600,000	Hipgnosis Songs Fund	1,274	0.77
260,000	Hiscox	2,834	1.72
856,683	HSBC	5,326	3.24
203,500,000	Hume Capital Securities ²	-	-
200,000	Legal & General	454	0.28
6,500,000	Lloyds Bank	2,833	1.72
1,461,949	M&G	2,798	1.70
1,678,170	NatWest	4,039	2.45
299,976	Numis	997	0.61
766,415	Phoenix	4,076	2.48
140,000	Prudential	1,552	0.94
650,000	Standard Chartered	4,440	2.70
925,000	Vanquis Banking	1,759	1.07
		<u>46,022</u>	<u>27.97</u>
Health Care 6.45% (2022: 4.40%)			
47,000	AstraZeneca	5,300	3.22
383,000	GSK	5,319	3.23
		<u>10,619</u>	<u>6.45</u>
Industrials 21.28% (2022: 16.82%)			
300,000	Alpha Financial Markets Consulting	1,155	0.70
275,000	BAE Systems	2,549	1.55
800,000	Balfour Beatty	2,726	1.66
252,805	Castings	991	0.60
58,000	DCC	2,550	1.55
500,000	DS Smith	1,359	0.83
807,516	DWF	476	0.29
1,872,275	Epwin	1,236	0.75
1,150,000	Ibstock	1,608	0.98
184,266	IMI	3,020	1.84

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials (continued)		
285,000	International Distributions Services	630	0.38
324,701	Interserve ²	-	-
1,444,000	Johnson Service	1,490	0.91
650,000	Marshalls	1,564	0.95
150,000	Mondi	1,799	1.09
1,550,000	Morgan Advanced Materials	4,247	2.58
802,655	Redde Northgate	3,010	1.83
228,697	Ricardo	1,308	0.79
150,000	RWS	353	0.21
948,061	Senior	1,661	1.01
500,000	Tyman	1,283	0.78
		<u>35,015</u>	<u>21.28</u>
	Real Estate 1.87% (2022: 1.29%)		
2,000,000	Hammerson REIT	498	0.30
450,000	Land Securities	2,583	1.57
		<u>3,081</u>	<u>1.87</u>
	Technology 1.31% (2022: 1.31%)		
852,609	Mirriad Advertising	21	0.01
1,368,750	TT Electronics	2,135	1.30
		<u>2,156</u>	<u>1.31</u>
	Telecommunications 3.02% (2022: 4.46%)		
2,000,000	BT	2,447	1.49
3,413,235	Vodafone	2,524	1.53
		<u>4,971</u>	<u>3.02</u>
	Utilities 3.59% (2022: 4.97%)		
370,000	National Grid	3,848	2.34
80,000	Severn Trent	2,053	1.25
		<u>5,901</u>	<u>3.59</u>
	United States 0.62% (2022: 5.96%)		
	Consumer Discretionary 0.00% (2022: 0.42%)		
	Health Care 0.00% (2022: 4.77%)		
	Industrials 0.62% (2022: 0.77%)		
366,980	Somero Enterprises	1,009	0.62
	Derivatives 0.00% (2022: 0.00%)		
	Forward Foreign Exchange Contracts (Hedged share classes) 0.00% (2022: 0.00%)³		
	Buy EUR 7,208 : Sell GBP 6,171 July 2023 ⁴	-	-
	Buy EUR 90 : Sell GBP 78 July 2023 ⁴	-	-
	Buy GBP 86 : Sell EUR 100 July 2023 ⁴	-	-
	Buy GBP 85 : Sell EUR 99 July 2023 ⁴	-	-
	Buy GBP 91 : Sell EUR 105 July 2023 ⁴	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (Hedged share classes) (continued)			
	Buy GBP 1,798 : Sell USD 2,286 July 2023 ⁴	-	-
	Buy GBP 1,740 : Sell USD 2,218 July 2023 ⁴	-	-
	Buy GBP 1,952 : Sell USD 2,489 July 2023 ⁴	-	-
	Buy USD 170,257 : Sell GBP 135,244 July 2023	(1)	-
	Buy USD 2,147 : Sell GBP 1,703 July 2023 ⁴	-	-
		(1)	-
	Investment assets including investment liabilities	165,032	100.30
	Other net liabilities	(498)	(0.30)
	Total net assets	164,534	100.00

¹ Manually priced securities

² Suspended or delisted securities

³ Not listed on an official stock exchange

⁴ Due to rounding to nearest £1,000

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

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

Statement of total return for the year ended 30 June 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital losses	2		(6,853)		(3,524)
Revenue	3	8,722		9,261	
Expenses	4	(1,990)		(2,200)	
Net revenue before taxation		6,732		7,061	
Taxation	5	(10)		(109)	
Net revenue after taxation			6,722		6,952
Total return before distributions			(131)		3,428
Distributions	6		(8,366)		(8,773)
Change in net assets attributable to shareholders from investment activities			(8,497)		(5,345)

Statement of change in net assets attributable to shareholders for the year ended 30 June 2023

	2023		2022	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		180,301		207,744
Amounts receivable on issue of shares	6,290		4,903	
Amounts payable on cancellation of shares	(14,807)		(28,297)	
		(8,517)		(23,394)
Dilution adjustment		-		23
Change in net assets attributable to shareholders from investment activities		(8,497)		(5,345)
Retained distributions on accumulation shares		1,194		1,221
Unclaimed distributions		53		52
Closing net assets attributable to shareholders		164,534		180,301

Balance sheet as at 30 June 2023

	Note	2023 £000	2022 £000
Assets:			
Investments		165,033	180,175
Current assets:			
Debtors	7	991	2,004
Cash and bank balances	8	985	1,503
Total assets		167,009	183,682
Liabilities:			
Investment liabilities		1	-
Creditors:			
Bank overdrafts		-	3
Distributions payable		2,097	2,762
Other creditors	9	377	616
Total liabilities		2,475	3,381
Net assets attributable to shareholders		164,534	180,301

Notes to the financial statements for the year ended 30 June 2023

1 Accounting policies

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

2 Net capital losses

Net capital losses on investments during the year comprise:

	2023 £000	2022 £000
Forward currency contracts	1	-
Forward currency contracts on hedged share classes	(4)	1
Non-derivative securities	(6,814)	(3,531)
Other currency (losses)/gains	(35)	8
Transaction costs	(1)	(2)
Net capital losses	(6,853)	(3,524)

3 Revenue

	2023 £000	2022 £000
Bank interest	63	3
Overseas dividends	822	1,587
Stock lending revenue	6	5
UK dividends	7,666	7,497
UK REIT revenue - PID	165	168
Underwriting commission	-	1
Total revenue	8,722	9,261

4 Expenses

	2023 £000	2022 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	1,644	1,821
GAC*	324	355
	<u>1,968</u>	<u>2,176</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	16	18
Safe custody fees	6	6
	<u>22</u>	<u>24</u>
Total expenses	1,990	2,200

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £13,503 (2022: £12,249).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2023 £000	2022 £000
Current tax		
Overseas withholding tax	10	109
Total tax (note 5b)	10	109

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICs of 20% (2022: 20%). The differences are explained below:

	2023 £000	2022 £000
Net revenue before taxation	6,732	7,061
Corporation tax at 20% (2022: 20%)	1,346	1,412
Effects of:		
Overseas dividends	(164)	(317)
Overseas withholding tax	10	109
UK dividends*	(1,533)	(1,500)
Unused management expenses	351	405
Tax charge for the year (note 5a)	10	109

* 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 (2022: 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 £24,637,612 (2022: £24,286,363) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

6 Distributions

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

	2023 £000	2022 £000
Interim income	5,045	4,720
Interim accumulation	843	773
Final income	2,097	2,762
Final accumulation	351	448
	<u>8,336</u>	<u>8,703</u>
Amounts deducted on cancellation of shares	81	105
Amounts received on issue of shares	(51)	(35)
Total distributions	<u>8,366</u>	<u>8,773</u>

Net revenue after taxation	6,722	6,952
Annual management charge borne by the capital account	1,644	1,821
Total distributions	<u>8,366</u>	<u>8,773</u>

Details of the distribution per share are set out in the Distribution tables on pages 329 to 332.

7 Debtors

	2023 £000	2022 £000
Accrued revenue	924	935
Amounts receivable for issue of shares	4	11
Overseas withholding tax reclaimable	63	29
Sales awaiting settlement	-	1,029
Total debtors	<u>991</u>	<u>2,004</u>

8 Cash and bank balances

	2023 £000	2022 £000
Cash and bank balances	985	1,503
Total cash and bank balances	<u>985</u>	<u>1,503</u>

9 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	128	142
Accrued Depositary's fee	2	3
Accrued other expenses	26	30
Amounts payable for cancellation of shares	189	163
Purchases awaiting settlement	32	278
Total other creditors	<u>377</u>	<u>616</u>

Notes to the financial statements (continued)

10 Contingent liabilities and commitments

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

11 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 318 and 319 and notes 4, 6, 7 and 9 on pages 320 to 322 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 (2022: nil).

12 Shareholders' funds

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

	2023 %	2022 %
Class A	1.50	1.50
Class C	1.50	1.50
Class E	1.00	1.00
Class G	0.675	0.675
Class I	0.75	0.75
Class Z ¹	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 305 to 311. The distribution per share class is given in the Distribution tables on pages 329 to 332. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2023

	Class A accumulation	Class A income	Class C income	Class E accumulation
Opening number of shares	20,913	2,003,259	3,027,912	52,287
Issues during the year	2,521	56,623	101,200	3,526
Cancellations during the year	(1,721)	(153,162)	(205,001)	(13,589)
Shares converted during the year	(684)	(321,875)	(98,358)	2,135
Closing shares in issue	21,029	1,584,845	2,825,753	44,359
	Class E income	Class G accumulation	Class I accumulation	Class I income
Opening number of shares	78,719,661	7,560	1,003,953	4,395,495
Issues during the year	3,049,563	348	40,250	106,665
Cancellations during the year	(5,790,507)	(4,414)	(127,404)	(414,706)
Shares converted during the year	132,528	-	-	263,438
Closing shares in issue	76,111,245	3,494	916,799	4,350,892

Notes to the financial statements (continued)

12 Shareholders' funds (continued)

Shares reconciliation as at 30 June 2023 (continued)

	Class Z accumulation	Class Z income	Class A accumulation (EUR hedged)	Class A accumulation (USD hedged)
Opening number of shares	4,755,750	750,444	650	250
Issues during the year	21,303	-	-	12,893
Cancellations during the year	(291,563)	(118,593)	-	-
Shares converted during the year	-	-	-	-
Closing shares in issue	4,485,490	631,851	650	13,143

13 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

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

There was no collateral pledged or collateral held in respect of forward foreign exchange contracts as at 30 June 2023 (2022: nil).

2023

The fund had no exposure to derivatives as at 30 June 2023 with a positive market value.

2022

The fund had no exposure to derivatives as at 30 June 2022 with a positive market value.

14 Stock lending

The fund and the Investment Manager have entered into a stock lending programme with JPMorgan Chase Bank, National Association (London branch) acting as the stock lending agent in order to generate additional revenue.

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

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by an EU Member State, a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. 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% to 110% of the value of the stock on loan.

2023 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of America	134	142	Government Bond
Bank of Nova Scotia	5,452	6,062	Equity/Government Bond
HSBC	208	219	Government Bond
JPMorgan Chase	127	141	Equity
Morgan Stanley	36	40	Government Bond
UBS	2	2	Government Bond
	5,959	6,606	

Notes to the financial statements (continued)

14 Stock lending (continued)

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	7	1	6
2022 Counterparty		Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of America		22	23	Government Bond
Bank of Nova Scotia		1,722	1,888	Equity/Government Bond
Credit Suisse		3,135	3,524	Equity
HSBC		190	205	Government Bond
Morgan Stanley		584	615	Government Bond
UBS		85	97	Equity/Government Bond
		5,738	6,352	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	5	-	5

15 Risk

Currency risk

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

Interest rate risk

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

Other market price risk

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

Leverage

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

Notes to the financial statements (continued)

15 Risk (continued)

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2023				
Derivative financial liabilities	-	1	-	-
Distribution payable	-	2,097	-	-
Other creditors	-	377	-	-
Total	-	2,475	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2022				
Bank overdrafts	3	-	-	-
Distribution payable	-	2,762	-	-
Other creditors	-	616	-	-
Total	3	3,378	-	-

16 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2023		2022	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	164,122	-	180,175	-
Level 2	-	1	-	-
Level 3	911	-	-	-
	165,033	1	180,175	-

Notes to the financial statements (continued)

16 Fair value disclosure (continued)

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Investment Manager, at its discretion, may permit an alternative method of valuation to be used if they consider that it better reflects value and is in accordance with good accounting practice. The EPC of the Investment Manager supports the ACD in determining or approving unquoted prices. Where deemed necessary, the EPC will seek ratification of decisions from the Janus Henderson Investment Risk team. The EPC meets on a monthly basis and consists of representatives from various parts of the Investment Manager who act as an independent party, segregated from the fund management function, to review and approve fair value pricing decisions and pricing models on a regular basis. The asset iEnergizer is a delisted security that is now listed on a private trading platform, and is recognised within level 3 in the current period.

17 Direct transactions costs

	Purchases		Sales	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trades in the year				
Equities	19,101	27,025	26,737	51,043
Trades in the year before transaction costs	19,101	27,025	26,737	51,043
Transaction costs				
Commissions				
Equities	7	11	10	21
Total commissions	7	11	10	21
Taxes				
Equities	80	125	-	-
Total taxes	80	125	-	-
Other expenses				
Equities	-	1	-	-
Total other expenses	-	1	-	-
Total transaction costs	87	137	10	21
Total net trades in the year after transaction costs	19,188	27,162	26,727	51,022
	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.04	0.04	0.04
Taxes				
Equities	0.42	0.46	-	-
Other expenses				
Equities	-	-	-	-
	2023	2022		
	%	%		
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.01	0.02		
Taxes	0.04	0.06		
Other expenses	-	-		
Total costs	0.05	0.08		

There were no in specie transfers during the year (2022: nil). There were corporate actions during the year of £790,130 (2022: £1,194,858).

Notes to the financial statements (continued)

17 Direct transactions costs (continued)

There were no direct transaction costs associated with derivatives in the year (2022: nil).

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

The portfolio dealing spread as at 30 June 2023 was 0.34% (2022: 0.35%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

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

Distribution tables for the year ended 30 June 2023 (in pence per share)

Interim dividend distribution (accounting date 30 September 2022, paid on 30 November 2022)

Group 1: shares purchased prior to 1 July 2022

Group 2: shares purchased on or after 1 July 2022

	Distribution per share	Equalisation	Total distribution per share 30/11/22	Total distribution per share 30/11/21
Class A accumulation				
Group 1	9.7964	-	9.7964	8.6662
Group 2	7.3223	2.4741	9.7964	8.6662
Class A income				
Group 1	6.8981	-	6.8981	6.3875
Group 2	1.7151	5.1830	6.8981	6.3875
Class C income				
Group 1	1.9519	-	1.9519	1.8072
Group 2	0.3250	1.6269	1.9519	1.8072
Class E accumulation				
Group 1	9.9456	-	9.9456	8.7571
Group 2	5.4294	4.5162	9.9456	8.7571
Class E income				
Group 1	1.9828	-	1.9828	1.8265
Group 2	0.3645	1.6183	1.9828	1.8265
Class G accumulation				
Group 1	1.5183	-	1.5183	1.3276
Group 2	1.5183	-	1.5183	1.3276
Class I accumulation				
Group 1	19.2778	-	19.2778	16.9544
Group 2	7.1739	12.1039	19.2778	16.9544
Class I income				
Group 1	8.2523	-	8.2523	7.6060
Group 2	2.3592	5.8931	8.2523	7.6060
Class Z accumulation				
Group 1	3.2512	-	3.2512	2.8351
Group 2	3.2512	-	3.2512	2.8351
Class Z income				
Group 1	2.6699	-	2.6699	2.4438
Group 2	2.6699	-	2.6699	2.4438
Class A accumulation (EUR hedged)¹				
Group 1	15.1265	-	15.1265	13.4783
Group 2	15.1265	-	15.1265	13.4783
Class A accumulation (USD hedged)²				
Group 1	17.2490	-	17.2490	15.3819
Group 2	17.2490	-	17.2490	15.3819

¹ in Euro cents per share

² in USD cents per share

Distribution tables (continued)

Interim dividend distribution (accounting date 31 December 2022, paid on 28 February 2023)

Group 1: shares purchased prior to 1 October 2022

Group 2: shares purchased on or after 1 October 2022

	Distribution per share	Equalisation	Total distribution per share 28/02/23	Total distribution per share 28/02/22
Class A accumulation				
Group 1	6.2102	-	6.2102	4.7622
Group 2	3.1861	3.0241	6.2102	4.7622
Class A income				
Group 1	4.3094	-	4.3094	3.4619
Group 2	1.1444	3.1650	4.3094	3.4619
Class C income				
Group 1	1.2191	-	1.2191	0.9797
Group 2	0.3431	0.8760	1.2191	0.9797
Class E accumulation				
Group 1	6.3126	-	6.3126	4.8173
Group 2	1.4044	4.9082	6.3126	4.8173
Class E income				
Group 1	1.2396	-	1.2396	0.9913
Group 2	0.3540	0.8856	1.2396	0.9913
Class G accumulation				
Group 1	0.9820	-	0.9820	0.7509
Group 2	0.9820	-	0.9820	0.7509
Class I accumulation				
Group 1	12.4030	-	12.4030	9.5383
Group 2	1.7367	10.6663	12.4030	9.5383
Class I income				
Group 1	5.2288	-	5.2288	4.2210
Group 2	1.4268	3.8020	5.2288	4.2210
Class Z accumulation				
Group 1	2.0945	-	2.0945	1.6084
Group 2	2.0945	-	2.0945	1.6084
Class Z income				
Group 1	1.6990	-	1.6990	1.3657
Group 2	1.6990	-	1.6990	1.3657
Class A accumulation (EUR hedged)¹				
Group 1	9.4906	-	9.4906	7.3197
Group 2	9.4906	-	9.4906	7.3197
Class A accumulation (USD hedged)²				
Group 1	11.1094	-	11.1094	8.5493
Group 2	1.6310	9.4784	11.1094	8.5493

¹ in Euro cents per share

² in USD cents per share

Distribution tables (continued)

Interim dividend distribution (accounting date 31 March 2023, paid on 31 May 2023)

Group 1: shares purchased prior to 1 January 2023

Group 2: shares purchased on or after 1 January 2023

	Distribution per share	Equalisation	Total distribution per share 31/05/23	Total distribution per share 31/05/22
Class A accumulation				
Group 1	7.7708	-	7.7708	6.2606
Group 2	2.7057	5.0651	7.7708	6.2606
Class A income				
Group 1	5.3482	-	5.3482	4.5190
Group 2	3.5154	1.8328	5.3482	4.5190
Class C income				
Group 1	1.5130	-	1.5130	1.2788
Group 2	1.1258	0.3872	1.5130	1.2788
Class E accumulation				
Group 1	7.9127	-	7.9127	6.3396
Group 2	5.9263	1.9864	7.9127	6.3396
Class E income				
Group 1	1.5411	-	1.5411	1.2962
Group 2	1.1709	0.3702	1.5411	1.2962
Class G accumulation				
Group 1	1.2129	-	1.2129	0.9775
Group 2	1.2129	-	1.2129	0.9775
Class I accumulation				
Group 1	15.4845	-	15.4845	12.4270
Group 2	12.1803	3.3042	15.4845	12.4270
Class I income				
Group 1	6.4719	-	6.4719	5.4630
Group 2	4.7294	1.7425	6.4719	5.4630
Class Z accumulation				
Group 1	2.6184	-	2.6184	2.0963
Group 2	2.6184	-	2.6184	2.0963
Class Z income				
Group 1	2.1051	-	2.1051	1.7670
Group 2	2.1051	-	2.1051	1.7670
Class A accumulation (EUR hedged)¹				
Group 1	11.8043	-	11.8043	9.6492
Group 2	11.8043	-	11.8043	9.6492
Class A accumulation (USD hedged)²				
Group 1	13.8252	-	13.8252	11.2073
Group 2	13.8252	-	13.8252	11.2073

¹ in Euro cents per share

² in USD cents per share

Distribution tables (continued)

Final dividend distribution (accounting date 30 June 2023, paid on 31 August 2023)

Group 1: shares purchased prior to 1 April 2023

Group 2: shares purchased on or after 1 April 2023

	Distribution per share	Equalisation	Total distribution per share 31/08/23	Total distribution per share 31/08/22
Class A accumulation				
Group 1	10.3279	-	10.3279	12.4442
Group 2	5.5302	4.7977	10.3279	12.4442
Class A income				
Group 1	7.0350	-	7.0350	8.9204
Group 2	1.9949	5.0401	7.0350	8.9204
Class C income				
Group 1	1.9900	-	1.9900	2.5241
Group 2	0.5589	1.4311	1.9900	2.5241
Class E accumulation				
Group 1	10.5265	-	10.5265	12.6241
Group 2	1.7063	8.8202	10.5265	12.6241
Class E income				
Group 1	2.0288	-	2.0288	2.5602
Group 2	0.5908	1.4380	2.0288	2.5602
Class G accumulation				
Group 1	1.5969	-	1.5969	1.9103
Group 2	1.5969	-	1.5969	1.9103
Class I accumulation				
Group 1	20.4375	-	20.4375	24.3155
Group 2	8.4618	11.9757	20.4375	24.3155
Class I income				
Group 1	8.4515	-	8.4515	10.5960
Group 2	3.6573	4.7942	8.4515	10.5960
Class Z accumulation				
Group 1	3.4551	-	3.4551	4.0847
Group 2	2.5394	0.9157	3.4551	4.0847
Class Z income				
Group 1	2.7393	-	2.7393	3.4172
Group 2	2.7393	-	2.7393	3.4172
Class A accumulation (EUR hedged)¹				
Group 1	15.6878	-	15.6878	19.1787
Group 2	15.6878	-	15.6878	19.1787
Class A accumulation (USD hedged)²				
Group 1	18.3451	-	18.3451	21.6610
Group 2	18.3451	-	18.3451	21.6610

¹ in Euro cents per share

² in USD cents per share

Janus Henderson UK Smaller Companies Fund

Authorised Corporate Director's report

Investment Fund Manager

Neil Hermon

Investment objective and policy

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

The fund invests at least 80% of its assets in shares (also known as equities) of smaller companies, in any industry, in the UK. Companies will be incorporated, headquartered or deriving significant revenue from, the UK.

The fund may also invest in other assets including cash and other shares. The Investment Manager may use derivatives (complex financial instruments) to reduce risk or to manage the fund more efficiently.

The fund is actively managed with reference to the Numis Smaller Companies ex Investment Companies Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the fund's performance. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

Strategy

The Investment Manager believes that investing in companies is about the future and taking a long term view. The investment process is grounded both in fundamental analysis, which aims to gain a clear understanding of individual companies and their markets, and in a strong valuation discipline. The universe of potential investments is reduced in stages using broad-based screening and ranking of companies, detailed profiling, meetings with management and the detailed analysis of financial data. The fund has a well-diversified portfolio and normally avoids very small 'micro cap' companies due to the more difficult nature of buying and selling shares in these companies.

Performance summary

Cumulative performance

	One year	Three years	Five years	Since inception
	30 Jun 22 - 30 Jun 23	30 Jun 20 - 30 Jun 23	30 Jun 18 - 30 Jun 23	31 Jan 83 - 30 Jun 23
	%	%	%	%
Class I accumulation (Net)	(6.2)	7.5	(5.5)	4,523.3
Numis Smaller Companies ex Investment Companies Index	4.4	29.5	4.2	-*
IA UK Smaller Companies Sector	(5.7)	10.1	(3.3)	4,966.6

Discrete performance

	30 Jun 22 - 30 Jun 23	30 Jun 21 - 30 Jun 22	30 Jun 20 - 30 Jun 21	30 Jun 19 - 30 Jun 20	30 Jun 18 - 30 Jun 19
	%	%	%	%	%
Class I accumulation (Net)	(6.2)	(24.5)	51.8	(7.7)	(4.8)
Numis Smaller Companies ex Investment Companies Index	4.4	(17.2)	49.8	(15.0)	(5.4)
IA UK Smaller Companies Sector	(5.7)	(22.6)**	50.8	(6.4)	(6.2)

* Benchmark return is not quoted as the fund inception date is earlier than the benchmark inception date.

** Historical performance has been restated.

Source: Morningstar

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

Benchmark values are as at close of business.

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

Authorised Corporate Director's report (continued)

Performance summary (continued)

Benchmark usage:

Index: Numis Smaller Companies ex Investment Companies Index

Index usage: Comparator

Index description: The Numis Smaller Companies ex Investment Companies Index is a measure of the combined performance of smaller companies (the bottom 10%) listed on the London Stock Exchange excluding investment companies. It provides a useful comparison against which the fund's performance can be assessed over time.

Peer group: IA UK Smaller Companies Sector

Peer group usage: Comparator

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

Past performance does not predict future returns. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Significant portfolio changes for the year ended 30 June 2023

Largest purchases	£000	Largest sales	£000
Trainline	2,520	Euromoney Institutional Investor	7,447
Morgan Advanced Materials	2,213	Ultra Electronics	5,094
Spirent Communications	1,359	RPS	3,880
Future	1,334	TI Fluid Systems	2,809
Wilmington	1,314	Hyve	2,773
Ascential	1,183	Oxford Instruments	2,298
Bridgepoint	1,064	EMIS	2,032
Globaldata	975	Savills	1,578
JTC	936	Impax Asset Management	1,410
Essentra	930	Bellway	1,400
Total purchases	28,807	Total sales	83,523

Investment review

The fund fell 6.2% based on Class I accumulation (Net) over the year under review, compared with a return of 4.4% in the Numis Smaller Companies ex Investment Companies Index and a fall of 5.7% in the IA UK Smaller Companies Sector peer group benchmark.

The reporting year was volatile for the UK equity market. The market faced a number of challenges, including China's 'zero-COVID-19' policy, which suppressed economic growth and exacerbated supply chain challenges; the ongoing conflict in Ukraine, which kept energy prices high, particularly in Western Europe; the persistent cost-of-living crisis fuelled by high inflation; and political instability in the UK, primarily focused on Liz Truss' short-lived tenure as prime minister.

However, the principal driver of market returns remained central bank policy. Inflation projections continued to worsen throughout the initial part of the year and central banks, led by the Fed, ECB and BoE, raised interest rates aggressively. Despite indications that headline inflation has peaked, core inflation has remained 'sticky'. While goods inflation has started to ease, services inflation, driven by supply-side pressures and a tight labour market, has remained elevated. Consequently, the messaging from central banks has remained hawkish regarding the future path of interest rates. Rising rates and a move from quantitative easing to quantitative tightening led to a weakening of global economic growth, which pressured corporate earnings.

Markets saw a continued flight to safety by investors who took refuge from uncertain macroeconomic conditions by investing in larger, more liquid and more international stocks. This led to another year of underperformance of smaller companies versus larger companies.

Contributors to the fund's performance included Oxford Instruments, a manufacturer of advanced instrumentation equipment, where growth and margins exceeded expectations. Shares of RPS, an international engineering consultancy, rose after it received a bid from a North American rival.

Detractors from performance included Future, a specialist media group, due to a de-rating of growth stocks and tougher trading conditions in the digital advertising and commerce markets. Synthomer, a chemicals business, saw a significant deterioration in profits due to economic weakness and customer de-stocking.

We initiated a position in Globaldata, a business information and data provider. The business has enjoyed strong retention rates, upgrades to existing customer deals, price increases and new customer additions. The company, which has kept its cost base under control, aims to augment topline growth by expanding margins. We also initiated a position in Wilmington, an information and conference provider in legal, finance and risk and compliance markets. The company has focused on a core business with leading market positions. We liked that its operations are mostly non-cyclical, which we believed would help insulate the business in an economic downturn.

We sold De La Rue, a banknote and authentication products provider, as we were concerned about its profitability targets due to cost pressures and competitive markets. We sold the fund's position in EMIS, a healthcare software business, after its approved acquisition by a US competitor was referred to the Competition and Markets Authority.

With inflation staying elevated against official targets, central banks, led by the Fed, have remained hawkish. The market has forecast further modest rises in interest rates globally, although it is clear we are much closer to the end rather than the start of the monetary policy tightening cycle.

The acceleration of inflation, driven by energy prices but also by a wider number of other components, and rising interest rates have put pressure on consumers and businesses alike. Although the labour market has been strong and wages have risen, real net disposable income has fallen and consumer confidence has been low. The delayed transmission mechanism of rising interest rates and their impact on the economy means that economic conditions are likely to worsen in the short term.

Geopolitics remain challenging with the ongoing conflict in Ukraine and heightened tensions between China and the US and Europe. The longer-term economic implications of this are material. There is an urgent need to reduce European dependence on Russian oil and gas supplies and a requirement to decrease China's influence on the global supply chain through investment in capacity closer to home.

In the corporate sector, conditions have been intrinsically stronger than they were during the global financial crisis of 2008-09. In particular, balance sheets have been more robust. Dividends have been recovering strongly and an increasing number of companies have bought back their own stock.

Merger and acquisition activity has remained robust as buyers, particularly private equity, have looked to exploit opportunities thrown up by the recent equity market falls. We expect this to continue in the coming months as UK equity market valuations remain markedly depressed versus other developed markets.

At the time of writing, the equity market was trading below long-term averages. Corporate earnings rebounded sharply following the pandemic-induced shock in 2020. Lead indicators suggest this rebound is likely to continue to fade as economic activity weakens further. Rising interest costs and increasing tax burdens are putting further pressure on corporate earnings growth. However, the view that the UK economy is entering a moderate recession is now consensual and the debate is focused on whether the trough will be deeper than expected.

Comparative tables for the year ended 30 June 2023

	Class A accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	811.31	1,084.04	718.75
Return before operating charges*	(45.30)	(254.75)	382.11
Operating charges	(13.95)	(17.98)	(16.82)
Return after operating charges*	(59.25)	(272.73)	365.29
Distributions on accumulation shares	(11.30)	(3.84)	(0.50)
Retained distributions on accumulation shares	11.30	3.84	0.50
Closing net asset value per share	752.06	811.31	1,084.04
* after direct transaction costs of:	0.01	0.46	0.31
Performance			
Return after charges	(7.30%)	(25.16%)	50.82%
Other information			
Closing net asset value (£000s)	30,616	40,918	60,083
Closing number of shares	4,070,913	5,043,462	5,542,479
Operating charges	1.73%	1.73%	1.73%
Direct transaction costs	0.00%	0.04%	0.03%
Prices			
Highest share price (pence)	886.80	1,194.00	1,107.00
Lowest share price (pence)	699.40	811.50	714.10

	Class C accumulation		
	2023 (pence per share)	2022 (pence per share)	18/03/21 - 30/06/21 (pence per share)
Change in net assets per share			
Opening net asset value per share	674.99	891.44	802.05 ¹
Return before operating charges*	(38.13)	(211.57)	90.78
Operating charges	(3.85)	(4.88)	(1.39)
Return after operating charges*	(41.98)	(216.45)	89.39
Distributions on accumulation shares	(21.70)	(13.23)	(3.93)
Retained distributions on accumulation shares	21.70	13.23	3.93
Closing net asset value per share	633.01	674.99	891.44
* after direct transaction costs of:	0.01	0.38	0.28
Performance			
Return after charges	(6.22%)	(24.28%)	11.15%
Other information			
Closing net asset value (£000s)	14	22	30
Closing number of shares	2,217	3,317	3,317
Operating charges	0.57%	0.57%	0.57%
Direct transaction costs	0.00%	0.04%	0.03%
Prices			
Highest share price (pence)	738.90	983.80	909.70
Lowest share price (pence)	583.90	675.10	801.50

¹ Class C accumulation launched on 18 March 2021 and this is the first published price.

Comparative tables (continued)

	Class E accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	823.39	1,094.68	722.28
Return before operating charges*	(46.19)	(258.37)	384.01
Operating charges	(10.09)	(12.92)	(11.61)
Return after operating charges*	(56.28)	(271.29)	372.40
Distributions on accumulation shares	(15.16)	(9.36)	(2.29)
Retained distributions on accumulation shares	15.16	9.36	2.29
Closing net asset value per share	767.11	823.39	1,094.68
* after direct transaction costs of:	0.01	0.47	0.30

Performance

Return after charges	(6.84%)	(24.78%)	51.56%
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Other information

Closing net asset value (£000s)	64,246	73,015	101,563
Closing number of shares	8,375,042	8,867,576	9,277,910
Operating charges	1.23%	1.23%	1.24%
Direct transaction costs	0.00%	0.04%	0.03%

Prices

Highest share price (pence)	900.60	1,207.00	1,118.00
Lowest share price (pence)	710.90	823.50	717.60

	Class I accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	984.34	1,303.62	856.89
Return before operating charges*	(55.44)	(308.59)	456.06
Operating charges	(8.36)	(10.69)	(9.33)
Return after operating charges*	(63.80)	(319.28)	446.73
Distributions on accumulation shares	(24.44)	(17.32)	(6.28)
Retained distributions on accumulation shares	24.44	17.32	6.28
Closing net asset value per share	920.54	984.34	1,303.62
* after direct transaction costs of:	0.02	0.56	0.35

Performance

Return after charges	(6.48%)	(24.49%)	52.13%
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Other information

Closing net asset value (£000s)	80,325	126,123	191,287
Closing number of shares	8,725,869	12,813,001	14,673,459
Operating charges	0.85%	0.85%	0.86%
Direct transaction costs	0.00%	0.04%	0.03%

Prices

Highest share price (pence)	1,077.00	1,438.00	1,331.00
Lowest share price (pence)	850.70	984.50	851.30

Comparative tables (continued)

	Class Z accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
Change in net assets per share			
Opening net asset value per share	701.13	921.36	600.93
Return before operating charges*	(39.81)	(219.61)	320.97
Operating charges	(0.49)	(0.62)	(0.54)
Return after operating charges*	(40.30)	(220.23)	320.43
Distributions on accumulation shares	(22.19)	(18.39)	(9.90)
Retained distributions on accumulation shares	22.19	18.39	9.90
Closing net asset value per share	660.83	701.13	921.36
* after direct transaction costs of:	0.01	0.40	0.25
Performance			
Return after charges	(5.75%)	(23.90%)	53.32%
Other information			
Closing net asset value (£000s)	43,827	55,040	76,390
Closing number of shares	6,632,107	7,850,232	8,291,027
Operating charges	0.07%	0.07%	0.07%
Direct transaction costs	0.00%	0.04%	0.03%
Prices			
Highest share price (pence)	768.00	1,018.00	939.90
Lowest share price (pence)	607.30	701.30	597.00

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

	2023 %	2022 %
Class A accumulation	1.73	1.73
Class C accumulation	0.57	0.57
Class E accumulation	1.23	1.23
Class I accumulation	0.85	0.85
Class Z accumulation	0.07	0.07

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

Risk and reward profile

The fund currently has 5 types of share class in issue: A accumulation, C accumulation, E accumulation, I accumulation and Z accumulation.

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



The share classes appear at 6 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in Net Asset Value in the past five years than those in lower categories. The lowest category does not mean risk free.

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

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

The rating above is based on the historic volatility of the share classes. Historic data may not be a reliable indication of the future risk profile of the fund. The rating is not guaranteed and may change over time.

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

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

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

* Class E accumulation launched on 8 July 2019 and Class C accumulation launched on 18 March 2021. As these share classes do not have a five year history, a synthetic history has been created using the A accumulation share class and the fund's relevant sector average, respectively.

Portfolio statement as at 30 June 2023

Holding	Investment	Market value £000	Percentage of total net assets %
Equities 98.60% (2022: 99.00%)			
China 0.00% (2022: 1.20%)			
Consumer Discretionary 0.00% (2022: 1.20%)			
United Kingdom 98.60% (2022: 97.67%)			
Basic Materials 1.91% (2022: 2.46%)			
3,870	Hill & Smith	58	0.02
1,648,567	Synthomer	1,202	0.55
210,779	Victrix	2,932	1.34
		<u>4,192</u>	<u>1.91</u>
Consumer Discretionary 20.51% (2022: 20.94%)			
278,578	Bellway	5,538	2.53
1,118	Caplay ¹	-	-
1,127,949	Crest Nicholson	2,125	0.97
1,199,135	DFS Furniture	1,295	0.59
97,303	Focusrite	409	0.19
496,200	Future	3,349	1.53
77,211	Globaldata	926	0.42
351,393	Halfords	757	0.35
317,101	Headlam	790	0.36
891,392	Hollywood Bowl	2,224	1.01
205,799	Howden Joinery	1,322	0.60
2,446,639	Mitchells & Butlers	4,991	2.28
948,085	Moonpig	1,367	0.62
300,234	Next Fifteen Communications	2,039	0.93
1,242,977	Pebble	1,143	0.52
1,854,895	Restaurant	705	0.32
1,143,773	RM	938	0.43
2,833,794	SafeStyle UK	456	0.21
1,167,628	Team17	4,087	1.87
737,131	Trainline	1,924	0.88
613,122	Watches of Switzerland	3,743	1.71
1,420,091	Wickes	1,740	0.79
438,218	Wilmington	1,201	0.55
78,259	Young & Co's Brewery 'A'	939	0.43
115,340	Young & Co's Brewery Non-Voting	920	0.42
		<u>44,928</u>	<u>20.51</u>
Energy 2.89% (2022: 3.91%)			
608,286	Capricorn Energy	1,135	0.52
613,141	Harbour Energy	1,402	0.64
522,066	Hunting	1,041	0.47
1,311,206	Serica Energy	2,756	1.26
		<u>6,334</u>	<u>2.89</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Financials 16.59% (2022: 13.57%)			
811,924	Bridgepoint	1,645	0.75
200,161	Burford Capital	1,919	0.88
720,849	Foresight	3,121	1.42
178,926	Gresham House	1,199	0.55
967,681	Impax Asset Management	5,506	2.51
1,325,404	IntegraFin	3,141	1.44
140,989	JTC	999	0.46
3,838,264	Just	2,986	1.36
280,125	Liontrust Asset Management	2,006	0.92
1,155,223	OSB	5,543	2.53
1,048,918	Paragon Banking	5,564	2.54
145,099	Rathbones	2,699	1.23
		<u>36,328</u>	<u>16.59</u>
Health Care 1.42% (2022: 1.72%)			
363,911	Advanced Medical Solutions	821	0.38
1,640,358	Alliance Pharma	816	0.37
1,988,694	Benchmark	776	0.35
70,885	Ergomed	690	0.32
		<u>3,103</u>	<u>1.42</u>
Industrials 35.13% (2022: 34.79%)			
66,552	AB Dynamics	1,238	0.56
843,574	Alpha Financial Markets Consulting	3,248	1.48
113,034	Avon Protection	963	0.44
1,700,720	Balfour Beatty	5,796	2.65
471,784	Bodycote	3,024	1.38
1,056,214	Chemring	2,984	1.36
26,162	Clarkson	774	0.35
428,000	Essentra	694	0.32
505,151	Eurocell	556	0.25
570,094	Genuit	1,673	0.76
1,379,766	Luceco	1,722	0.79
603,569	Midwich	2,601	1.19
690,665	Morgan Advanced Materials	1,893	0.86
298,980	Oxford Instruments	8,162	3.73
430,057	PageGroup	1,727	0.79
603,762	QinetiQ	2,136	0.98
678,972	Redde Northgate	2,546	1.16
91,423	Renishaw	3,565	1.63
571,969	Restore	1,316	0.60
1,124,656	RWS	2,648	1.21
2,055,474	Serco	3,198	1.46
1,236,139	Severfield	841	0.38
4,067,093	SigmaRoc	2,310	1.05
176,739	Smart Metering Systems	1,216	0.56
88,109	Spectris	3,166	1.45
1,092,943	Stelrad	1,333	0.61
400,008	SThree	1,366	0.62
2,420,214	Thruvision	605	0.28

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials (continued)		
1,018,715	Tyman	2,613	1.19
1,241,000	Vesuvius	4,944	2.26
222,120	Videndum	1,537	0.70
827,693	Volution	3,129	1.43
71,931	XP Power	1,414	0.65
		<u>76,938</u>	<u>35.13</u>
	Real Estate 5.22% (2022: 5.66%)		
1,252,637	CLS	1,691	0.77
1,237,277	Empiric Student Property	1,042	0.48
312,927	Grainger	711	0.33
1,390,742	Harworth	1,467	0.67
434,023	Helical	1,126	0.51
314,160	Savills	2,674	1.22
576,825	Workspace REIT	2,726	1.24
		<u>11,437</u>	<u>5.22</u>
	Technology 12.82% (2022: 13.20%)		
951,292	Access Intelligence	675	0.31
263,115	Aptitude Software	895	0.41
1,807,654	Ascential	4,002	1.83
257,599	Auction Technology	1,927	0.88
501,795	Blancco Technology	768	0.35
642,955	Bytes Technology	3,392	1.55
158,580	Computacenter	3,631	1.66
1,002,999	GBG	2,295	1.05
3,851,506	Learning Technologies	3,181	1.45
1,166,857	Moneysupermarket.com	3,157	1.44
243,861	Softcat	3,453	1.57
1,809,425	Tribal	706	0.32
		<u>28,082</u>	<u>12.82</u>
	Telecommunications 2.11% (2022: 1.42%)		
323,882	Gamma Communications	3,699	1.69
557,742	Spirent Communications	912	0.42
		<u>4,611</u>	<u>2.11</u>
	United States 0.00% (2022: 0.13%)		
	Consumer Discretionary 0.00% (2022: 0.13%)		
	Investment assets	215,953	98.60
	Other net assets	3,075	1.40
	Total net assets	219,028	100.00

¹ Suspended or delisted securities

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

The classification is based on the country of risk and a relevant industry classification standard.

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

Statement of total return for the year ended 30 June 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital losses	2		(19,982)		(105,558)
Revenue	3	7,734		8,441	
Expenses	4	(2,400)		(3,749)	
Interest payable and similar charges	5	-		(2)	
Net revenue before taxation		5,334		4,690	
Taxation	6	-		(4)	
Net revenue after taxation			5,334		4,686
Total return before distributions			(14,648)		(100,872)
Distributions	7		(5,334)		(4,686)
Change in net assets attributable to shareholders from investment activities			(19,982)		(105,558)

Statement of change in net assets attributable to shareholders for the year ended 30 June 2023

	2023		2022	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		295,118		429,353
Amounts receivable on issue of shares	6,277		22,029	
Amounts payable on cancellation of shares	(67,880)		(55,484)	
		(61,603)		(33,455)
Dilution adjustment		161		92
Change in net assets attributable to shareholders from investment activities		(19,982)		(105,558)
Retained distributions on accumulation shares		5,334		4,686
Closing net assets attributable to shareholders		219,028		295,118

Balance sheet

as at 30 June 2023

	Note	2023 £000	2022 £000
Assets:			
Investments		215,953	292,164
Current assets:			
Debtors	8	1,198	1,590
Cash and bank balances	9	2,457	2,340
Total assets		219,608	296,094
Liabilities:			
Creditors:			
Other creditors	10	580	976
Total liabilities		580	976
Net assets attributable to shareholders		219,028	295,118

Notes to the financial statements for the year ended 30 June 2023

1 Accounting policies

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

2 Net capital losses

Net capital losses on investments during the year comprise:

	2023 £000	2022 £000
Non-derivative securities	(19,975)	(105,552)
Transaction costs	(7)	(6)
Net capital losses	(19,982)	(105,558)

3 Revenue

	2023 £000	2022 £000
Bank interest	49	3
Overseas dividends	117	104
UK dividends	7,354	8,273
UK REIT revenue - PID	194	61
UK REIT revenue - non PID	20	-
Total revenue	7,734	8,441

4 Expenses

	2023 £000	2022 £000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	2,013	3,163
GAC*	357	539
	2,370	3,702
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	23	33
Safe custody fees	7	14
	30	47
Total expenses	2,400	3,749

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £10,354 (2022: £9,393).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2023 £000	2022 £000
Interest payable	-	2
Total interest payable and similar charges	-	2

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2023 £000	2022 £000
Current tax		
Overseas withholding tax	-	4
Total tax (note 6b)	-	4

b) Factors affecting tax charge for year

The tax assessed for each year is different to the standard rate of corporation tax in the UK for funds of authorised OEICs of 20% (2022: 20%). The differences are explained below:

	2023 £000	2022 £000
Net revenue before taxation	5,334	4,690
Corporation tax at 20% (2022: 20%)	1,067	938
Effects of:		
Overseas dividends	(23)	(21)
Overseas withholding tax	-	4
UK dividends*	(1,475)	(1,655)
Unused management expenses	431	738
Tax charge for the year (note 6a)	-	4

* 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 (2022: 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 £8,736,638 (2022: £8,305,201) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

	2023 £000	2022 £000
Final accumulation	5,334	4,686
Total distributions	5,334	4,686

Details of the distribution per share are set out in the Distribution table on page 352.

8 Debtors

	2023 £000	2022 £000
Accrued revenue	1,058	1,403
Amounts receivable for issue of shares	16	24
Merger debtor*	20	86
Sales awaiting settlement	104	77
Total debtors	1,198	1,590

* Janus Henderson UK & Irish Smaller Companies Fund, a sub-fund of Janus Henderson Investment Funds Series I, merged into Janus Henderson UK Smaller Companies Fund on 18 March 2021.

9 Cash and bank balances

	2023 £000	2022 £000
Cash and bank balances	2,457	2,340
Total cash and bank balances	2,457	2,340

10 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	147	201
Accrued Depositary's fee	3	5
Accrued other expenses	28	38
Amounts payable for cancellation of shares	340	222
Purchases awaiting settlement	62	510
Total other creditors	580	976

11 Contingent liabilities and commitments

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

12 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 344 and 345 and notes 4, 8, and 10 on pages 346 to 348 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 (2022: nil).

Notes to the financial statements (continued)

13 Shareholders' funds

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

	2023	2022
	%	%
Class A	1.50	1.50
Class C	0.50	0.50
Class E	1.00	1.00
Class I	0.75	0.75
Class Z ¹	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 336 to 338. The distribution per share class is given in the Distribution table on page 352. All share classes have the same rights on winding up.

Shares reconciliation as at 30 June 2023

	Class A accumulation	Class C accumulation	Class E accumulation	Class I accumulation
Opening number of shares	5,043,462	3,317	8,867,576	12,813,001
Issues during the year	11,942	-	13,143	545,958
Cancellations during the year	(235,842)	(1,100)	(567,512)	(5,195,563)
Shares converted during the year	(748,649)	-	61,835	562,473
Closing shares in issue	4,070,913	2,217	8,375,042	8,725,869

	Class Z accumulation
Opening number of shares	7,850,232
Issues during the year	101,031
Cancellations during the year	(1,319,156)
Shares converted during the year	-
Closing shares in issue	6,632,107

14 Financial derivatives

The fund may use financial derivatives to reduce risk or to manage the fund more efficiently.

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

There was no collateral pledged or collateral held in respect of derivatives contracts as at 30 June 2023 (2022: nil).

2023

The fund had no exposure to derivatives as at 30 June 2023.

2022

The fund had no exposure to derivatives as at 30 June 2022.

15 Risk

Currency risk

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

Interest rate risk

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

Notes to the financial statements (continued)

15 Risk (continued)

Other market price risk

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

Leverage

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

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2023				
Other creditors	-	580	-	-
Total	-	580	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2022				
Other creditors	-	976	-	-
Total	-	976	-	-

16 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Fair value hierarchy

	2023		2022	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	215,953	-	292,164	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	215,953	-	292,164	-

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trades in the year				
Equities	28,680	62,536	83,562	86,706
Trades in the year before transaction costs	28,680	62,536	83,562	86,706
Transaction costs				
Commissions				
Equities	13	21	38	39
Total commissions	13	21	38	39
Taxes				
Equities	113	212	-	-
Total taxes	113	212	-	-
Other expenses				
Equities	1	1	1	1
Total other expenses	1	1	1	1
Total transaction costs	127	234	39	40
Total net trades in the year after transaction costs	28,807	62,770	83,523	86,666
	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.05	0.03	0.05	0.04
Taxes				
Equities	0.39	0.34	-	-
Other expenses				
Equities	-	-	-	-
	2023	2022		
	%	%		
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.02	0.01		
Taxes	0.04	0.05		
Other expenses	-	-		
Total costs	0.06	0.06		

There were no in specie transfers during the year (2022: nil). There were corporate actions during the year of £1,585,086 (2022: £1,830,707).

There were no direct transaction costs associated with derivatives in the year (2022: nil).

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

The portfolio dealing spread as at 30 June 2023 was 0.80% (2022: 0.93%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

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

Distribution table for the year ended 30 June 2023 (in pence per share)

Final dividend distribution (accounting date 30 June 2023, paid on 31 August 2023)

Group 1: shares purchased prior to 1 July 2022

Group 2: shares purchased on or after 1 July 2022

	Distribution per share	Total distribution per share 31/08/23	Total distribution per share 31/08/22
Class A accumulation			
Group 1	11.2982	11.2982	3.8388
Group 2	11.2982	11.2982	3.8388
Class C accumulation			
Group 1	21.7014	21.7014	13.2332
Group 2	21.7014	21.7014	13.2332
Class E accumulation			
Group 1	15.1567	15.1567	9.3561
Group 2	15.1567	15.1567	9.3561
Class I accumulation			
Group 1	24.4379	24.4379	17.3179
Group 2	24.4379	24.4379	17.3179
Class Z accumulation			
Group 1	22.1937	22.1937	18.3890
Group 2	22.1937	22.1937	18.3890

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, as amended by the Transparency of Securities Financing Transactions and Reuse (Amendment) (EUR Exit) Regulations 2019, SFTs 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 (EU) 2015/2365, as amended by the Transparency of Securities Financing Transactions and Reuse (Amendment) (EU Exit) Regulations 2019, the funds' involvement in and exposures related to securities lending for the year ended 30 June 2023 are detailed below.

Global data

The table lists the amount of securities on loan as a proportion of total lendable assets and the funds' AUM as at 30 June 2023:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson All Stocks Credit Fund	295	0.17	0.16
Janus Henderson Institutional Long Dated Credit Fund	552	0.55	0.53
Janus Henderson Strategic Bond Fund	9,688	0.38	0.36
Janus Henderson UK Equity Income & Growth Fund	5,959	3.61	3.62

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 June 2023:

Issuer	Market value of collateral received £000	Issuer	Market value of collateral received £000
Janus Henderson All Stocks Credit Fund*		Janus Henderson Institutional Long Dated Credit Fund*	
US Treasury	197	Government of France	438
Government of Belgium	77	Government of Germany	128
Government of Austria	48	Kingdom of Netherlands	20
		Government of Belgium	1
Janus Henderson Strategic Bond Fund*		Janus Henderson UK Equity Income & Growth Fund	
Commonwealth of Australia	10,571	UK Treasury	368
		Entain	304
		Shell	304
		SSE	304
		Royal Bank of Canada	296
		Alimentation Couche-Tard	293
		Bank of Montreal	292
		Fortis	292
		National Grid	290
		Rogers Communications	286

* All collateral issuers have been included.

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Concentration data (continued)

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for each fund as at 30 June 2023:

Counterparty	Market value of securities on loan £000	Settlement basis	Counterparty	Market value of securities on loan £000	Settlement basis
Janus Henderson All Stocks Credit Fund			Janus Henderson Institutional Long Dated Credit Fund		
HSBC	295	Triparty	JPMorgan Chase	552	Triparty
	295			552	
Janus Henderson Strategic Bond Fund			Janus Henderson UK Equity Income & Growth Fund		
JPMorgan Chase	9,688	Triparty	Bank of Nova Scotia	5,452	Triparty
	9,688		HSBC	208	Triparty
			Bank of America	134	Triparty
			JPMorgan Chase	127	Triparty
			Morgan Stanley	36	Triparty
			UBS	2	Triparty
				5,959	

All counterparties have been included.

Aggregate transaction data

The following tables provides an analysis of the collateral received by each fund in respect of each type of SFTs as at 30 June 2023:

Counterparty	Counterparty country of origin	Type	Quality	Collateral currency	Settlement basis	Custodian	Market value of collateral received £000
Janus Henderson All Stocks Credit Fund							
HSBC	United Kingdom	Government Bond	Investment grade	EUR	Triparty	JPMorgan Chase	322
							322
Janus Henderson Institutional Long Dated Credit Fund							
JPMorgan Chase	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan Chase	587
							587
Janus Henderson Strategic Bond Fund							
JPMorgan Chase	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan Chase	10,571
							10,571
Janus Henderson UK Equity Income & Growth Fund							
Bank of America	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan Chase	95
Bank of America	United States	Government Bond	Investment grade	GBP	Triparty	JPMorgan Chase	24
Bank of America	United States	Government Bond	Investment grade	USD	Triparty	JPMorgan Chase	23
Bank of Nova Scotia	Canada	Equity	Main market listing	CAD	Triparty	JPMorgan Chase	2,269
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	JPMorgan Chase	83
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	JPMorgan Chase	3,435
Bank of Nova Scotia	Canada	Government Bond	Investment grade	GBP	Triparty	JPMorgan Chase	275
HSBC	United Kingdom	Government Bond	Investment grade	GBP	Triparty	JPMorgan Chase	67
HSBC	United Kingdom	Government Bond	Investment grade	USD	Triparty	JPMorgan Chase	152
JPMorgan Chase	United States	Equity	Main market listing	EUR	Triparty	JPMorgan Chase	37
JPMorgan Chase	United States	Equity	Main market listing	GBP	Triparty	JPMorgan Chase	50
JPMorgan Chase	United States	Equity	Main market listing	JPY	Triparty	JPMorgan Chase	47
JPMorgan Chase	United States	Equity	Main market listing	USD	Triparty	JPMorgan Chase	7

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Aggregate transaction data (continued)

Counterparty	Counterparty country of origin	Type	Quality	Collateral currency	Settlement basis	Custodian	Market value of collateral received £000
Janus Henderson UK Equity Income & Growth Fund (continued)							
Morgan Stanley	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan Chase	2
Morgan Stanley	United States	Government Bond	Investment grade	JPY	Triparty	JPMorgan Chase	7
Morgan Stanley	United States	Government Bond	Investment grade	USD	Triparty	JPMorgan Chase	31
UBS	Switzerland	Government Bond	Investment grade	GBP	Triparty	JPMorgan Chase	2
							6,606

All collateral is held in segregated accounts.

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

Re-use of collateral

Cash collateral may be reinvested during the loan transaction to generate additional returns for the benefit of the fund, however there was no collateral reinvested during the year.

Return and cost on securities lending activities

The following table details the funds' return and costs for each type of SFTs for the year ended 30 June 2023:

Fund	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000	% return retained by the securities lending agent	% return retained by the fund
Janus Henderson All Stocks Credit Fund	5	-*	5	8	92
Janus Henderson Institutional Long Dated Credit Fund	5	-*	5	8	92
Janus Henderson Strategic Bond Fund	86	7	79	8	92
Janus Henderson UK Equity Income & Growth Fund	7	1	6	8	92

* Due to rounding to the nearest thousand, stock lending commission is below the minimum reporting threshold.

Appendix - additional information (unaudited) (continued)

Remuneration policy

Following the implementation of the UK UCITS V in the UK from 18 March 2016, all authorised UK UCITS Management Companies are required to comply with the UK UCITS Remuneration Code (SYSC 19E). Under the Code, the Compensation Committee of Janus Henderson Group plc in its oversight of JHFMUKL must make relevant remuneration disclosures.

The disclosures must split remuneration between fixed and variable remuneration and must break down remuneration for categories of UK UCITS Code Staff (defined as all staff whose professional activities have a material impact on the risk profiles of the funds it manages). The Janus Henderson Group plc Compensation Committee approves the list of UK UCITS Code Staff annually. In addition, identified UK UCITS Code Staff are notified of their status and the associated implications annually.

Janus Henderson UK & Europe Funds is managed by JHFMUKL, which is a subsidiary of Janus Henderson Group plc.

The Compensation Committee of Janus Henderson Group plc has established a Remuneration policy, one of the guiding principles of which is to ensure that the remuneration of its employees is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of each ACD and the funds they manage. This policy applies to JHFMUKL and Janus Henderson UK & Europe Funds.

Further information on the Janus Henderson Group plc's Remuneration policy is available in the annual report as at 31 December 2022.

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson Absolute Return Fixed Income Fund	2,131	56
of which		
Fixed Remuneration	2,131	29
Variable Remuneration	2,118	27
Janus Henderson Absolute Return Fixed Income Fund Remuneration Code Staff	44	7
of which		
Senior Management (4)	25	4
Other Code Staff (5)	19	3
Janus Henderson All Stocks Credit Fund	2,131	365
of which		
Fixed Remuneration	2,131	189
Variable Remuneration	2,118	176
Janus Henderson All Stocks Credit Fund Remuneration Code Staff	44	45
of which		
Senior Management (4)	25	24
Other Code Staff (5)	19	21
Janus Henderson Asset-Backed Securities Fund	2,131	468
of which		
Fixed Remuneration	2,131	242
Variable Remuneration	2,118	226
Janus Henderson Asset-Backed Securities Fund Remuneration Code Staff	44	57
of which		
Senior Management (4)	25	31
Other Code Staff (5)	19	26
Janus Henderson European Smaller Companies Fund	2,131	532
of which		
Fixed Remuneration	2,131	275
Variable Remuneration	2,118	257
Janus Henderson European Smaller Companies Fund Remuneration Code Staff	44	65
of which		
Senior Management (4)	25	35
Other Code Staff (5)	19	30

Appendix - additional information (unaudited) (continued)

Remuneration policy (continued)

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson Index Linked Bond Fund	2,131	201
of which		
Fixed Remuneration	2,131	104
Variable Remuneration	2,118	97
Janus Henderson Index Linked Bond Fund Remuneration Code Staff	44	24
of which		
Senior Management (4)	25	13
Other Code Staff (5)	19	11
Janus Henderson Institutional Long Dated Credit Fund	2,131	172
of which		
Fixed Remuneration	2,131	89
Variable Remuneration	2,118	83
Janus Henderson Institutional Long Dated Credit Fund Remuneration Code Staff	44	21
of which		
Senior Management (4)	25	11
Other Code Staff (5)	19	10
Janus Henderson Institutional Long Dated Gilt Fund	2,131	41
of which		
Fixed Remuneration	2,131	21
Variable Remuneration	2,118	20
Janus Henderson Institutional Long Dated Gilt Fund Remuneration Code Staff	44	5
of which		
Senior Management (4)	25	3
Other Code Staff (5)	19	2
Janus Henderson Institutional Short Duration Bond Fund	2,131	949
of which		
Fixed Remuneration	2,131	491
Variable Remuneration	2,118	458
Janus Henderson Institutional Short Duration Bond Fund Remuneration Code Staff	44	116
of which		
Senior Management (4)	25	63
Other Code Staff (5)	19	53
Janus Henderson Institutional UK Gilt Fund	2,131	116
of which		
Fixed Remuneration	2,131	60
Variable Remuneration	2,118	56
Janus Henderson Institutional UK Gilt Fund Remuneration Code Staff	44	15
of which		
Senior Management (4)	25	8
Other Code Staff (5)	19	7
Janus Henderson Strategic Bond Fund	2,131	4,969
of which		
Fixed Remuneration	2,131	2,570
Variable Remuneration	2,118	2,399
Janus Henderson Strategic Bond Fund Remuneration Code Staff	44	611
of which		
Senior Management (4)	25	331
Other Code Staff (5)	19	280

Appendix - additional information (unaudited) (continued)

Remuneration policy (continued)

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson UK Equity Income & Growth Fund	2,131	309
of which		
Fixed Remuneration	2,131	160
Variable Remuneration	2,118	149
Janus Henderson UK Equity Income & Growth Fund Remuneration Code Staff	44	38
of which		
Senior Management (4)	25	21
Other Code Staff (5)	19	17
Janus Henderson UK Smaller Companies Fund	2,131	422
of which		
Fixed Remuneration	2,131	218
Variable Remuneration	2,118	204
Janus Henderson UK Smaller Companies Fund Remuneration Code Staff	44	52
of which		
Senior Management (4)	25	28
Other Code Staff (5)	19	24

1. This is the actual number of employees who are fully or partly involved in the activities of Janus Henderson UK & Europe Funds – no attempt has been made to apportion the time spent specifically in support of Janus Henderson UK & Europe Funds as this data is not captured as part of the Company's normal processes.
2. Please note that due to the employment structure and resourcing of the Janus Henderson Group plc, the staff indicated in this table may provide services to other companies in Janus Henderson Group plc.
3. The remuneration disclosed is only in respect of the provision of services to Janus Henderson UK & Europe Funds for the year, rather than the total remuneration for the year – for this purpose, remuneration has been apportioned between the provision of services to Janus Henderson UK & Europe Funds and to other entities in Janus Henderson Group plc, in respect of fixed pay and annual/long term incentive bonuses, as follows:
 - where fixed pay is directly attributable to Janus Henderson UK & Europe Funds (for example, fees for JHFMUKL Board members), 100% of those fees;
 - pro-rated using the average AUM of Janus Henderson UK & Europe Funds (as a proportion of the aggregate average AUM of Janus Henderson Group plc) as a proxy.
4. Senior Management includes the Janus Henderson Executive Committee and other Group Board members and the Board of JHFMUKL.
5. Other Code Staff includes all JHFMUKL Code Staff.
6. Please note that rounding off of values could lead to a mismatch of individual numbers and their sum.

Further information

Shareholder enquiries

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

For all enquiries please telephone at local rate: **0800 832 832**

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

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

Important Information

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