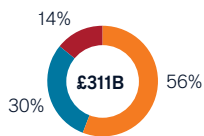


ANNUAL REPORT & ACCOUNTS

For the year ended 31 August 2021

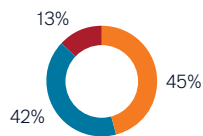
Who are Janus Henderson Investors?

Global Strength



Assets under management

■ North America ■ EMEA & LatAm ■ Asia Pacific



Over **340** Investment professionals



More than **2,000** employees



25 Offices worldwide



Over **4,300** companies met by investment teams in 2020

Source: Janus Henderson Investors, Staff and assets under management (AUM) data as at 30 September 2021. AUM data excludes Exchange-Traded Note (ETN) assets.

Who we are

Janus Henderson Investors ('Janus Henderson') is a global asset manager offering a full suite of actively managed investment products across asset classes.

As a company, we believe the notion of 'connecting' is powerful – it has shaped our evolution and our world today. At Janus Henderson, we seek to benefit clients through the connections we make. Connections enable strong relationships based on trust and insight as well as the flow of ideas among our investment teams and our engagement with companies. These connections are central to our values, to what active management stands for and to the long-term outperformance we seek to deliver.

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

Why Janus Henderson Investors

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

Active because active matters

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

Global strength to deliver local solutions

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

Empowering clients through Knowledge Shared

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

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Authorised Corporate Director's (ACD) report for the year ended 31 August 2021

We are pleased to present the Annual Report and Accounts for Janus Henderson Investment Fund OEIC (the 'Company') for the year ended 31 August 2021.

Authorised status

The Company is an open-ended investment company (OEIC) with variable capital incorporated in England and Wales under registered number IC106 and authorised by the Financial Conduct Authority (FCA) with effect from 18 May 2001. It is a United Kingdom Undertakings for Collective Investment in Transferable Securities (UK UCITS) scheme structured as an umbrella company, comprising of three 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

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

Other information

JPMorgan Chase Bank, National Association (London Branch) was appointed as the Securities Lending Agent of the Company with effect from 10 March 2021, in replacement of BNP Paribas Securities Services, London Branch.

Brexit update

With effect from 1 January 2021, UK domiciled investment funds that had previously operated under the UCITS regulations ceased to be classed as UCITS and were reclassified as 'UK UCITS'. The way in which the funds are managed was not impacted by this change.

Value assessment

The board of Henderson Investment Funds Limited (HIFL) present the value assessment report for the period to 31 December 2020, 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 HIFL, the Board of the ACD (the body responsible for an investment fund) and summarises the period to 31 December 2020.

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

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


COVID-19

The outbreak of the novel coronavirus ('COVID-19') and subsequent global pandemic began impacting financial markets and economies during the first quarter of 2020. The worldwide spread of the virus led to uncertainty on an unprecedented scale. The impact of COVID-19 has been taken into account in the measurement of the assets and liabilities in the primary statements for the year to 31 August 2021.

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

Director's statement

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



G Foggin
(Director)

17 November 2021

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

Service providers

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

Global equity markets rose very strongly during the year to 31 August 2021, MSCI World Index +26.8% in sterling and +30.3% in US dollar terms, on the continued roll-out of COVID-19 vaccines, fiscal and monetary policy support, and further signs of economic recovery. Concerns about inflation and the prospects for monetary policy tightening caused unease, however, as did worries about the spread of the Delta variant of COVID-19.

In the UK, the FTSE All Share Index was up by 27.0% in sterling terms, buoyed by progress in the roll-out of COVID-19 vaccinations, loosening lockdown restrictions and economic improvement. Shares came under pressure in the autumn of 2020 as the government announced England's second national lockdown, before the positive vaccine news triggered a rally towards the end of the year. The rebound was supported by the announcement that the UK and the European Union (EU) had agreed a trade deal. Shares came under renewed pressure in early 2021 as the strictest lockdown curbs were imposed across most of the UK, although they recovered as the government subsequently eased restrictions. Concerns about inflation caused some unease – the annual inflation rate was 2.0% in July, although it was down from a near three-year high of 2.5% in June. The UK economy returned to growth in the second quarter of 2021, expanding by 4.8%, which followed a 1.6% contraction in the first quarter. GDP shrank by a record 9.8% in 2020 as a result of the pandemic.

European stocks moved higher, FTSE World Europe ex UK Index +27.4% in sterling and +32.7% in euro terms, as the announcement of the COVID-19 vaccines in November 2020 spurred sharp rises. The rally was supported by news of the UK/EU trade agreement and an expansion of the European Central Bank's asset-purchasing programme. The slow pace of vaccinations in the EU unnerved investors in early 2021, as did a tightening of COVID-19 restrictions in March as the region endured a third wave of infections. A rise in global bond yields – because of concerns about inflation – caused further unease, although a relaxation in COVID-19 curbs helped investors to look past these worries. The Eurozone economy emerged from recession in the second quarter of 2021, growing by 2.2% from the previous quarter. GDP contracted by 6.6% in 2020. The annual inflation rate leapt to 3.0% in August – the highest level in almost 10 years – from 2.2% in July.

US equities, as measured by the S&P 500 Index, increased by 27.6% in sterling and 31.2% in US dollar terms, after making gains in most months of the reporting year. The market made a weak start as surging new COVID-19 cases in the US and elsewhere, and uncertainty about the outcome of the US presidential vote, weighed on sentiment in September and October. The vaccine breakthroughs and confirmation of Joe Biden's win in November's election helped stocks recover, as did two more stimulus packages totalling US\$2.8trn. However, worries about inflation, which surged to 5.4% year on year in June and July, created volatility in 2021. The US Federal Reserve's (Fed) hawkish shift on monetary policy added further pressure in mid-June, although bipartisan agreement on a US\$1trn infrastructure spending package in the US Senate helped stocks to make further gains. US GDP expanded by an annualised 6.6% in the second quarter, up from 6.3% growth in the first quarter and following a 3.5% contraction in 2020. The unemployment rate was at 5.4% in July 2021, down from a pandemic high of 14.7% in April 2020.

In Japan, the TOPIX rose by 16.3% in sterling and 23.8% in yen terms, as shares participated in the global rally from November, which was supported in December by the government's third economic stimulus package of 2020. In 2021, optimism about an economic rebound – as COVID-19 curbs were loosened in some areas and the economic outlook, particularly in the US, continued to improve – helped the TOPIX hit 30-year highs in March. However, stocks retreated in April as increases in COVID-19 infections prompted the government to reintroduce – and, subsequently, expand and extend – restrictions in the country's biggest cities. The Fed's hawkish policy shift and further rises in COVID-19 cases ahead of the Summer Olympic Games unsettled investors. The economy grew by an annualised 1.3% in the second quarter, following a 3.7% contraction in the first quarter. The core inflation rate, which excludes fresh food prices, remained negative throughout the reporting year.

In Asia, the MSCI AC Asia Pacific ex Japan Index was higher by 15.8% in sterling and 19.0% in US dollar terms, largely because of the vaccine-led global rally and on continued signs of economic improvement. Returns on Chinese equities were negative overall. The market made a strong start as economic growth accelerated. However, equities fell sharply thereafter on concerns about a wider regulatory crackdown and signs of slowing growth. South Korean shares were higher overall, although they came under pressure in August as COVID-19 infections hit record levels in the country. Taiwanese equities surged as they benefited from strength in technology stocks. Economic optimism fuelled increases in Australia's market, with investors largely shrugging off concerns about rises in COVID-19 infections and tightening curbs towards the end of the reporting year.

The MSCI Emerging Markets Index gained 18.2% in sterling and 21.5% in US dollar terms, with optimism about a global economic rebound underpinning large increases in equities. India's market was sharply higher, as the economy continued to recover – GDP grew by a record 20.1% year on year in the second quarter. Stimulus measures, the positive vaccine news and easing COVID-19 restrictions also boosted equities. Brazilian shares moved higher, helped by signs of economic improvement and recovering from a sell-off in early 2021 as COVID-19 infections surged. Mexican equities rose sharply as they were helped by gains in oil prices and economic improvement in Mexico's neighbour, the US. Higher oil prices also boosted stocks in Russia, along with a recovering economy. South African equities advanced as GDP rebounded from a prolonged slump, although the market came under pressure in July after the imprisonment of former president Jacob Zuma sparked violent protests.

Market review (continued)

Within fixed income, the JPM Global Government Bond Index dropped by 4.3% in sterling and 1.6% in US dollar terms. Yields on core government bond markets – including the US, UK and Germany – moved higher, spiking in February and March, as investors grew increasingly concerned about inflation and the possibility of monetary policy tightening. The US benchmark 10-year Treasury yield ended the reporting year up by almost 90% at about 1.3%, down from a peak of more than 1.7% in March. There were also upward moves in UK benchmark 10-year gilt and German benchmark 10-year bund yields, although the latter remained in negative territory. In the corporate debt market, global bond issuance of more than US\$5.3trn in 2020 was US\$1trn higher than the previous record, in 2019. In the US, high yield issuers raised more than US\$140bn – an all-time high – in the first quarter of 2021.

In commodity markets, oil prices were sharply higher, as producers cut output and as the vaccine breakthroughs spurred hopes of a revival in demand. US benchmark West Texas Intermediate finished the reporting year at about US\$69 per barrel, up by about 60%. Spot gold prices were about 8% lower overall, as vaccine-led optimism about a global economic recovery reduced the precious metal's appeal. Copper prices rallied to record highs – futures prices in the US increased by about 40% over the year – on strong demand, particularly from China.

Statement of Authorised Corporate Director's (ACD) responsibilities

for the year ended 31 August 2021

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

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

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

Statement of the Depositary's responsibilities and report of the Depositary to the shareholders of Janus Henderson Investment Fund OEIC (the 'Company')

for the year ended 31 August 2021

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

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

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

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares carried out in accordance with the Regulations;
- the value of shares 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
17 November 2021

Independent Auditors' report to the shareholders of Janus Henderson Investment Fund OEIC

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Janus Henderson Investment Fund OEIC (the 'Company'):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 August 2021 and of the net revenue and the net capital gains on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Janus Henderson Investment Fund OEIC is an Open-Ended Investment Company ('OEIC') with three sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report & Accounts (the 'Annual Report'), which comprise: the Balance sheets as at 31 August 2021; the Statements of total return and the Statements of change in net assets attributable to shareholders for the year then ended; the Distribution tables; and the Aggregated notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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 any 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.

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 any 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.

Authorised Corporate Director's Report

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

Independent Auditors' report to the shareholders of Janus Henderson Investment Fund OEIC (continued)

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 Investment Fund OEIC (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.

The logo for PricewaterhouseCoopers LLP, featuring the company name in a stylized, handwritten-style font.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
17 November 2021

1 Accounting policies

(a) Basis of preparation

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

The financial statements have been prepared on a going concern basis.

(b) Basis of valuation of investments

The valuation of listed investments has been at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of debt securities, at close of business on the last working day of the accounting year (31 August 2021) 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 UK & EMEA Fair Value Pricing Committee (FVPC). 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.

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

(c) Revenue recognition

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

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

Bank interest is recognised on an accruals basis.

Income distributions from UK Real Estate Investment Trusts (UK REIT) are 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.

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

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

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

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

(d) Treatment of expenses (including ACD expenses)

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

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 that 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 Global Equity Income 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 this fund is to be taken to capital for the purpose of calculating the distribution, as permitted by the OEIC regulations and in accordance with the Prospectus. The distribution currently payable reflects this treatment together with any associated tax effect.

1 Accounting policies (continued)

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

General Administration Charge

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

Allocation of revenue and expenses to multiple share classes

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

(e) Exchange rates

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

(f) Taxation

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

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

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

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

(g) Cash flow statement

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

(h) Treatment of derivatives

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

Forward foreign currency contracts

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

(i) Dilution adjustment

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

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

2 Distribution policy

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

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

Marginal tax relief is not taken into account when determining the amount available for distribution on Janus Henderson Global Equity Income Fund, which charges AMC fees to capital.

Aggregated notes to the financial statements (continued)

2 Distribution policy (continued)

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 October) to shareholders:

- Janus Henderson European Growth Fund
- Janus Henderson UK Alpha Fund

The following fund makes quarterly distributions (31 January, 30 April, 31 July, and 31 October) to shareholders:

- Janus Henderson Global Equity Income 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 applies to Janus Henderson Global Equity Income Fund only.

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 each fund holds a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors arising from the funds' operations. The funds may also enter into derivative transactions, stock lending and forward foreign exchange contracts for the purpose of efficient portfolio management only.

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 BWISE operational risk database;
- RiskMetrics, UBS Delta, Style Research, Cognition and Barra for market risk measurement; and
- Bloomberg for market data and price checking.

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

(a) Market risk

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

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

3 Risk (continued)

(a) Market risk (continued)

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 derivative instruments solely for the purpose of efficient portfolio management, and they are not intended to increase the risk profile of a fund. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The funds may engage various strategies in view of reducing risks and for attempting to enhance return. These strategies may include the use of derivative instruments such as options, futures, forward transactions and contracts for difference. Such strategies may be unsuccessful and incur losses for the funds, due to market conditions. The funds do not employ significant leverage.

Currency risk

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

A proportion of the funds' assets and income may be denominated in currencies other than sterling (the funds' functional currency and the one in which financial statements are reported). As a result, movements in exchange rates may affect the sterling value of those items so the funds' total return and Balance sheet can be significantly affected by currency fluctuations. This risk may be managed by the Investment Manager using hedging transactions in line with each fund's investment objective, powers and limits, though this will not eliminate the fund's currency risk.

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

Interest rate risk

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

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

Other market price risk

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

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

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

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

(b) Credit and counterparty risk

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

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

3 Risk

(b) Credit and counterparty risk

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

3 Risk (continued)

(b) Credit and counterparty risk (continued)

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

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.

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

(d) Liquidity risk

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

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

The ACD manages the funds' cash positions to ensure they can meet their liabilities. The ACD receives daily reports of subscriptions and redemptions enabling the ACD to raise cash from the funds' portfolios in order to meet redemption requests. In addition the ACD monitors 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 the liquidity risk exposure.

(e) Brexit risk

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

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

Currency volatility resulting from this uncertainty may mean that the returns of the fund and its investments are adversely affected by market movements, potential decline in the value of the British pound and/or euro, and any downgrading of UK sovereign credit rating. This may also make it more difficult, or more expensive, for the fund to execute prudent currency hedging policies. This uncertainty may have an adverse effect on the economy generally and on the ability of relevant funds and their investments to execute their respective strategies and to receive attractive returns, and may also result in increased costs to the relevant funds.

4 Cross holdings

As at 31 August 2021 there were no sub-fund cross holdings within Janus Henderson Investment Fund OEIC (2020: none).

Janus Henderson European Growth Fund

Authorised Corporate Director's report

Investment Fund Managers

Simon Rowe and Marc Scharz

Investment objective and policy

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

Performance target: To outperform the FTSE World Europe Ex UK Index, after the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in shares (also known as equities) of 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 will normally have a strong bias towards medium sized companies.

The fund is actively managed with reference to the FTSE World Europe Ex UK Index, which is broadly representative of the companies in which it may invest, as this forms the basis of the fund's performance target. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

Strategy

The Investment Manager seeks to identify companies with hidden quality by focusing on company profitability and the efficiency with which capital is used. The fund will have a bias to medium sized companies as these often have attractive niches, potential to grow, or could be potential takeover targets in the future. The manager takes a long term view, looking beyond short term data, while the risk management process focuses on identifying risks specific to the companies and industries in which the fund may be exposed rather than in relation to the wider market.

Performance summary

Cumulative performance

	One year 31 Aug 20 - 31 Aug 21 %	Three years 31 Aug 18 - 31 Aug 21 %	Five years 31 Aug 16 - 31 Aug 21 %	Since inception 20 Jul 01 - 31 Aug 21 %
Class I accumulation (Net)	23.4	25.8	56.9	591.9
FTSE World Europe (Ex UK) Index	27.4	34.5	71.8	342.6
IA Europe Ex UK Equity Sector	27.1	31.7	67.1	327.1

Discrete performance

	31 Aug 20 - 31 Aug 21 %	31 Aug 19 - 31 Aug 20 %	31 Aug 18 - 31 Aug 19 %	31 Aug 17 - 31 Aug 18 %	31 Aug 16 - 31 Aug 17 %
Class I accumulation (Net)	23.4	3.7	(1.7)	2.2	22.1
FTSE World Europe (Ex UK) Index	27.4	0.7	4.8	1.4	26.0
IA Europe Ex UK Equity Sector	27.1	3.3	0.3	2.6	23.6

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.

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: FTSE World Europe (Ex UK) Index

Index usage: Target

Index description: The FTSE World Europe (Ex UK) Index is a measure of the combined performance of large and medium sized companies from developed and advanced emerging European stock markets excluding the UK. It forms the basis of the fund's performance target.

Peer group: IA Europe Ex UK Equity Sector

Peer group usage: Comparator

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

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

Significant portfolio changes for the year ended 31 August 2021

Largest purchases	£000	Largest sales	£000
Daimler	26,558	Akzo Nobel	26,315
BNP Paribas	21,433	Metso Outotec	21,464
Energias de Portugal	19,921	Software	18,450
Siemens Healthineers	17,837	Fluidra	18,347
TotalEnergies	17,494	Evonik Industries	17,629
MTU Aero Engines	17,054	Tele2 'B'	17,356
Prosus	16,479	SAP	17,166
Alcon	16,473	RWE	16,780
Korian	16,025	STMicroelectronics	16,718
Ubisoft Entertainment	15,825	Vivendi	16,173
Total purchases	663,170	Total sales	761,845

Investment review

The fund returned 23.4% based on Class I accumulation (Net) over the year under review, compared with a return of 27.4% in the FTSE World Europe (Ex UK) Index and a return of 27.1% in the IA Europe Ex UK Equity Sector peer group benchmark.

The reporting year was one of increasing confidence about an economic recovery from the effects of COVID-19. Equities reached new highs at the end of the year, boosted by inflows from investors looking for a return at a time of low or negative rates on savings. The main event that boosted the recovery came in early November 2020, with news of effective vaccines against COVID-19. Although the vaccines have proved less effective against variants of the virus and less long-lasting than originally hoped, the results have been good enough for equity markets. In the first part of the 2021 calendar year, confidence in the recovery reached its peak, which caused the US 10-year Treasury bond yield to move from less than 1% to a high of 1.74%. This encouraged parallel reflation trade, with cyclical and banking share prices rising sharply. In the second quarter of 2021, this trade reversed on concerns that the pace of the recovery was peaking, although markets continued to rise overall. The recovery of the real economy from the impact of COVID-19 has brought a number of side-effects that investors are still trying to assess. The biggest debate in markets has been about the likelihood of inflation taking off, with central banks insisting that pricing pressures from raw materials, energy and logistics are transitory, caused by pent-up demand as a result of the pandemic. However, the evidence from corporates and labour markets suggests that inflationary pressures will continue well into 2022.

The fund outperformed the index during the first months of the reporting year. It gave up these relative gains in the period immediately after the vaccine announcements, because of a lack of exposure to some of the more highly leveraged reopening plays, such as airlines and an underweight position in banks. However, we then recouped much of the lost ground towards the end of the reporting year, on the back of strong earnings reports and contributions from specific stocks.

There were many strong contributors. Most notable were the investments in building renovation and distribution, with the new position in Compagnie de St Gobain rising by 80%, which was almost exactly matched by the longer-standing holding in Grafton. Another relatively new holding is Daimler, where we sought to benefit from a recovery in its end markets while we were also impressed by its new management team – the shares rose almost 70%. A further standout contribution came from Merck, which rose by 78%, buoyed by its life sciences division. The division provides components for the key mRNA vaccines and COVID-19 tests. There were solid performances from a number of new eyecare holdings, such as Alcon (+45%) and EssilorLuxottica (+46%). We bought these and other health technology companies on the view that their businesses would rebound strongly from the COVID-19-induced disruption – and they have. A newcomer to the fund, packaging specialist Smurfit Kappa, gained more than 60% on stronger e-commerce demand for packaging and a switch away from plastic. Longer-term holdings such as ASR Nederland, Carlsberg, UPM-Kymmene, Sampo and Akzo Nobel all gained between 25% and 35%. The fund's main bank holding, Nordea Bank, rose by 47%. The share prices of pharmaceutical distributor Zur Rose and swimming pool specialist Fluidra almost doubled and we decided to take profits on both. These gains were offset by underperformer DCC, further legal delays at Bayer and a profit downgrade at SAP.

Turnover in the fund was higher than usual as we tried to take advantage of dislocations and opportunities thrown up by the pandemic. Some of these purchases worked very well and we decided to exit them. In other cases, COVID-19 has made these businesses better and we continued to hold them. Some of the more recent purchases, such as nursing home operator Korian and blood specialist Grifols, have yet to perform.

The start of September has been bumpier for equities, with rising concerns about the impact of input and logistics costs affecting a number of sectors. Coming on top of developments in China and rising case numbers of the Delta variant of COVID-19 in the US, the atmosphere is more nervous than earlier in the summer. Another background issue is the pace at which the US Federal Reserve will wind down its mammoth bond-buying programme. Inflation data has been mixed, with factory gate prices in the US higher while other measures have moderated. The impression from many companies is that inflation looks to be a more lasting issue than seen by central bankers.

Comparative tables for the year ended 31 August 2021

	Class A accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	241.89	236.58	242.71
Return before operating charges*	60.34	9.25	(2.33)
Operating charges	(4.63)	(3.94)	(3.80)
Return after operating charges*	55.71	5.31	(6.13)
Distributions on accumulation shares	(1.13)	(1.15)	(2.08)
Retained distributions on accumulation shares	1.13	1.15	2.08
Closing net asset value per share	297.60	241.89	236.58
* after direct transaction costs of:	0.47	0.25	0.14
Performance			
Return after charges	23.03%	2.24%	(2.53%)
Other information			
Closing net asset value (£000s)	265,935	248,071	293,223
Closing number of shares	89,361,330	102,556,871	123,942,976
Operating charges	1.74%	1.71%	1.69%
Direct transaction costs	0.18%	0.11%	0.06%
Prices			
Highest share price (pence)	298.60	248.30	245.40
Lowest share price (pence)	228.10	171.40	202.90
	Class E accumulation		
	2021 (pence per share)	2020 (pence per share)	08/07/19 - 31/08/19 (pence per share)
Change in net assets per share			
Opening net asset value per share	243.28	236.75	241.99 ¹
Return before operating charges*	60.88	9.33	(4.83)
Operating charges	(3.34)	(2.80)	(0.41)
Return after operating charges*	57.54	6.53	(5.24)
Distributions on accumulation shares	(2.54)	(2.28)	(2.24)
Retained distributions on accumulation shares	2.54	2.28	2.24
Closing net asset value per share	300.82	243.28	236.75
* after direct transaction costs of:	0.47	0.25	0.15
Performance			
Return after charges	23.65%	2.76%	(2.17%)
Other information			
Closing net asset value (£000s)	181,463	150,650	147,424
Closing number of shares	60,323,315	61,923,381	62,268,741
Operating charges	1.24%	1.21%	1.19%
Direct transaction costs	0.18%	0.11%	0.06%
Prices			
Highest share price (pence)	301.80	249.60	243.90
Lowest share price (pence)	229.60	172.00	230.90

¹ Class E accumulation launched on 8 July 2019 and this is the first published price.

Comparative tables (continued)

	Class I accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	555.63	538.76	548.03
Return before operating charges*	139.28	21.36	(4.97)
Operating charges	(5.28)	(4.49)	(4.30)
Return after operating charges*	134.00	16.87	(9.27)
Distributions on accumulation shares	(8.58)	(7.62)	(8.36)
Retained distributions on accumulation shares	8.58	7.62	8.36
Closing net asset value per share	689.63	555.63	538.76
* after direct transaction costs of:	1.08	0.58	0.32
Performance			
Return after charges	24.12%	3.13%	(1.69%)
Other information			
Closing net asset value (£000s)	436,550	410,845	606,021
Closing number of shares	63,301,860	73,942,439	112,483,505
Operating charges	0.86%	0.85%	0.84%
Direct transaction costs	0.18%	0.11%	0.06%
Prices			
Highest share price (pence)	691.90	569.90	558.20
Lowest share price (pence)	524.70	392.10	459.30
	Class S income		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	312.28	306.92	317.93
Return before operating charges*	78.66	12.38	(2.69)
Operating charges	(0.28)	(0.21)	(0.18)
Return after operating charges*	78.38	12.17	(2.87)
Distributions on income shares	(7.80)	(6.81)	(8.14)
Closing net asset value per share	382.86	312.28	306.92
* after direct transaction costs of:	0.61	0.33	0.19
Performance			
Return after charges	25.10%	3.96%	(0.90%)
Other information			
Closing net asset value (£000s)	24,357	22,570	26,058
Closing number of shares	6,361,871	7,227,415	8,490,235
Operating charges	0.08%	0.07%	0.06%
Direct transaction costs	0.18%	0.11%	0.06%
Prices			
Highest share price (pence)	391.90	327.00	326.00
Lowest share price (pence)	295.30	224.40	267.20

Comparative tables (continued)

	Class Z accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	275.55	265.11	267.55
Return before operating charges*	69.33	10.62	(2.29)
Operating charges	(0.24)	(0.18)	(0.15)
Return after operating charges*	69.09	10.44	(2.44)
Distributions on accumulation shares	(7.30)	(5.86)	(6.48)
Retained distributions on accumulation shares	7.30	5.86	6.48
Closing net asset value per share	344.64	275.55	265.11
* after direct transaction costs of:	0.53	0.29	0.16
Performance			
Return after charges	25.07%	3.94%	(0.91%)
Other information			
Closing net asset value (£000s)	250	393	374
Closing number of shares	72,629	142,656	141,082
Operating charges	0.08%	0.07%	0.06%
Direct transaction costs	0.18%	0.11%	0.06%
Prices			
Highest share price (pence)	345.80	282.40	274.30
Lowest share price (pence)	260.60	193.80	224.80
	Class I Euro accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	91.72	88.86	90.40
Return before operating charges*	22.97	3.59	(0.84)
Operating charges	(0.87)	(0.73)	(0.70)
Return after operating charges*	22.10	2.86	(1.54)
Distributions on accumulation shares	(1.47)	(1.41)	(476.44)
Retained distributions on accumulation shares	1.47	1.41	476.44
Closing net asset value per share	113.82	91.72	88.86
* after direct transaction costs of:	0.18	0.10	0.05
Performance			
Return after charges	24.10%	3.22%	(1.70%)
Other information			
Closing net asset value (£000s)	1	1	1
Closing number of shares	376	484	508
Operating charges	0.86%	0.85%	0.84%
Direct transaction costs	0.18%	0.11%	0.06%
Prices			
Highest share price (Euro cents)	133.10	110.50	102.40
Lowest share price (Euro cents)	95.80	71.26	84.01

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 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.

	2021 %	2020 %
Class A accumulation	1.74	1.71 ¹
Class E accumulation	1.24	1.21 ¹
Class I accumulation	0.86	0.85 ¹
Class S income	0.08	0.07 ¹
Class Z accumulation	0.08	0.07 ¹
Class I Euro accumulation	0.86	0.85 ¹

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

¹ The OCF is a blended rate reflecting new GAC rates which took effect from 5 May 2020.

Risk and reward profile

The fund currently has 6 types of share class in issue: A accumulation, E accumulation, I accumulation, S income, Z accumulation and I Euro 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 5 years than those in lower categories. The lowest category does not mean risk free.

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

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

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

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

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

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

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

* Class I Euro accumulation was launched on 15 December 2017 and Class E accumulation was launched on 8 July 2019. As these share classes do not have a 5 year history, a synthetic history has been created using the fund's relevant sector average and the A accumulation share class, respectively.

Portfolio statement as at 31 August 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 98.92% (2020: 98.45%) Belgium 0.00% (2020: 1.53%) Financials 0.00% (2020: 1.53%)		
	China 0.82% (2020: 0.00%) Technology 0.82% (2020: 0.00%)		
115,663	Prosus	7,429	0.82
	Denmark 4.26% (2020: 7.07%) Consumer Staples 2.40% (2020: 3.50%)		
172,801	Carlsberg	21,844	2.40
	Health Care 1.86% (2020: 2.99%)		
232,941	Novo Nordisk 'B'	16,905	1.86
	Industrials 0.00% (2020: 0.58%)		
	Finland 9.39% (2020: 10.42%) Basic Materials 2.56% (2020: 2.42%)		
787,997	UPM-Kymmene	23,258	2.56
	Financials 5.49% (2020: 4.68%)		
3,089,002	Nordea Bank	26,392	2.91
626,368	Sampo	23,441	2.58
		49,833	5.49
	Industrials 1.34% (2020: 3.32%)		
1,570,764	Metso Outotec	12,204	1.34
	France 25.97% (2020: 14.47%) Consumer Discretionary 1.97% (2020: 1.67%)		
299,661	Ubisoft Entertainment	13,859	1.53
144,761	Vivendi	4,013	0.44
		17,872	1.97
	Consumer Staples 1.16% (2020: 0.00%)		
199,101	Danone	10,564	1.16
	Energy 1.97% (2020: 0.00%)		
558,012	TotalEnergies	17,874	1.97
	Financials 3.16% (2020: 0.00%)		
481,880	BNP Paribas	22,208	2.45
291,305	SCOR	6,484	0.71
		28,692	3.16
	Health Care 5.75% (2020: 2.54%)		
69,242	EssilorLuxottica	9,874	1.09
576,024	Korian	16,216	1.78
347,432	Sanofi	26,112	2.88
		52,202	5.75

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials 11.96% (2020: 8.89%)		
549,648	Compagnie de St Gobain	28,942	3.18
724,302	Getlink	8,459	0.93
1,622,640	SPIE	27,947	3.07
144,135	Thales	10,625	1.17
384,481	Verallia	10,171	1.12
350,656	Worldline	22,633	2.49
		<u>108,777</u>	<u>11.96</u>
	Technology 0.00% (2020: 1.37%)		
	Germany 14.15% (2020: 18.56%)		
	Basic Materials 0.00% (2020: 2.19%)		
	Consumer Discretionary 4.96% (2020: 0.98%)		
49,238	Adidas	12,643	1.39
376,562	Daimler	22,983	2.53
232,337	Hugo Boss	9,404	1.04
		<u>45,030</u>	<u>4.96</u>
	Energy 1.07% (2020: 0.00%)		
714,492	Nordex	9,714	1.07
	Health Care 4.08% (2020: 3.89%)		
245,135	Bayer	9,883	1.09
58,577	Merck	10,159	1.12
336,264	Siemens Healthineers	17,018	1.87
		<u>37,060</u>	<u>4.08</u>
	Industrials 2.50% (2020: 3.17%)		
95,969	MTU Aero Engines	15,978	1.76
95,396	Rheinmetall	6,765	0.74
		<u>22,743</u>	<u>2.50</u>
	Technology 1.54% (2020: 6.65%)		
233,291	Infineon Technologies	7,188	0.79
184,889	Software	6,794	0.75
		<u>13,982</u>	<u>1.54</u>
	Utilities 0.00% (2020: 1.68%)		
	Iceland 0.00% (2020: 0.79%)		
	Industrials 0.00% (2020: 0.79%)		
	Ireland 4.70% (2020: 1.50%)		
	Consumer Discretionary 1.74% (2020: 0.00%)		
111,865	Flutter Entertainment	15,803	1.74

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Financials 1.36% (2020: 0.00%)		
5,660,470	AIB	12,395	1.36
	Industrials 1.60% (2020: 1.50%)		
348,452	Smurfit Kappa	14,517	1.60
	Italy 1.94% (2020: 0.96%)		
	Consumer Discretionary 0.57% (2020: 0.96%)		
112,357	Moncler	5,223	0.57
	Health Care 1.37% (2020: 0.00%)		
75,369	DiaSorin	12,448	1.37
	Netherlands 15.90% (2020: 17.06%)		
	Basic Materials 1.30% (2020: 2.94%)		
132,438	Akzo Nobel	11,848	1.30
	Consumer Discretionary 4.45% (2020: 3.02%)		
1,203,774	RELX	26,308	2.90
168,300	Wolters Kluwer	14,058	1.55
		40,366	4.45
	Consumer Staples 1.54% (2020: 3.75%)		
569,534	Koninklijke Ahold Delhaize	13,957	1.54
	Energy 1.43% (2020: 1.53%)		
984,799	SBM Offshore	13,034	1.43
	Financials 4.12% (2020: 3.71%)		
843,815	ASR Nederland	28,018	3.08
111,951	Euronext	9,434	1.04
		37,452	4.12
	Technology 3.06% (2020: 2.11%)		
46,023	ASML	27,811	3.06
	Norway 1.04% (2020: 1.39%)		
	Consumer Staples 1.04% (2020: 1.39%)		
194,184	Salmar	9,443	1.04
	Portugal 2.82% (2020: 1.03%)		
	Utilities 2.82% (2020: 1.03%)		
6,424,653	Energias de Portugal	25,603	2.82
	Spain 2.84% (2020: 0.00%)		
	Health Care 1.28% (2020: 0.00%)		
654,840	Grifols	11,616	1.28

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Telecommunications 1.56% (2020: 0.00%)		
285,800	Cellnex Telecom	14,218	1.56
	Sweden 1.13% (2020: 7.09%)		
	Consumer Discretionary 0.00% (2020: 1.54%)		
	Health Care 0.00% (2020: 0.80%)		
	Industrials 1.13% (2020: 3.05%)		
623,549	Volvo 'B'	10,240	1.13
	Telecommunications 0.00% (2020: 1.70%)		
	Switzerland 8.99% (2020: 10.68%)		
	Consumer Staples 3.47% (2020: 4.50%)		
343,453	Nestlé	31,531	3.47
	Financials 0.00% (2020: 1.40%)		
	Health Care 5.52% (2020: 4.78%)		
259,453	Alcon	15,521	1.71
236,631	Novartis	15,913	1.75
64,220	Roche Non-Voting Shares	18,734	2.06
		50,168	5.52
	United Kingdom 4.97% (2020: 5.90%)		
	Basic Materials 2.07% (2020: 1.98%)		
82,329	Linde	18,805	2.07
	Health Care 0.00% (2020: 0.93%)		
	Industrials 2.90% (2020: 2.99%)		
267,160	DCC	16,490	1.82
705,823	Grafton	9,832	1.08
		26,322	2.90
	Derivatives 0.00% (2020: 0.00%)		
	Forward Foreign Exchange Contracts 0.00% (2020: 0.00%)¹		
	Buy GBP 186,624 : Sell EUR 217,872 September 2021 ²	-	-
	Buy GBP 428,847 : Sell EUR 500,506 September 2021	(1)	-
	Buy GBP 498,405 : Sell EUR 581,101 September 2021 ²	-	-
		(1)	-
	Investment assets including investment liabilities	898,782	98.92
	Other net assets	9,774	1.08
	Total net assets	908,556	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 31 August 2021

	Note	2021		2020	
		£000	£000	£000	£000
Income					
Net capital gains	2		176,293		6,409
Revenue	3	21,054		21,627	
Expenses	4	(10,096)		(10,223)	
Interest payable and similar charges	5	<u>(75)</u>		<u>(230)</u>	
Net revenue before taxation		10,883		11,174	
Taxation	6	<u>(2,405)</u>		<u>(2,445)</u>	
Net revenue after taxation			<u>8,478</u>		<u>8,729</u>
Total return before distributions			184,771		15,138
Distributions	7		(8,478)		(8,729)
Change in net assets attributable to shareholders from investment activities			<u>176,293</u>		<u>6,409</u>

Statement of change in net assets attributable to shareholders for the year ended 31 August 2021

	2021		2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		832,530		1,073,101
Amounts receivable on issue of shares	3,378		18,537	
Amounts payable on cancellation of shares	<u>(111,627)</u>		<u>(273,887)</u>	
		(108,249)		(255,350)
Dilution adjustment		-		133
Change in net assets attributable to shareholders from investment activities		176,293		6,409
Retained distributions on accumulation shares		7,982		8,237
Closing net assets attributable to shareholders		<u>908,556</u>		<u>832,530</u>

Balance sheet as at 31 August 2021

	Note	2021 £000	2020 £000
Assets:			
Investments		898,783	819,621
Current assets:			
Debtors	8	7,617	10,589
Cash and bank balances	9	6,071	11,769
Total assets		912,471	841,979
Liabilities:			
Investment liabilities		1	-
Creditors:			
Bank overdrafts		-	1,239
Distributions payable		496	492
Other creditors	11	3,418	7,718
Total liabilities		3,915	9,449
Net assets attributable to shareholders		908,556	832,530

Notes to the financial statements for the year ended 31 August 2021

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2021	2020
	£000	£000
Forward currency contracts	(7)	(163)
Non-derivative securities	176,983	7,456
Other currency losses	(673)	(861)
Transaction costs	(10)	(23)
Net capital gains	176,293	6,409

3 Revenue

	2021	2020
	£000	£000
Overseas dividends	20,243	20,505
UK dividends	811	1,122
Total revenue	21,054	21,627

4 Expenses

	2021	2020
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	8,626	8,934
GAC*	1,316	1,169
	<u>9,942</u>	<u>10,103</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	55	53
Safe custody fees	45	48
	<u>100</u>	<u>101</u>
Other expenses:		
Professional fees**	54	19
	<u>54</u>	<u>19</u>
Total expenses	10,096	10,223

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £9,393 (2020: £8,861).

** Included with professional fees are non-audit fees paid to the auditors of £31,869 in relation to withholding tax reclaims (2020: £19,401).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2021 £000	2020 £000
Interest payable	75	230
Total interest payable and similar charges	75	230

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2021 £000	2020 £000
Current tax		
Overseas withholding tax	2,405	2,445
Total tax (note 6b)	2,405	2,445

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% (2020: 20%). The differences are explained below:

	2021 £000	2020 £000
Net revenue before taxation	10,883	11,174
Corporation tax at 20% (2020: 20%)	2,177	2,235
Effects of:		
Double tax relief	(24)	(16)
Expenses not deductible for tax purposes	3	-
Overseas withholding tax	2,405	2,445
Overseas dividends	(3,888)	(3,997)
UK dividends*	(162)	(224)
Unused management expenses	1,894	2,002
Tax charge for the year (note 6a)	2,405	2,445

* 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 (2020: 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 £28,914,692 (2020: £27,020,194) 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

	2021	2020
	£000	£000
Final income	496	492
Final accumulation	7,982	8,237
Total distributions	8,478	8,729

Details of the distribution per share are set out in the Distribution table on page 40.

8 Debtors

	2021	2020
	£000	£000
Accrued revenue	922	2,497
Amounts receivable for issue of shares	2	-
Currency transactions awaiting settlement	-	2,185
Overseas withholding tax reclaimable	5,366	3,890
Sales awaiting settlement	1,327	2,017
Total debtors	7,617	10,589

9 Cash and bank balances

	2021	2020
	£000	£000
Cash and bank balances	6,071	11,769
Total cash and bank balances	6,071	11,769

10 Other creditors

	2021	2020
	£000	£000
Accrued annual management charge	770	716
Accrued Depository's fee	5	5
Accrued other expenses	129	118
Amounts payable for cancellation of shares	1,184	2,856
Corporation tax payable	459	443
Currency transactions awaiting settlement	-	2,188
Purchases awaiting settlement	871	1,392
Total other creditors	3,418	7,718

11 Contingent liabilities and commitments

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

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

Notes to the financial statements (continued)

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 29 and 30 and notes 4 and 10 on pages 31 to 33 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 (2020: nil).

13 Shareholders' funds

The fund currently has 6 share classes available: Class A (Retail), Class E (Retail), Class I (Institutional), Class S (Institutional), Class Z (Institutional) and Class I Euro (Institutional). The annual management charge on each share class is as follows:

	2021	2020
	%	%
Class A	1.50	1.50
Class E	1.00	1.00
Class I	0.75	0.75
Class S ¹	0.00	0.00
Class Z ¹	0.00	0.00
Class I Euro	0.75	0.75

¹Charges for managing S and 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 19 to 22. The distribution per share class is given in the Distribution table on page 40. All share classes have the same rights on winding up.

Shares reconciliation as at 31 August 2021

	Class A accumulation	Class E accumulation	Class I accumulation
Opening number of shares	102,556,871	61,923,381	73,942,439
Issues during the year	343,312	81,256	179,638
Cancellations during the year	(10,737,782)	(3,489,596)	(11,244,795)
Shares converted during the year	(2,801,071)	1,808,274	424,578
Closing shares in issue	89,361,330	60,323,315	63,301,860
	Class S income	Class Z accumulation	Class I Euro accumulation
Opening number of shares	7,227,415	142,656	484
Issues during the year	337,205	-	286
Cancellations during the year	(1,202,749)	(70,027)	(394)
Shares converted during the year	-	-	-
Closing shares in issue	6,361,871	72,629	376

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 contracts as at 31 August 2021 (2020: nil). The fund had cash assets of nil (2020: nil) and cash liabilities of nil (2020: nil) held in margin accounts at derivative clearing houses and brokers at 31 August 2021.

The tables below, provide further details of the counterparty exposure for the derivative positions held on the fund at 31 August 2021 and 31 August 2020.

2021

The fund had no exposure to derivatives as at 31 August 2021 with a positive marked-to-market fair value.

2020

At 31 August 2020 the counterparty exposure calculated using the positive marked-to-market fair value for the derivatives held, which is considered to be risk of repayment to the counterparty by the fund, was as follows:

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

The following additional disclosure has been included by the ACD to give a greater understanding of the underlying economic exposure (commitment) to market created by the derivative positions held on the fund's portfolio. Increased Cash, bank balances and cash equivalents will be held by the fund if it has a large exposure to market, to ensure that the fund has sufficient cash backing to settle any derivative liabilities.

2021

At 31 August 2021 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Forward foreign exchange contracts £000	Total by counterparty £000
BNP Paribas	1,115	1,115
	1,115	1,115

2020

At 31 August 2020 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Forward foreign exchange contracts £000	Total by counterparty £000
BNP Paribas	2,848	2,848
	2,848	2,848

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 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.

2021

The fund had no stock on loan and no stock lending revenue as at 31 August 2021.

2020

The fund had no stock on loan and no stock lending revenue as at 31 August 2020.

16 Risk

Currency risk

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

	Investment assets including (investment liabilities) £000	Other net assets/ (liabilities) £000	Total net assets £000
2021			
Currency			
Danish krone	38,749	1,706	40,455
Euro	731,217	10,747	741,964
Norwegian krone	9,443	135	9,578
Swedish krona	10,240	132	10,372
Swiss franc	81,699	-	81,699
UK sterling	27,434	(3,041)	24,393
US dollar	-	95	95
Total	898,782	9,774	908,556

	Investment assets £000	Other net assets/ (liabilities) £000	Total net assets £000
2020			
Currency			
Danish krone	58,889	1,703	60,592
Euro	565,700	15,573	581,273
Norwegian krone	11,566	-	11,566
Swedish krona	58,992	192	59,184
Swiss franc	88,941	-	88,941
UK sterling	35,533	(4,632)	30,901
US dollar	-	73	73
Total	819,621	12,909	832,530

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £884,162,895 (2020: £801,628,171). 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 £88,416,289 (2020: £80,162,817).

Notes to the financial statements (continued)

16 Risk (continued)

Interest rate risk

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

Other market price risk

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

Leverage

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

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2021				
Derivative financial liabilities	-	1	-	-
Distribution payable	-	496	-	-
Other creditors	-	3,418	-	-
Total	-	3,915	-	-

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Bank overdrafts	1,239	-	-	-
Distribution payable	-	492	-	-
Other creditors	-	7,718	-	-
Total	1,239	8,210	-	-

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

	2021		2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	898,783	-	819,613	-
Level 2	-	1	8	-
Level 3	-	-	-	-
	<u>898,783</u>	<u>1</u>	<u>819,621</u>	<u>-</u>

18 Direct transaction costs

	Purchases		Sales	
	2021 £000	2020 £000	2021 £000	2020 £000
Trades in the year				
Equities	661,911	698,095	762,103	937,004
Trades in the year before transaction costs	<u>661,911</u>	<u>698,095</u>	<u>762,103</u>	<u>937,004</u>
Transaction costs				
Commissions				
Equities	209	222	257	324
Total commissions	<u>209</u>	<u>222</u>	<u>257</u>	<u>324</u>
Taxes				
Equities	401	247	-	-
Total taxes	<u>401</u>	<u>247</u>	<u>-</u>	<u>-</u>
Other expenses				
Equities	649	336	1	-
Total other expenses	<u>649</u>	<u>336</u>	<u>1</u>	<u>-</u>
Total transaction costs	<u>1,259</u>	<u>805</u>	<u>258</u>	<u>324</u>
Total net trades in the year after transaction costs	<u>663,170</u>	<u>698,900</u>	<u>761,845</u>	<u>936,680</u>

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.03	0.03	0.03	0.03
Taxes				
Equities	0.06	0.04	-	-
Other expenses				
Equities	0.10	0.05	-	-
	2021 %	2020 %		
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.05	0.06		
Taxes	0.05	0.03		
Other expenses	0.08	0.04		
Total costs	0.18	0.13		

There were no in specie transfers during the year (2020: nil). There were corporate actions during the year of £501,398 (2020: nil).

There were no direct transaction costs associated with derivatives in the year (2020: nil).

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

The portfolio dealing spread as at 31 August 2021 was 0.06% (2020: 0.06%). 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 table for the year ended 31 August 2021 (in pence per share)

Final dividend distribution (accounting date 31 August 2021, paid on 29 October 2021)

Group 1: shares purchased prior to 1 September 2020

Group 2: shares purchased on or after 1 September 2020

	Distribution per share	Total distribution per share 29/10/21	Total distribution per share 30/10/20
Class A accumulation			
Group 1	1.1335	1.1335	1.1527
Group 2	1.1335	1.1335	1.1527
Class E accumulation			
Group 1	2.5382	2.5382	2.2793
Group 2	2.5382	2.5382	2.2793
Class I accumulation			
Group 1	8.5825	8.5825	7.6214
Group 2	8.5825	8.5825	7.6214
Class S income			
Group 1	7.7955	7.7955	6.8078
Group 2	7.7955	7.7955	6.8078
Class Z accumulation			
Group 1	7.3010	7.3010	5.8633
Group 2	7.3010	7.3010	5.8633
Class I Euro accumulation¹			
Group 1	1.7105	1.7105	1.5789
Group 2	1.7105	1.7105	1.5789

¹ in Euro cents per share

Janus Henderson Global Equity Income Fund

Authorised Corporate Director's report

Investment Fund Managers

Andrew Jones and Ben Lofthouse

Investment objective and policy

The fund aims to provide an income in excess of the income generated by the MSCI World Index over a 1 year period with the potential for 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, of any size, in any industry, in any country.

The fund is actively managed with reference to the MSCI World Index, which is broadly representative of the companies in which it may invest, as this forms the basis of the fund's income 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 follows a dividend-seeking, valuation-driven strategy that focuses on companies with good and growing cash flow. The investment process seeks to identify companies from around the world with income growth prospects (typically with defensible competitive positions, affordable investment requirements, aligned management behaviour and sustainable returns) and companies with capital growth prospects (typically unloved, with under-appreciated earnings and undervalued shares). The process results in a portfolio well diversified by sector and geography.

Performance summary

Cumulative performance

	One year 31 Aug 20 - 31 Aug 21 %	Three years 31 Aug 18 - 31 Aug 21 %	Five years 31 Aug 16 - 31 Aug 21 %	Since inception 22 Feb 02 - 31 Aug 21 %
Class I accumulation (Net)	19.0	17.4	42.7	87.9
MSCI World Index	26.8	45.7	95.1	172.2
IA Global Equity Income Sector	23.7	27.4	53.7	95.7

Discrete performance

	31 Aug 20 - 31 Aug 21 %	31 Aug 19 - 31 Aug 20 %	31 Aug 18 - 31 Aug 19 %	31 Aug 17 - 31 Aug 18 %	31 Aug 16 - 31 Aug 17 %
Class I accumulation (Net)	19.0	(4.0)	2.8	5.3	15.3
MSCI World Index	26.8	6.8	7.6	12.7	18.8
IA Global Equity Income Sector	23.7	(2.6)	5.7	5.7	14.3

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 World Index

Index usage: Target

Index description: The MSCI World Index is a measure of the combined performance of large and medium sized companies from developed stock markets around the world. It is the basis for the fund's income target.

Peer group: IA Global Equity Income Sector

Peer group usage: Comparator

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

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

Significant portfolio changes for the year ended 31 August 2021

Largest purchases	£000	Largest sales	£000
Volvo 'B'	17,411	Zurich Insurance	16,336
AstraZeneca	14,966	Taiwan Semiconductor Manufacturing ADS	14,187
Burberry	11,072	Allianz	13,878
Citigroup	10,818	Pfizer	12,244
Air Products and Chemicals	10,703	Michelin	11,920
nVent Electric	10,504	GlaxoSmithKline	11,725
VF	9,399	Siemens	11,711
Alphawave IP	8,791	Entain	11,429
PepsiCo	8,622	Veolia Environnement	11,114
Tencent	8,562	SGS	10,219
Total purchases	258,458	Total sales	315,019

Investment review

The fund returned 19.0% based on Class I accumulation (Net) over the year under review, compared with a return of 26.8% in the MSCI World Index and a return of 23.7% in the IA Global Equity Income Sector peer group benchmark.

Global equity markets rose significantly over the reporting year, following the development and successful roll-out of effective COVID-19 vaccines and a sharp rebound in economic activity. In addition, monetary and fiscal policies around the world remained highly supportive for equity markets. With a strong global growth environment, cyclical sectors such as financials, energy, industrials and materials outperformed while more defensive areas such as utilities, consumer staples and healthcare underperformed.

Against this backdrop the fund's holdings in defensive sectors detracted from returns. Although companies such as Nestlé, Sanofi, Enel and Roche continued to deliver good results and pay attractive dividends, they all underperformed the strongly rising market. While the share price performance of these companies has been disappointing, we remained favourable towards them and retained them within the portfolio. Underweight positions in low or zero yielding US technology stocks such as Alphabet, Apple and Nvidia also detracted from relative returns during the year.

The fund's holdings in Taiwan Semiconductor Manufacturing ADS, Cisco Systems and Samsung Electronics were positive for performance, with all three companies producing strong results during the year. Positions in more cyclical companies such as Anglo American, Siemens and ING also aided performance. Gambling group Entain performed strongly as it continued to grow rapidly in the US and received an unsolicited bid from joint-venture partner MGM Resorts.

The fund initiated positions in Citigroup, Nintendo and Burberry. Citigroup has been a beneficiary of recovering loan growth volumes while bad debt provisions have remained manageable. In addition, the new CEO plans to exit several underperforming markets. The stock was trading at a discount to its US peers and offered an attractive dividend yield of around 3%. Nintendo, meanwhile, is well placed to benefit from good ongoing demand for Switch consoles and software. It has a strong balance sheet, with its net cash position accounting for 20% of its market capitalisation, and offered a dividend yield of 3% at the time of purchase. Burberry has a very strong global brand and is well placed to benefit from easing COVID-19 restrictions around the world. Due to its financial strength, the company was able to return to the dividend list during the year, having suspended payments in 2020.

These positions were funded by exiting the holdings in Entain and Rio Tinto and reducing the position in Anglo American. As already mentioned, Entain performed very strongly and the valuation better reflected the company's prospects. Rio Tinto and Anglo American have both benefited from a significant rise in the iron ore price, and we felt that it was prudent to lower exposure to the sector because of the risk that prices could fall.

While the first half of the year remained a difficult one for dividend payments, the situation improved in the second half. As economic growth has recovered, companies have felt more confident about their prospects and this has been reflected in global dividends. Encouragingly, regulators in several financial sectors allowed companies to resume payments, having been reassured about their capital positions.

The outlook for global economic growth remains good, with the roll-out of government COVID-19 vaccination programmes continuing around the world. Overall monetary and fiscal policy remains supportive and despite the strong performance, equities continue to look attractive on a yield basis relative to bonds. We continue with our strategy of selecting companies with strong free-cash-flow generation and valuation support that are well positioned to benefit from a recovery in global economic activity.

Comparative tables for the year ended 31 August 2021

	Class A accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	355.22	376.88	369.61
Return before operating charges*	74.89	(15.33)	13.46
Operating charges	(6.95)	(6.33)	(6.19)
Return after operating charges*	67.94	(21.66)	7.27
Distributions on accumulation shares	(12.53)	(12.36)	(13.10)
Retained distributions on accumulation shares	12.53	12.36	13.10
Closing net asset value per share	423.16	355.22	376.88
* after direct transaction costs of:	0.25	0.25	0.13
Performance			
Return after charges	19.13%	(5.75%)	1.97%
Other information			
Closing net asset value (£000s)	55,354	53,335	78,238
Closing number of shares	13,081,320	15,014,434	20,759,349
Operating charges	1.77%	1.74%	1.73%
Direct transaction costs	0.06%	0.07%	0.04%
Prices			
Highest share price (pence)	424.80	398.70	391.30
Lowest share price (pence)	340.00	290.80	329.80
	Class A income		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	55.88	61.37	62.43
Return before operating charges*	11.67	(2.48)	2.16
Operating charges	(1.08)	(1.02)	(1.03)
Return after operating charges*	10.59	(3.50)	1.13
Distributions on income shares	(1.95)	(1.99)	(2.19)
Closing net asset value per share	64.52	55.88	61.37
* after direct transaction costs of:	0.04	0.04	0.02
Performance			
Return after charges	18.95%	(5.70%)	1.81%
Other information			
Closing net asset value (£000s)	87,488	83,679	102,419
Closing number of shares	135,600,323	149,754,468	166,881,057
Operating charges	1.77%	1.74%	1.73%
Direct transaction costs	0.06%	0.07%	0.04%
Prices			
Highest share price (pence)	65.22	64.51	64.11
Lowest share price (pence)	53.49	46.76	55.41

Comparative tables (continued)

	Class E accumulation		
	2021 (pence per share)	2020 (pence per share)	24/06/19 - 31/08/19 (pence per share)
Change in net assets per share			
Opening net asset value per share	357.36	377.23	375.69 ¹
Return before operating charges*	75.52	(15.31)	6.17
Operating charges	(5.04)	(4.56)	(4.63)
Return after operating charges*	70.48	(19.87)	1.54
Distributions on accumulation shares	(12.64)	(12.41)	(2.34)
Retained distributions on accumulation shares	12.64	12.41	2.34
Closing net asset value per share	427.84	357.36	377.23
* after direct transaction costs of:	0.25	0.26	0.14
Performance			
Return after charges	19.72%	(5.27%)	0.41%
Other information			
Closing net asset value (£000s)	92,725	78,752	73,443
Closing number of shares	21,672,627	22,037,136	19,468,856
Operating charges	1.27%	1.25%	1.22%
Direct transaction costs	0.06%	0.07%	0.04%
Prices			
Highest share price (pence)	429.40	399.80	391.50
Lowest share price (pence)	342.40	291.80	369.40

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

	Class E income		
	2021 (pence per share)	2020 (pence per share)	24/06/19 - 31/08/19 (pence per share)
Change in net assets per share			
Opening net asset value per share	56.21	61.43	61.56 ²
Return before operating charges*	11.77	(2.49)	0.39
Operating charges	(0.78)	(0.73)	(0.14)
Return after operating charges*	10.99	(3.22)	0.25
Distributions on income shares	(1.97)	(2.00)	(0.38)
Closing net asset value per share	65.23	56.21	61.43
* after direct transaction costs of:	0.04	0.04	0.02
Performance			
Return after charges	19.55%	(5.24%)	0.41%
Other information			
Closing net asset value (£000s)	318,493	273,726	299,060
Closing number of shares	488,246,657	486,954,946	486,833,661
Operating charges	1.27%	1.25%	1.22%
Direct transaction costs	0.06%	0.07%	0.04%
Prices			
Highest share price (pence)	65.93	64.70	64.14
Lowest share price (pence)	53.85	46.93	60.53

² Class E income launched on 24 June 2019 and this is the first published price.

Comparative tables (continued)

	Class G accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	143.93	151.16	146.78
Return before operating charges*	30.49	(6.15)	5.43
Operating charges	(1.20)	(1.08)	(1.05)
Return after operating charges*	29.29	(7.23)	4.38
Distributions on accumulation shares	(5.43)	(5.25)	(5.47)
Retained distributions on accumulation shares	5.43	5.25	5.47
Closing net asset value per share	173.22	143.93	151.16
* after direct transaction costs of:	0.10	0.10	0.05
Performance			
Return after charges	20.35%	(4.78%)	2.98%
Other information			
Closing net asset value (£000s)	4,042	4,502	5,330
Closing number of shares	2,333,433	3,127,937	3,525,995
Operating charges	0.75%	0.74%	0.73%
Direct transaction costs	0.06%	0.07%	0.04%
Prices			
Highest share price (pence)	173.80	160.50	156.80
Lowest share price (pence)	138.00	117.30	131.40
	Class G income		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	121.33	132.16	133.32
Return before operating charges*	25.47	(5.36)	4.69
Operating charges	(1.01)	(0.94)	(0.94)
Return after operating charges*	24.46	(6.30)	3.75
Distributions on income shares	(4.52)	(4.53)	(4.91)
Closing net asset value per share	141.27	121.33	132.16
* after direct transaction costs of:	0.08	0.09	0.05
Performance			
Return after charges	20.16%	(4.77%)	2.81%
Other information			
Closing net asset value (£000s)	29,115	12,993	16,431
Closing number of shares	20,609,012	10,708,589	12,432,642
Operating charges	0.75%	0.74%	0.73%
Direct transaction costs	0.06%	0.07%	0.04%
Prices			
Highest share price (pence)	142.80	139.40	138.00
Lowest share price (pence)	116.30	101.20	118.70

Comparative tables (continued)

	Class I accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	156.03	164.05	159.46
Return before operating charges*	33.03	(6.67)	5.90
Operating charges	(1.47)	(1.35)	(1.31)
Return after operating charges*	31.56	(8.02)	4.59
Distributions on accumulation shares	(5.83)	(5.64)	(5.90)
Retained distributions on accumulation shares	5.83	5.64	5.90
Closing net asset value per share	187.59	156.03	164.05
* after direct transaction costs of:	0.11	0.11	0.06
Performance			
Return after charges	20.23%	(4.89%)	2.88%
Other information			
Closing net asset value (£000s)	38,635	38,879	48,396
Closing number of shares	20,595,230	24,917,224	29,499,736
Operating charges	0.85%	0.85%	0.84%
Direct transaction costs	0.06%	0.07%	0.04%
Prices			
Highest share price (pence)	188.20	174.20	170.20
Lowest share price (pence)	149.60	127.20	142.70
	Class I income		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	121.22	132.14	133.41
Return before operating charges*	25.41	(5.35)	4.68
Operating charges	(1.13)	(1.08)	(1.08)
Return after operating charges*	24.28	(6.43)	3.60
Distributions on income shares	(4.47)	(4.49)	(4.87)
Closing net asset value per share	141.03	121.22	132.14
* after direct transaction costs of:	0.08	0.09	0.05
Performance			
Return after charges	20.03%	(4.87%)	2.70%
Other information			
Closing net asset value (£000s)	111,837	109,517	134,138
Closing number of shares	79,302,820	90,346,877	101,512,500
Operating charges	0.85%	0.85%	0.84%
Direct transaction costs	0.06%	0.07%	0.04%
Prices			
Highest share price (pence)	142.60	139.30	138.00
Lowest share price (pence)	116.20	101.10	118.70

Comparative tables (continued)

	Class S income		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	126.38	136.73	137.00
Return before operating charges*	26.59	(5.56)	4.87
Operating charges	(0.10)	(0.09)	(0.08)
Return after operating charges*	26.49	(5.65)	4.79
Distributions on income shares	(4.73)	(4.70)	(5.06)
Closing net asset value per share	148.14	126.38	136.73
* after direct transaction costs of:	0.09	0.09	0.05
Performance			
Return after charges	20.96%	(4.13%)	3.50%
Other information			
Closing net asset value (£000s)	1,303	1,481	2,075
Closing number of shares	879,814	1,171,789	1,517,850
Operating charges	0.07%	0.07%	0.06%
Direct transaction costs	0.06%	0.07%	0.04%
Prices			
Highest share price (pence)	149.70	144.60	142.70
Lowest share price (pence)	121.30	105.00	122.20
	Class A Euro accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	66.29	70.30	68.87
Return before operating charges*	14.01	(2.86)	2.58
Operating charges	(1.29)	(1.15)	(1.15)
Return after operating charges*	12.72	(4.01)	1.43
Distributions on accumulation shares	(2.37)	(2.34)	(2.47)
Retained distributions on accumulation shares	2.37	2.34	2.47
Closing net asset value per share	79.01	66.29	70.30
* after direct transaction costs of:	0.05	0.05	0.03
Performance			
Return after charges	19.19%	(5.70%)	2.08%
Other information			
Closing net asset value (£000s)	95	23	18
Closing number of shares	120,813	35,238	25,190
Operating charges	1.73%	1.71%	1.69%
Direct transaction costs	0.06%	0.07%	0.04%
Prices			
Highest share price (Euro cents)	93.30	88.31	80.49
Lowest share price (Euro cents)	70.17	59.67	68.19

Comparative tables (continued)

	Class A Euro income		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	51.74	56.82	57.80
Return before operating charges*	10.81	(2.29)	2.00
Operating charges	(0.98)	(0.93)	(0.94)
Return after operating charges*	9.83	(3.22)	1.06
Distributions on income shares	(1.83)	(1.86)	(2.04)
Closing net asset value per share	59.74	51.74	56.82
* after direct transaction costs of:	0.04	0.04	0.02
Performance			
Return after charges	18.99%	(5.67%)	1.83%
Other information			
Closing net asset value (£000s)	1,450	1,371	1,519
Closing number of shares	2,427,608	2,650,719	2,673,053
Operating charges	1.73%	1.71%	1.69%
Direct transaction costs	0.06%	0.07%	0.04%
Prices			
Highest share price (Euro cents)	71.05	70.92	66.07
Lowest share price (Euro cents)	54.76	47.62	56.95
	Class A US Dollar accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	459.78	487.61	478.03
Return before operating charges*	96.49	(19.78)	17.44
Operating charges	(8.37)	(8.05)	(7.86)
Return after operating charges*	88.12	(27.83)	9.58
Distributions on accumulation shares	(16.44)	(16.17)	(17.10)
Retained distributions on accumulation shares	16.44	16.17	17.10
Closing net asset value per share	547.90	459.78	487.61
* after direct transaction costs of:	0.30	0.33	0.17
Performance			
Return after charges	19.17%	(5.71%)	2.00%
Other information			
Closing net asset value (£000s)	3	114	111
Closing number of shares	600	24,812	22,837
Operating charges	1.73%	1.71%	1.69%
Direct transaction costs	0.06%	0.07%	0.04%
Prices			
Highest share price (USD cents)	760.56	670.49	632.32
Lowest share price (USD cents)	569.65	446.00	539.59

Comparative tables (continued)

	Class A US Dollar income		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	39.33	43.20	43.95
Return before operating charges*	8.19	(1.75)	1.51
Operating charges	(0.72)	(0.71)	(0.71)
Return after operating charges*	7.47	(2.46)	0.80
Distributions on income shares	(1.39)	(1.41)	(1.55)
Closing net asset value per share	45.41	39.33	43.20
* after direct transaction costs of:	0.03	0.03	0.02
Performance			
Return after charges	19.00%	(5.69%)	1.82%
Other information			
Closing net asset value (£000s)	24	186	392
Closing number of shares	53,189	471,778	907,667
Operating charges	1.73%	1.71%	1.69%
Direct transaction costs	0.06%	0.07%	0.04%
Prices			
Highest share price (USD cents)	63.77	59.02	58.14
Lowest share price (USD cents)	48.73	39.02	49.34
	Class I Euro accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	90.63	95.24	92.54
Return before operating charges*	19.34	(3.83)	3.46
Operating charges	(0.86)	(0.78)	(0.76)
Return after operating charges*	18.48	(4.61)	2.70
Distributions on accumulation shares	(3.49)	(3.38)	(3.51)
Retained distributions on accumulation shares	3.49	3.38	3.51
Closing net asset value per share	109.11	90.63	95.24
* after direct transaction costs of:	0.06	0.06	0.03
Performance			
Return after charges	20.39%	(4.84%)	2.92%
Other information			
Closing net asset value (£000s)	1	1	1
Closing number of shares	1,000	1,000	1,000
Operating charges	0.85%	0.85%	0.84%
Direct transaction costs	0.06%	0.07%	0.04%
Prices			
Highest share price (Euro cents)	128.80	120.20	108.90
Lowest share price (Euro cents)	96.08	81.24	91.91

Comparative tables (continued)

	Class I US Dollar income		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	83.23	90.73	91.59
Return before operating charges*	17.43	(3.67)	3.23
Operating charges	(0.78)	(0.74)	(0.74)
Return after operating charges*	16.65	(4.41)	2.49
Distributions on income shares	(3.07)	(3.09)	(3.35)
Closing net asset value per share	96.81	83.23	90.73
* after direct transaction costs of:	0.06	0.06	0.03
Performance			
Return after charges	20.01%	(4.86%)	2.72%
Other information			
Closing net asset value (£000s)	127	157	170
Closing number of shares	130,746	189,043	186,839
Operating charges	0.85%	0.85%	0.84%
Direct transaction costs	0.06%	0.07%	0.04%
Prices			
Highest share price (USD cents)	135.70	124.30	121.20
Lowest share price (USD cents)	103.30	82.29	103.10

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.

	2021 %	2020 %
Class A accumulation	1.77	1.74 ¹
Class A income	1.77	1.74 ¹
Class E accumulation	1.27	1.25 ¹
Class E income	1.27	1.25 ¹
Class G accumulation	0.75	0.74 ¹
Class G income	0.75	0.74 ¹
Class I accumulation	0.85	0.85 ¹
Class I income	0.85	0.85 ¹
Class S income	0.07	0.07 ¹
Class A Euro accumulation	1.73	1.71 ¹
Class A Euro income	1.73	1.71 ¹
Class A US Dollar accumulation	1.73	1.71 ¹
Class A US Dollar income	1.73	1.71 ¹
Class I Euro accumulation	0.85	0.85 ¹
Class I US Dollar income	0.85	0.85 ¹

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

¹ The OCF is a blended rate reflecting new GAC rates which took effect from 5 May 2020.

Risk and reward profile

The fund currently has 15 types of share class in issue: A accumulation, A income, E accumulation, E income, G accumulation, G income, I accumulation, I income, S income, A Euro accumulation, A Euro income, A US Dollar accumulation, A US Dollar income, I Euro accumulation and I US Dollar income.

The risk and reward profile for A accumulation, A income, E accumulation, E income, G accumulation, G income, I accumulation, I income, S income, A Euro accumulation, A Euro income and I Euro accumulation is as follows:



The risk and reward profile for A US Dollar accumulation, A US Dollar income and I US Dollar income is as follows:



The share classes appear at 5 out of 7, with the exception of Class A US Dollar accumulation, Class A US Dollar income and Class I US Dollar income which 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 5 years than those in lower categories. The lowest category does not mean risk free.

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

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

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

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

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

The risk rating for Class A Euro accumulation and Class I Euro accumulation decreased to 5 from 6 in 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. All other share classes remain at the same rating.

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

* Class E accumulation and Class E income launched on 24 June 2019. As these share classes do not have a 5 year history, a synthetic history has been created using the A accumulation and A income share classes, respectively.

Portfolio statement as at 31 August 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 95.44% (2020: 99.39%)		
	Austria 1.07% (2020: 0.97%)		
	Financials 1.07% (2020: 0.97%)		
181,309	BAWAG	7,900	1.07
	Canada 2.73% (2020: 2.62%)		
	Communication Services 1.48% (2020: 1.53%)		
658,842	TELUS	11,001	1.48
	Financials 1.25% (2020: 1.09%)		
653,616	Manulife Financial	9,227	1.25
	China 1.86% (2020: 0.00%)		
	Communication Services 1.07% (2020: 0.00%)		
176,100	Tencent	7,910	1.07
	Consumer Discretionary 0.79% (2020: 0.00%)		
6,131,000	Topsports International	5,877	0.79
	Denmark 2.54% (2020: 1.03%)		
	Consumer Staples 1.51% (2020: 1.03%)		
88,539	Carlsberg	11,192	1.51
	Health Care 1.03% (2020: 0.00%)		
104,972	Novo Nordisk 'B'	7,618	1.03
	Finland 1.70% (2020: 1.07%)		
	Materials 1.70% (2020: 1.07%)		
426,760	UPM-Kymmene	12,596	1.70
	France 8.00% (2020: 10.70%)		
	Communication Services 1.07% (2020: 1.33%)		
286,764	Vivendi	7,950	1.07
	Consumer Discretionary 0.00% (2020: 1.50%)		
	Consumer Staples 0.00% (2020: 0.68%)		
	Energy 1.78% (2020: 1.18%)		
412,674	TotalEnergies	13,219	1.78
	Financials 2.16% (2020: 1.11%)		
782,944	AXA	15,963	2.16
	Health Care 1.84% (2020: 2.09%)		
181,736	Sanofi	13,658	1.84
	Industrials 1.15% (2020: 1.23%)		
65,387	Schneider Electric	8,485	1.15

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Utilities 0.00% (2020: 1.58%)		
	Germany 0.90% (2020: 5.43%)		
	Consumer Discretionary 0.90% (2020: 0.00%)		
109,559	Daimler	6,687	0.90
	Financials 0.00% (2020: 2.78%)		
	Industrials 0.00% (2020: 1.59%)		
	Utilities 0.00% (2020: 1.06%)		
	Hong Kong 0.95% (2020: 1.03%)		
	Financials 0.95% (2020: 1.03%)		
809,000	AIA	7,025	0.95
	Italy 2.65% (2020: 2.48%)		
	Communication Services 0.00% (2020: 0.40%)		
	Consumer Discretionary 0.98% (2020: 0.00%)		
499,802	Stellantis	7,259	0.98
	Utilities 1.67% (2020: 2.08%)		
1,870,952	Enel	12,384	1.67
	Japan 2.33% (2020: 0.88%)		
	Communication Services 0.75% (2020: 0.00%)		
15,800	Nintendo	5,524	0.75
	Consumer Discretionary 1.58% (2020: 0.88%)		
1,352,000	Panasonic	11,714	1.58
	Netherlands 6.26% (2020: 3.19%)		
	Consumer Staples 1.76% (2020: 0.00%)		
322,872	Unilever	13,056	1.76
	Energy 1.81% (2020: 1.03%)		
928,830	Royal Dutch Shell 'A'	13,404	1.81
	Financials 1.03% (2020: 0.95%)		
757,748	ING	7,602	1.03
	Industrials 1.66% (2020: 1.21%)		
561,852	RELX	12,279	1.66

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Norway 0.00% (2020: 0.77%)		
	Communication Services 0.00% (2020: 0.77%)		
	South Korea 1.96% (2020: 2.01%)		
	Information Technology 1.96% (2020: 2.01%)		
327,015	Samsung Electronics Preference Shares	14,489	1.96
	Spain 1.43% (2020: 1.65%)		
	Energy 0.00% (2020: 0.60%)		
	Utilities 1.43% (2020: 1.05%)		
1,175,727	Iberdrola	10,574	1.43
	Sweden 3.13% (2020: 1.10%)		
	Communication Services 1.35% (2020: 1.10%)		
920,069	Tele2 'B'	10,022	1.35
	Industrials 1.78% (2020: 0.00%)		
800,683	Volvo 'B'	13,149	1.78
	Switzerland 9.34% (2020: 15.43%)		
	Consumer Staples 2.55% (2020: 2.93%)		
205,891	Nestlé	18,902	2.55
	Financials 1.07% (2020: 4.28%)		
651,101	UBS	7,892	1.07
	Health Care 4.35% (2020: 4.57%)		
233,979	Novartis	15,735	2.12
56,350	Roche	16,437	2.23
		32,172	4.35
	Industrials 1.37% (2020: 2.50%)		
378,295	ABB	10,178	1.37
	Materials 0.00% (2020: 1.15%)		
	Taiwan 2.96% (2020: 2.95%)		
	Information Technology 2.96% (2020: 2.95%)		
2,764,000	Powertech Technology	8,116	1.10
159,860	Taiwan Semiconductor Manufacturing ADS	13,824	1.86
		21,940	2.96
	United Kingdom 8.73% (2020: 10.91%)		
	Consumer Discretionary 1.49% (2020: 0.00%)		
595,077	Burberry	11,051	1.49
	Consumer Staples 1.21% (2020: 3.98%)		
579,944	Imperial Brands	8,940	1.21

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Financials 0.95% (2020: 0.91%)		
16,032,629	Lloyds Banking	7,018	0.95
	Health Care 2.22% (2020: 1.84%)		
192,913	AstraZeneca	16,422	2.22
	Industrials 0.00% (2020: 1.21%)		
	Information Technology 0.92% (2020: 0.00%)		
2,166,622	Alphawave IP	6,847	0.92
	Materials 1.05% (2020: 2.07%)		
254,580	Anglo American	7,813	1.05
	Utilities 0.89% (2020: 0.90%)		
699,952	National Grid	6,589	0.89
	United States 36.90% (2020: 35.17%)		
	Communication Services 1.46% (2020: 2.13%)		
270,010	Verizon Communications	10,793	1.46
	Consumer Discretionary 2.78% (2020: 2.10%)		
137,854	Las Vegas Sands	4,467	0.60
43,855	McDonald's	7,565	1.02
153,441	VF	8,525	1.16
		20,557	2.78
	Consumer Staples 4.13% (2020: 3.03%)		
350,042	Coca-Cola	14,322	1.94
160,416	Mondelez International	7,235	0.98
79,182	PepsiCo	8,998	1.21
		30,555	4.13
	Financials 3.75% (2020: 2.13%)		
209,472	Citigroup	10,946	1.48
46,611	CME 'A'	6,831	0.92
85,967	The Travelers Companies	9,977	1.35
		27,754	3.75
	Health Care 6.02% (2020: 8.71%)		
309,358	Bristol-Myers Squibb	15,027	2.02
154,130	Medtronic	14,945	2.02
265,236	Merck	14,701	1.98
		44,673	6.02
	Industrials 2.97% (2020: 1.09%)		
58,184	Honeywell International	9,805	1.32
487,579	nVent Electric	12,173	1.65
		21,978	2.97

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Information Technology 11.75% (2020: 9.56%)		
27,136	Broadcom	9,804	1.32
392,394	Cisco Systems	16,828	2.27
375,654	Corning	10,915	1.47
167,635	Microsoft	36,770	4.96
92,392	Texas Instruments	12,818	1.73
		<u>87,135</u>	<u>11.75</u>
	Materials 2.44% (2020: 1.25%)		
53,165	Air Products and Chemicals	10,409	1.41
826,559	Amcor	7,659	1.03
		<u>18,068</u>	<u>2.44</u>
	Real Estate 1.08% (2020: 3.18%)		
56,760	Crown Castle International	8,027	1.08
	Utilities 0.52% (2020: 1.99%)		
68,011	Dominion Energy	3,846	0.52
	Investment assets	706,914	95.44
	Other net assets	33,778	4.56
	Total net assets	740,692	100.00

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 31 August 2021

	Note	2021		2020	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		110,281		(56,423)
Revenue	3	27,625		28,826	
Expenses	4	(8,948)		(8,837)	
Interest payable and similar charges	5	(2)		(5)	
Net revenue before taxation		18,675		19,984	
Taxation	6	(3,160)		(3,154)	
Net revenue after taxation			15,515		16,830
Total return before distributions			125,796		(39,593)
Distributions	7		(22,833)		(24,244)
Change in net assets attributable to shareholders from investment activities			102,963		(63,837)

Statement of change in net assets attributable to shareholders for the year ended 31 August 2021

	2021		2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		658,716		761,741
Amounts receivable on issue of shares	37,186		28,648	
Amounts payable on cancellation of shares	(64,213)		(74,359)	
		(27,027)		(45,711)
Dilution adjustment		10		-
Change in net assets attributable to shareholders from investment activities		102,963		(63,837)
Retained distributions on accumulation shares		5,837		6,431
Unclaimed distributions		193		92
Closing net assets attributable to shareholders		740,692		658,716

Balance sheet as at 31 August 2021

	Note	2021 £000	2020 £000
Assets:			
Investments		706,914	654,673
Current assets:			
Debtors	8	4,692	7,356
Cash and bank balances	9	34,505	13,150
Total assets		746,111	675,179
Liabilities:			
Creditors:			
Bank overdrafts		-	8
Distributions payable		3,949	3,802
Other creditors	10	1,470	12,653
Total liabilities		5,419	16,463
Net assets attributable to shareholders		740,692	658,716

Notes to the financial statements for the year ended 31 August 2021

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:

	2021	2020
	£000	£000
Forward currency contracts	(13)	(23)
Non-derivative securities	110,884	(55,965)
Other currency losses	(590)	(419)
Transaction costs	-	(16)
Net capital gains/(losses)	110,281	(56,423)

3 Revenue

	2021	2020
	£000	£000
Bank interest	-	27
Overseas dividends	22,687	22,518
Overseas REIT revenue	352	494
Stock lending revenue	68	55
UK dividends	4,518	5,732
Total revenue	27,625	28,826

4 Expenses

	2021	2020
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	7,318	7,414
GAC*	1,530	1,333
	<u>8,848</u>	<u>8,747</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	52	50
Safe custody fees	45	37
	<u>97</u>	<u>87</u>
Other expenses:		
Dividend collection charges	-	3
Professional fees**	3	-
	<u>3</u>	<u>3</u>
Total expenses	8,948	8,837

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £12,249 (2020: £11,556).

**Included with professional fees are non-audit fees paid to the auditors of £2,443 in relation to withholding tax reclaims (2020: nil).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2021 £000	2020 £000
Interest payable	2	5
Total interest payable and similar charges	2	5

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2021 £000	2020 £000
Current tax		
Overseas withholding tax	3,160	3,154
Total tax (note 6b)	3,160	3,154

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% (2020: 20%). The differences are explained below:

	2021 £000	2020 £000
Net revenue before taxation	18,675	19,984
Corporation tax at 20% (2020: 20%)	3,735	3,997
Effects of:		
Double tax relief	(11)	(7)
Overseas withholding tax	3,160	3,154
Overseas dividends	(4,537)	(4,504)
UK dividends*	(904)	(1,146)
Unused management expenses	1,717	1,660
Tax charge for the year (note 6a)	3,160	3,154

* 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 (2020: 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 £31,605,482 (2020: £29,864,475) 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.

The movement in the potential tax asset identified in note (d) may not match the movement shown in 'Unused management expenses' in note (b) due to filing adjustments.

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:

	2021	2020
	£000	£000
Interim income	12,946	13,816
Interim accumulation	4,479	5,060
Final income	3,949	3,802
Final accumulation	1,358	1,371
	<u>22,732</u>	<u>24,049</u>
Amounts deducted on cancellation of shares	251	326
Amounts received on issue of shares	(150)	(131)
Total distributions	<u>22,833</u>	<u>24,244</u>
Net revenue after taxation	15,515	16,830
Annual management charge borne by the capital account	7,318	7,414
Total distributions	<u>22,833</u>	<u>24,244</u>

Details of the distribution per share are set out in the Distribution tables on pages 70 to 77.

8 Debtors

	2021	2020
	£000	£000
Accrued revenue	2,759	1,858
Amounts receivable for issue of shares	284	71
Currency transactions awaiting settlement	-	4,253
Income tax recoverable	-	22
Overseas withholding tax reclaimable	1,649	1,152
Total debtors	<u>4,692</u>	<u>7,356</u>

9 Cash and bank balances

	2021	2020
	£000	£000
Cash and bank balances	34,505	13,150
Total cash and bank balances	<u>34,505</u>	<u>13,150</u>

Notes to the financial statements (continued)

10 Other creditors

	2021	2020
	£000	£000
Accrued annual management charge	657	599
Accrued Depository's fee	5	4
Accrued other expenses	144	131
Amounts payable for cancellation of shares	664	1,008
Currency transactions awaiting settlement	-	4,278
Purchases awaiting settlement	-	6,633
Total other creditors	1,470	12,653

11 Contingent liabilities and commitments

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

12 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 59 and 60 and notes 4, 7, 8 and 10 on pages 61 to 64 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 (2020: nil).

13 Shareholders' funds

The fund currently has 9 share classes available: Class A (Retail), Class E (Retail), Class G (Institutional), Class I (Institutional), Class S (Institutional), Class A Euro (Retail), Class A US Dollar (Retail), Class I Euro (Institutional) and Class I US Dollar (Institutional). The annual management charge on each share class is as follows:

	2021	2020
	%	%
Class A	1.50	1.50
Class E	1.00	1.00
Class G	0.675	0.675
Class I	0.75	0.75
Class S ¹	0.00	0.00
Class A Euro	1.50	1.50
Class A US Dollar	1.50	1.50
Class I Euro	0.75	0.75
Class I US Dollar	0.75	0.75

¹Charges for managing S 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 44 to 51. The distribution per share class is given in the Distribution tables on pages 70 to 77. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation as at 31 August 2021

	Class A accumulation	Class A income	Class E accumulation	Class E income
Opening number of shares	15,014,434	149,754,468	22,037,136	486,954,946
Issues during the year	944,668	3,916,138	32,537	16,938,745
Cancellations during the year	(1,768,840)	(10,961,505)	(1,360,140)	(21,378,572)
Shares converted during the year	(1,108,942)	(7,108,778)	963,094	5,731,538
Closing shares in issue	13,081,320	135,600,323	21,672,627	488,246,657
	Class G accumulation	Class G income	Class I accumulation	Class I income
Opening number of shares	3,127,937	10,708,589	24,917,224	90,346,877
Issues during the year	51,358	12,749,626	540,630	1,514,554
Cancellations during the year	(845,862)	(2,834,365)	(5,188,589)	(13,167,680)
Shares converted during the year	-	(14,838)	325,965	609,069
Closing shares in issue	2,333,433	20,609,012	20,595,230	79,302,820
	Class S income	Class A Euro accumulation	Class A Euro income	Class A US Dollar accumulation
Opening number of shares	1,171,789	35,238	2,650,719	24,812
Issues during the year	6,071	98,968	-	-
Cancellations during the year	(298,046)	(13,393)	(223,111)	(24,212)
Shares converted during the year	-	-	-	-
Closing shares in issue	879,814	120,813	2,427,608	600
	Class A US Dollar income	Class I Euro accumulation	Class I US Dollar income	
Opening number of shares	471,778	1,000	189,043	
Issues during the year	-	-	2,275	
Cancellations during the year	(418,589)	-	(60,572)	
Shares converted during the year	-	-	-	
Closing shares in issue	53,189	1,000	130,746	

14 Financial derivatives

The fund may use derivatives to reduce risk, to manage the fund more efficiently, or to generate additional income for the fund.

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 31 August 2021.

2021

The fund had no exposure to derivatives as at 31 August 2021.

2020

The fund had no exposure to derivatives as at 31 August 2020.

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 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.

2021 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Morgan Stanley	6,978	7,413	Government Bond
	6,978	7,413	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas ¹	Stock lending agent	27	4	23
JPMorgan ²	Stock lending agent	49	4	45

¹ Until 9 March 2021 BNP Paribas was the securities lending agent.

² From 10 March 2021 JPMorgan was the securities lending agent.

2020 Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Natixis	37,682	41,869	Equity
Bank of Nova Scotia	983	1,092	Equity
	38,665	42,961	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	65	10	55

Notes to the financial statements (continued)

16 Risk

Currency risk

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

2021	Investment assets £000	Other net assets £000	Total net assets £000
Currency			
Australian dollar	7,659	-	7,659
Canadian dollar	20,228	89	20,317
Danish krone	18,810	149	18,959
Euro	163,016	1,194	164,210
Hong Kong dollar	20,813	-	20,813
Israeli new shekel	-	186	186
Japanese yen	17,238	-	17,238
Korean won	14,489	-	14,489
Norwegian krone	-	94	94
Swedish krona	23,171	266	23,437
Swiss franc	69,144	-	69,144
Taiwan dollar	8,116	326	8,442
UK sterling	64,680	31,207	95,887
US dollar	279,550	267	279,817
Total	706,914	33,778	740,692
		Other net assets/(liabilities) £000	Total net assets £000
2020	Investment assets £000		
Currency			
Australian dollar	8,248	-	8,248
Canadian dollar	17,265	98	17,363
Danish krone	6,803	117	6,920
Euro	180,712	548	181,260
Hong Kong dollar	6,794	-	6,794
Israeli new shekel	-	183	183
Japanese yen	5,764	-	5,764
Korean won	13,267	-	13,267
Norwegian krone	5,065	97	5,162
Swedish krona	7,239	274	7,513
Swiss franc	101,606	-	101,606
UK sterling	59,147	4,592	63,739
US dollar	242,763	(1,866)	240,897
Total	654,673	4,043	658,716

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £644,805,476 (2020: £594,976,784). 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 £64,480,548 (2020: £59,497,678).

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)

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
2021				
Distribution payable	-	3,949	-	-
Other creditors	-	1,470	-	-
Total	-	5,419	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Bank overdrafts	8	-	-	-
Distribution payable	-	3,802	-	-
Other creditors	-	12,653	-	-
Total	8	16,455	-	-

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

	2021		2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	706,914	-	654,673	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	706,914	-	654,673	-

Notes to the financial statements (continued)

18 Direct transaction costs

	Purchases		Sales	
	2021 £000	2020 £000	2021 £000	2020 £000
Trades in the year				
Equities	258,125	277,285	315,140	328,083
Trades in the year before transaction costs	258,125	277,285	315,140	328,083
Transaction costs				
Commissions				
Equities	85	78	95	91
Total commissions	85	78	95	91
Taxes				
Equities	204	231	5	-
Total taxes	204	231	5	-
Other expenses				
Equities	44	92	21	3
Total other expenses	44	92	21	3
Total transaction costs	333	401	121	94
Total net trades in the year after transaction costs	258,458	277,686	315,019	327,989

	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.03	0.03	0.03	0.03
Taxes				
Equities	0.08	0.08	-	-
Other expenses				
Equities	0.02	0.03	0.01	-
Total transaction costs expressed as a percentage of net asset value				
Commissions	0.03	0.03		
Taxes	0.03	0.03		
Other expenses	0.01	0.01		
Total costs	0.07	0.07		

There were no in specie transfers during the year (2020: nil). There were corporate actions during the year of £2,114,334 (2020: nil).

There were no direct transaction costs associated with derivatives in the year (2020: nil).

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

The portfolio dealing spread as at 31 August 2021 was 0.08% (2020: 0.05%). 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 31 August 2021 (in pence per share)

Interim dividend distribution (accounting date 30 November 2020, paid on 29 January 2021)

Group 1: shares purchased prior to 1 September 2020

Group 2: shares purchased on or after 1 September 2020

	Distribution per share	Equalisation	Total distribution per share 29/01/21	Total distribution per share 31/01/20
Class A accumulation				
Group 1	1.8712	-	1.8712	2.4343
Group 2	1.0518	0.8194	1.8712	2.4343
Class A income				
Group 1	0.2943	-	0.2943	0.3961
Group 2	0.1059	0.1884	0.2943	0.3961
Class E accumulation				
Group 1	1.8843	-	1.8843	2.4375
Group 2	0.9963	0.8880	1.8843	2.4375
Class E income				
Group 1	0.2963	-	0.2963	0.3967
Group 2	0.1162	0.1801	0.2963	0.3967
Class G accumulation				
Group 1	0.8326	-	0.8326	1.0414
Group 2	0.8326	-	0.8326	1.0414
Class G income				
Group 1	0.7019	-	0.7019	0.9101
Group 2	0.2174	0.4845	0.7019	0.9101
Class I accumulation				
Group 1	0.8906	-	0.8906	1.1177
Group 2	0.3663	0.5243	0.8906	1.1177
Class I income				
Group 1	0.6919	-	0.6919	0.9000
Group 2	0.2813	0.4106	0.6919	0.9000
Class S income				
Group 1	0.7318	-	0.7318	0.9423
Group 2	0.7318	-	0.7318	0.9423
Class A Euro accumulation¹				
Group 1	0.3995	-	0.3995	0.5422
Group 2	0.1034	0.2961	0.3995	0.5422
Class A Euro income¹				
Group 1	0.3101	-	0.3101	0.4361
Group 2	0.1054	0.2047	0.3101	0.4361
Class A US Dollar accumulation²				
Group 1	3.2985	-	3.2985	4.1280
Group 2	3.2985	-	3.2985	4.1280
Class A US Dollar income²				
Group 1	0.2817	-	0.2817	0.3656
Group 2	0.2817	-	0.2817	0.3656

Distribution tables (continued)

Interim dividend distribution (accounting date 30 November 2020, paid on 29 January 2021) (continued)

Group 1: shares purchased prior to 1 September 2020

Group 2: shares purchased on or after 1 September 2020

	Distribution per share	Equalisation	Total distribution per share 29/01/21	Total distribution per share 31/01/20
Class I Euro accumulation¹				
Group 1	0.6038	-	0.6038	0.7953
Group 2	0.6038	-	0.6038	0.7953
Class I US Dollar income²				
Group 1	0.6345	-	0.6345	0.7997
Group 2	0.2683	0.3662	0.6345	0.7997

¹ in Euro cents per share

² in USD cents per share

Distribution tables (continued)

Interim dividend distribution (accounting date 28 February 2021, paid on 30 April 2021)

Group 1: shares purchased prior to 1 December 2020

Group 2: shares purchased on or after 1 December 2020

	Distribution per share	Equalisation	Total distribution per share 30/04/21	Total distribution per share 30/04/20
Class A accumulation				
Group 1	2.2246	-	2.2246	2.1778
Group 2	2.0664	0.1582	2.2246	2.1778
Class A income				
Group 1	0.3482	-	0.3482	0.3525
Group 2	0.0871	0.2611	0.3482	0.3525
Class E accumulation				
Group 1	2.2422	-	2.2422	2.1841
Group 2	1.1129	1.1293	2.2422	2.1841
Class E income				
Group 1	0.3510	-	0.3510	0.3536
Group 2	0.1304	0.2206	0.3510	0.3536
Class G accumulation				
Group 1	0.9829	-	0.9829	0.9420
Group 2	0.9829	-	0.9829	0.9420
Class G income				
Group 1	0.8243	-	0.8243	0.8182
Group 2	0.3153	0.5090	0.8243	0.8182
Class I accumulation				
Group 1	1.0525	-	1.0525	1.0095
Group 2	0.6903	0.3622	1.0525	1.0095
Class I income				
Group 1	0.8133	-	0.8133	0.8079
Group 2	0.4392	0.3741	0.8133	0.8079
Class S income				
Group 1	0.8606	-	0.8606	0.8488
Group 2	0.3366	0.5240	0.8606	0.8488
Class A Euro accumulation¹				
Group 1	0.4865	-	0.4865	0.4811
Group 2	0.4865	-	0.4865	0.4811
Class A Euro income¹				
Group 1	0.3777	-	0.3777	0.3854
Group 2	0.1777	0.2000	0.3777	0.3854
Class A US Dollar accumulation²				
Group 1	4.0925	-	4.0925	3.6522
Group 2	4.0925	-	4.0925	3.6522
Class A US Dollar income²				
Group 1	0.3477	-	0.3477	0.3218
Group 2	0.3477	-	0.3477	0.3218

Distribution tables (continued)

Interim dividend distribution (accounting date 28 February 2021, paid on 30 April 2021) (continued)

Group 1: shares purchased prior to 1 December 2020

Group 2: shares purchased on or after 1 December 2020

	Distribution per share	Equalisation	Total distribution per share 30/04/21	Total distribution per share 30/04/20
Class I Euro accumulation¹				
Group 1	0.7337	-	0.7337	0.7035
Group 2	0.7337	-	0.7337	0.7035
Class I US Dollar income²				
Group 1	0.7810	-	0.7810	0.7089
Group 2	0.3173	0.4637	0.7810	0.7089

¹ in Euro cents per share

² in USD cents per share

Distribution tables (continued)

Interim dividend distribution (accounting date 31 May 2021, paid on 30 July 2021)

Group 1: shares purchased prior to 1 March 2021

Group 2: shares purchased on or after 1 March 2021

	Distribution per share	Equalisation	Total distribution per share 30/07/21	Total distribution per share 31/07/20
Class A accumulation				
Group 1	5.4652	-	5.4652	5.0130
Group 2	3.4647	2.0005	5.4652	5.0130
Class A income				
Group 1	0.8506	-	0.8506	0.8062
Group 2	0.3974	0.4532	0.8506	0.8062
Class E accumulation				
Group 1	5.5152	-	5.5152	5.0333
Group 2	2.1625	3.3527	5.5152	5.0333
Class E income				
Group 1	0.8583	-	0.8583	0.8094
Group 2	0.3645	0.4938	0.8583	0.8094
Class G accumulation				
Group 1	2.3112	-	2.3112	2.0837
Group 2	1.4158	0.8954	2.3112	2.0837
Class G income				
Group 1	1.9259	-	1.9259	1.7975
Group 2	0.7848	1.1411	1.9259	1.7975
Class I accumulation				
Group 1	2.4905	-	2.4905	2.2489
Group 2	1.1212	1.3693	2.4905	2.2489
Class I income				
Group 1	1.9126	-	1.9126	1.7875
Group 2	0.8977	1.0149	1.9126	1.7875
Class S income				
Group 1	2.0142	-	2.0142	1.8674
Group 2	2.0142	-	2.0142	1.8674
Class A Euro accumulation¹				
Group 1	1.1950	-	1.1950	1.0480
Group 2	1.1950	-	1.1950	1.0480
Class A Euro income¹				
Group 1	0.9225	-	0.9225	0.8346
Group 2	0.4225	0.5000	0.9225	0.8346
Class A US Dollar accumulation²				
Group 1	10.1446	-	10.1446	8.0707
Group 2	10.1446	-	10.1446	8.0707
Class A US Dollar income²				
Group 1	0.8595	-	0.8595	0.7056
Group 2	0.8595	-	0.8595	0.7056

Distribution tables (continued)

Interim dividend distribution (accounting date 31 May 2021, paid on 30 July 2021) (continued)

Group 1: shares purchased prior to 1 March 2021

Group 2: shares purchased on or after 1 March 2021

	Distribution per share	Equalisation	Total distribution per share 30/07/21	Total distribution per share 31/07/20
Class I Euro accumulation¹				
Group 1	1.7183	-	1.7183	1.4760
Group 2	1.7183	-	1.7183	1.4760
Class I US Dollar income²				
Group 1	1.8668	-	1.8668	1.5174
Group 2	0.6937	1.1731	1.8668	1.5174

¹ in Euro cents per share

² in USD cents per share

Distribution tables (continued)

Final dividend distribution (accounting date 31 August 2021, paid on 29 October 2021)

Group 1: shares purchased prior to 1 June 2021

Group 2: shares purchased on or after 1 June 2021

	Distribution per share	Equalisation	Total distribution per share 29/10/21	Total distribution per share 31/10/20
Class A accumulation				
Group 1	2.9710	-	2.9710	2.7337
Group 2	1.3696	1.6014	2.9710	2.7337
Class A income				
Group 1	0.4562	-	0.4562	0.4335
Group 2	0.2211	0.2351	0.4562	0.4335
Class E accumulation				
Group 1	3.0023	-	3.0023	2.7511
Group 2	1.8581	1.1442	3.0023	2.7511
Class E income				
Group 1	0.4610	-	0.4610	0.4359
Group 2	0.2494	0.2116	0.4610	0.4359
Class G accumulation				
Group 1	1.3009	-	1.3009	1.1799
Group 2	1.3009	-	1.3009	1.1799
Class G income				
Group 1	1.0690	-	1.0690	1.0028
Group 2	0.3195	0.7495	1.0690	1.0028
Class I accumulation				
Group 1	1.3950	-	1.3950	1.2673
Group 2	0.8351	0.5599	1.3950	1.2673
Class I income				
Group 1	1.0566	-	1.0566	0.9927
Group 2	0.5374	0.5192	1.0566	0.9927
Class S income				
Group 1	1.1200	-	1.1200	1.0435
Group 2	1.1200	-	1.1200	1.0435
Class A Euro accumulation¹				
Group 1	0.6559	-	0.6559	0.5806
Group 2	0.6559	-	0.6559	0.5806
Class A Euro income¹				
Group 1	0.4995	-	0.4995	0.4555
Group 2	0.4995	-	0.4995	0.4555
Class A US Dollar accumulation²				
Group 1	5.3810	-	5.3810	4.8061
Group 2	5.3810	-	5.3810	4.8061
Class A US Dollar income²				
Group 1	0.4504	-	0.4504	0.4141
Group 2	0.4504	-	0.4504	0.4141

Distribution tables (continued)

Final dividend distribution (accounting date 31 August 2021, paid on 29 October 2021) (continued)

Group 1: shares purchased prior to 1 June 2021

Group 2: shares purchased on or after 1 June 2021

	Distribution per share	Equalisation	Total distribution per share 29/10/21	Total distribution per share 31/10/20
Class I Euro accumulation¹				
Group 1	0.9758	-	0.9758	0.8519
Group 2	0.9758	-	0.9758	0.8519
Class I US Dollar income²				
Group 1	0.9981	-	0.9981	0.9127
Group 2	0.5648	0.4333	0.9981	0.9127

¹ in Euro cents per share

² in USD cents per share

Janus Henderson UK Alpha Fund

Authorised Corporate Director's report

Investment Fund Managers

Neil Hermon and Indriatti van Hien

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 a concentrated portfolio of shares (also known as equities) of companies, of any size, in any industry, in the UK. Companies will be incorporated, headquartered, or deriving significant revenue from, the UK.

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

The fund is actively managed with reference to the 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 identify high quality, cash generative growth companies that may be mispriced by the market. The fund focuses on companies that have attractive market positions, healthy balance sheets, and demonstrate robust and growing levels of cash flow. Close attention is also paid to management's ability and willingness to invest capital in a sensible and consistent manner. The fund invests in small, medium and large companies with the flexibility to have a significant bias towards medium or smaller-sized companies.

Performance summary

Cumulative performance

	One year 31 Aug 20 - 31 Aug 21 %	Three years 31 Aug 18 - 31 Aug 21 %	Five years 31 Aug 16 - 31 Aug 21 %	Since inception 9 Nov 01- 31 Aug 21 %
Class I accumulation (Net)	46.3	20.8	55.9	326.5
FTSE All Share Index	26.9	11.4	33.3	227.2
IA UK All Companies Equity Sector	32.1	16.7	41.6	247.1

Discrete performance

	31 Aug 20 - 31 Aug 21 %	31 Aug 19 - 31 Aug 20 %	31 Aug 18 - 31 Aug 19 %	31 Aug 17 - 31 Aug 18 %	31 Aug 16 - 31 Aug 17 %
Class I accumulation (Net)	46.3	(8.6)	(9.6)	8.5	19.0
FTSE All Share Index	26.9	(12.6)	0.4	4.7	14.3
IA UK All Companies Equity Sector	32.1	(8.8)	(3.1)	6.6	13.8

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.

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 the 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)

Peer group: IA UK All Companies Equity Sector

Peer group usage: Comparator

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

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

Significant portfolio changes for the year ended 31 August 2021

Largest purchases	£000	Largest sales	£000
Dr. Martens	4,855	John Laing	10,439
Foresight	3,646	UNITE	4,990
Jet2	3,604	Hargreaves Lansdown	4,613
Wickes	3,387	Intermediate Capital	3,329
Alphawave IP	3,106	Ultra Electronics	3,293
Moneysupermarket.com	2,651	Cineworld	2,800
S4 Capital	2,571	Learning Technologies	2,747
Moonpig	2,356	Victrex	2,594
Team17	2,342	Dr. Martens	2,461
Electrocomponents	2,314	Royal Dutch Shell 'B'	1,793
Total purchases	56,585	Total sales	72,739

Investment review

The fund returned 46.3% based on Class I accumulation (Net) over the year under review, compared with a return of 26.9% in the FTSE All Share Index and a return of 32.1% in the IA UK All Companies Equity Sector peer group benchmark.

During the reporting year, UK equity markets continued to recover strongly from the nadir in early 2020. News in November 2020 that three separate COVID-19 vaccine trials had passed the first efficacy and safety hurdles marked a turning point in the world's fight against the virus. Joe Biden was proclaimed the winner of the US presidential election. The Democrats gained control of both houses of Congress, which raised hopes of further fiscal stimulus. The UK and European Union finally agreed a trade deal, averting the much-feared 'no deal' scenario. COVID-19 vaccination progress in conjunction with continued fiscal support from governments increased global growth and inflation expectations, with some signs of overheating as companies reported bottlenecks in certain parts of their supply chains. The US Federal Reserve reiterated its view that it expected inflation to be transitory and that the likely timelines for 'tapering' (winding down quantitative easing) and rate increases would be separate. Oil and commodity prices rose, and sterling appreciated. Mid-cap stocks materially outperformed large-cap stocks.

The biggest contributors to the fund's performance included Watches of Switzerland, Intermediate Capital (ICG) and Oxford Instruments. Shares of Watches of Switzerland, a luxury watch and jewellery retailer in the UK and US, rallied following the announcement multiple profit upgrades and an ambitious long-range plan. ICG, an alternative finance provider and asset manager, saw strong share price performance following the announcement of full-year results that flagged a better-than-expected fund-raising environment for the year ahead. Shares of Oxford Instruments, a specialist provider of nanotechnology and advanced instrumentation equipment, rallied as a result of continued margin improvement and the announcement of its acquisition of WITec, a leading provider of Raman microscopy imaging solutions. The deal served to remind investors of the firepower that comes from its sizeable net-cash balance sheet.

The biggest detractors to performance included Clinigen, IntegraFin and Trainline. Shares of Clinigen, a speciality pharmaceuticals and pharmaceuticals services company, suffered from a profit warning after COVID-19-induced disruption to in-hospital cancer treatments led to lower-than-expected sales of its high-margin Proleukin drug. Despite higher market levels, shares of IntegraFin, an investment platform provider to independent financial advisers, failed to keep pace with the market as they suffered from investors rotating away from quality growth to value stocks. Shares of Trainline, an online train ticketing platform, fell sharply following the publication of a government rail plan, which detailed aims to launch a software app and transactional website for the newly formed Great British Rail. We took the view that Trainline would continue to play an integral role in the sale of online rail tickets across the UK and Europe, and added to the position following the fall in the share price.

During the year, we initiated positions in Bytes Technology and Foresight. Bytes Technology is a UK information technology reseller that specialises in software sales to both the public and private markets and has benefited from robust demand. Cash generation has been strong and the board has committed to returning cash to shareholders. We invested in the initial public offering as we believed that these strong fundamentals were not reflected in the valuation ascribed to the business. Foresight is an alternative asset manager specialising in infrastructure and regional private equity investments. We invested in the company as it offered relatively cheap exposure to growing fund allocations towards alternative assets. Foresight is highly cash generative and intends to spend money on 'bolt-on' acquisitions alongside returning cash to shareholders.

We sold the holdings in Cineworld and John Laing during the year. We disposed of the position in Cineworld as a result of continued uncertainty about the balance sheet and liquidity position, reopening date, and structural pressures in the industry. We exited the position in John Laing following the announcement of a recommended cash offer for the company by KKR.

The positive COVID-19 vaccine developments provide hope that the end of the pandemic is near. However, we take a cautious view on both how quickly the vaccines can be rolled out globally and their efficacy against future mutations. To this end, we continue to monitor business and consumer confidence indicators alongside unemployment rates. We are encouraged by the fact that governments around the world are continuing to provide fiscal support and that conditions in the corporate sector – balance sheets in particular – are much stronger than when they entered the 2008-09 global financial crisis.

Valuations remain attractive historically, trading well below long-term averages. The extent of recovery in corporate earnings in 2021 remains to be seen. We are positioned for a recovery as the effects of the virus begin to ebb. However, we remain selective as the recovery will likely be uneven. We believe the strength of balance sheets, management teams, franchises and market position will be key determinants of the winners and losers of the pandemic.

Comparative tables for the year ended 31 August 2021

	Class A accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	126.71	139.36	155.10
Return before operating charges*	59.08	(10.34)	(13.32)
Operating charges	(2.65)	(2.31)	(2.42)
Return after operating charges*	56.43	(12.65)	(15.74)
Distributions on accumulation shares	(0.47)	(0.44)	(2.71)
Retained distributions on accumulation shares	0.47	0.44	2.71
Closing net asset value per share	183.14	126.71	139.36
* after direct transaction costs of:	0.06	0.15	0.09
Performance			
Return after charges	44.53%	(9.08%)	(10.15%)
Other information			
Closing net asset value (£000s)	168,849	129,996	176,140
Closing number of shares	92,196,064	102,591,898	126,394,750
Operating charges	1.73%	1.70%	1.69%
Direct transaction costs	0.04%	0.11%	0.06%
Prices			
Highest share price (pence)	183.30	160.60	155.80
Lowest share price (pence)	118.60	92.27	127.80
	Class C accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	749.08	814.42	896.18
Return before operating charges*	351.33	(60.82)	(77.11)
Operating charges	(5.13)	(4.52)	(4.65)
Return after operating charges*	346.20	(65.34)	(81.76)
Distributions on accumulation shares	(13.74)	(12.11)	(22.43)
Retained distributions on accumulation shares	13.74	12.11	22.43
Closing net asset value per share	1,095.28	749.08	814.42
* after direct transaction costs of:	0.34	0.90	0.52
Performance			
Return after charges	46.22%	(8.02%)	(9.12%)
Other information			
Closing net asset value (£000s)	424	477	600
Closing number of shares	38,687	63,591	73,714
Operating charges	0.57%	0.56%	0.56%
Direct transaction costs	0.04%	0.11%	0.06%
Prices			
Highest share price (pence)	1,096.00	942.10	901.00
Lowest share price (pence)	701.80	542.60	741.00

Comparative tables (continued)

	Class E accumulation		
	2021 (pence per share)	2020 (pence per share)	08/07/19 - 31/08/19 (pence per share)
Change in net assets per share			
Opening net asset value per share	127.45	139.46	149.27 ¹
Return before operating charges*	59.58	(10.36)	(9.57)
Operating charges	(1.90)	(1.65)	(0.24)
Return after operating charges*	57.68	(12.01)	(9.81)
Distributions on accumulation shares	(1.27)	(0.94)	(2.82)
Retained distributions on accumulation shares	1.27	0.94	2.82
Closing net asset value per share	185.13	127.45	139.46
* after direct transaction costs of:	0.06	0.15	0.09
Performance			
Return after charges	45.26%	(8.61%)	(6.57%)
Other information			
Closing net asset value (£000s)	158,612	110,184	108,500
Closing number of shares	85,676,314	86,454,467	77,800,198
Operating charges	1.23%	1.21%	1.20%
Direct transaction costs	0.04%	0.11%	0.06%
Prices			
Highest share price (pence)	185.30	161.00	149.80
Lowest share price (pence)	119.30	92.59	134.40

¹ Class E accumulation launched on 8 July 2019 and this is the first published price.

	Class I accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	292.28	318.66	351.64
Return before operating charges*	136.91	(23.75)	(30.24)
Operating charges	(3.02)	(2.63)	(2.74)
Return after operating charges*	133.89	(26.38)	(32.98)
Distributions on accumulation shares	(4.28)	(3.96)	(9.03)
Retained distributions on accumulation shares	4.28	3.96	9.03
Closing net asset value per share	426.17	292.28	318.66
* after direct transaction costs of:	0.13	0.35	0.20
Performance			
Return after charges	45.81%	(8.28%)	(9.38%)
Other information			
Closing net asset value (£000s)	95,483	71,036	97,836
Closing number of shares	22,405,166	24,304,283	30,702,454
Operating charges	0.85%	0.84%	0.84%
Direct transaction costs	0.04%	0.11%	0.06%
Prices			
Highest share price (pence)	426.50	368.30	353.40
Lowest share price (pence)	273.80	212.00	290.50

Comparative tables (continued)

	Class Z accumulation		
	2021 (pence per share)	2020 (pence per share)	2019 (pence per share)
Change in net assets per share			
Opening net asset value per share	174.99	189.30	207.25
Return before operating charges*	82.31	(14.20)	(17.83)
Operating charges	(0.15)	(0.11)	(0.12)
Return after operating charges*	82.16	(14.31)	(17.95)
Distributions on accumulation shares	(4.49)	(3.31)	(7.17)
Retained distributions on accumulation shares	4.49	3.31	7.17
Closing net asset value per share	257.15	174.99	189.30
* after direct transaction costs of:	0.08	0.20	0.12
Performance			
Return after charges	46.95%	(7.56%)	(8.66%)
Other information			
Closing net asset value (£000s)	159	128	116
Closing number of shares	61,819	73,301	61,100
Operating charges	0.07%	0.06%	0.06%
Direct transaction costs	0.04%	0.11%	0.06%
Prices			
Highest share price (pence)	257.40	219.40	208.40
Lowest share price (pence)	164.00	126.50	171.60

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.

	2021 %	2020 %
Class A accumulation	1.73	1.70 ¹
Class C accumulation	0.57	0.56 ¹
Class E accumulation	1.23	1.21 ¹
Class I accumulation	0.85	0.84 ¹
Class Z accumulation	0.07	0.06 ¹

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

¹ The OCF is a blended rate reflecting new GAC rates which took effect from 5 May 2020.

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 5 years than those in lower categories. The lowest category does not mean risk free.

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

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

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

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

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

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

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

* Class E accumulation was launched on 8 July 2019 and as it does not have a 5 year history, a synthetic history has been created using the A accumulation share class.

Portfolio statement as at 31 August 2021

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 99.76% (2020: 98.54%)		
	Australia 0.00% (2020: 0.00%)		
	Energy 0.00% (2020: 0.00%)		
28,370,334	International Petroleum ¹	-	-
	Ireland 1.21% (2020: 1.01%)		
	Industrials 1.21% (2020: 1.01%)		
132,521	CRH	5,122	1.21
	United Kingdom 98.55% (2020: 97.53%)		
	Basic Materials 5.68% (2020: 6.99%)		
223,585	Rio Tinto	12,033	2.85
1,310,328	Synthomer	7,004	1.65
188,784	Victrax	4,999	1.18
		<u>24,036</u>	<u>5.68</u>
	Consumer Discretionary 25.00% (2020: 17.23%)		
342,327	Bellway	12,047	2.84
833,643	Countryside Properties	4,689	1.11
2,280,479	DFS Furniture	6,134	1.45
825,164	Dr. Martens	3,485	0.82
168,429	Future	6,481	1.53
601,848	JD Sports Fashion	6,076	1.43
304,330	Jet2	3,510	0.83
2,815,615	Mitchells & Butlers	8,295	1.96
629,369	Moonpig	2,434	0.57
546,923	RELX	11,928	2.82
1,250,000	Revolution Beauty	2,025	0.48
479,456	S4 Capital	3,898	0.92
432,804	Team17	3,419	0.81
2,685,340	TI Fluid Systems	8,190	1.93
1,179,476	Trainline	4,312	1.02
1,559,919	Watches of Switzerland	15,819	3.73
1,320,838	Wickes	3,194	0.75
		<u>105,936</u>	<u>25.00</u>
	Consumer Staples 2.23% (2020: 2.30%)		
327,681	Coca-Cola HBC	8,615	2.04
131,784	THG	811	0.19
		<u>9,426</u>	<u>2.23</u>
	Energy 3.37% (2020: 4.37%)		
1,896,382	Cairn Energy	3,647	0.86
743,172	Royal Dutch Shell 'B'	10,635	2.51
		<u>14,282</u>	<u>3.37</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Financials 21.06% (2020: 24.08%)			
386,163	Bridgepoint	1,944	0.46
226,722	Burford Capital	2,046	0.48
868,049	Foresight	3,611	0.85
473,331	Impax Asset Management	5,576	1.32
1,590,492	IntegraFin	9,209	2.17
748,245	Intermediate Capital	16,439	3.89
5,411,845	Just	5,060	1.19
1,739,919	OSB	8,865	2.09
1,953,471	Paragon Banking	10,979	2.59
727,468	Prudential	11,018	2.60
1,559,235	Sanne	14,485	3.42
3,758	Thomas Murray Network Management ¹	-	-
		<u>89,232</u>	<u>21.06</u>
Health Care 3.06% (2020: 4.00%)			
1,176,312	Clinigen	7,364	1.74
106,710	Dechra Pharmaceuticals	5,586	1.32
		<u>12,950</u>	<u>3.06</u>
Industrials 20.80% (2020: 22.39%)			
2,729,064	Balfour Beatty	7,805	1.84
1,146,643	Chemring	3,807	0.90
286,954	Electrocomponents	3,053	0.72
502,439	Euromoney Institutional Investor	5,185	1.22
660,423	Grafton	9,200	2.17
66	Keronite ¹	-	-
2,614,740	Melrose Industries	4,384	1.04
466,974	Oxford Instruments	12,212	2.89
125,148	Renishaw	6,758	1.60
876,975	Rentokil Initial	5,090	1.20
1,059,992	ReStore	5,024	1.19
990,267	RWS	6,427	1.52
2,571,199	SigmaRoc	2,854	0.67
328,007	Smart Metering Systems	3,162	0.75
128,018	Spectris	5,044	1.19
112,622	Ultra Electronics	3,606	0.85
795,448	Vesuvius	4,466	1.05
		<u>88,077</u>	<u>20.80</u>
Real Estate 4.31% (2020: 5.35%)			
456,565	Rightmove	3,202	0.76
421,132	Savills	5,758	1.36
292,328	Segro	3,753	0.89
593,557	Workspace REIT	5,523	1.30
		<u>18,236</u>	<u>4.31</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Technology 11.55% (2020: 9.12%)		
774,351	Alphawave IP	2,447	0.58
2,430,164	Ascential	10,120	2.38
263,985	Auction Technology	4,261	1.01
60,239	Aveva	2,491	0.59
722,226	Bytes Technology	3,712	0.88
946,850	GB	8,507	2.01
4,426,223	Learning Technologies	10,118	2.38
987,000	Moneysupermarket.com	2,505	0.59
225,776	Softcat	4,773	1.13
		<u>48,934</u>	<u>11.55</u>
	Telecommunications 1.49% (2020: 1.70%)		
275,277	Gamma Communications	<u>6,290</u>	<u>1.49</u>
	United States 0.00% (2020: 0.00%)		
	Financials 0.00% (2020: 0.00%)		
1,116,667	Xshares Income Preference 'A' Shares ¹	<u>-</u>	<u>-</u>
	Industrials 0.00% (2020: 0.00%)		
358	Thomas Murray Systems ¹	<u>-</u>	<u>-</u>
	Investment assets	<u>422,521</u>	<u>99.76</u>
	Other net assets	<u>1,006</u>	<u>0.24</u>
	Total net assets	<u>423,527</u>	<u>100.00</u>

¹ Suspended or delisted securities

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 31 August 2021

	Note	2021		2020	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		132,588		(31,832)
Revenue	3	7,393		6,984	
Expenses	4	<u>(4,903)</u>		<u>(4,743)</u>	
Net revenue before taxation		2,490		2,241	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>2,490</u>		<u>2,241</u>
Total return before distributions			135,078		(29,591)
Distributions	6		(2,490)		(2,241)
Change in net assets attributable to shareholders from investment activities			<u>132,588</u>		<u>(31,832)</u>

Statement of change in net assets attributable to shareholders for the year ended 31 August 2021

	2021		2020	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		311,821		383,192
Amounts receivable on issue of shares	4,161		3,712	
Amounts payable on cancellation of shares	<u>(27,533)</u>		<u>(45,516)</u>	
		(23,372)		(41,804)
Dilution adjustment		-		24
Change in net assets attributable to shareholders from investment activities		132,588		(31,832)
Retained distributions on accumulation shares		2,490		2,241
Closing net assets attributable to shareholders		<u>423,527</u>		<u>311,821</u>

Balance sheet as at 31 August 2021

	Note	2021 £000	2020 £000
Assets:			
Investments		422,521	307,276
Current assets:			
Debtors	7	1,879	756
Cash and bank balances	8	74	4,718
Total assets		424,474	312,750
Liabilities:			
Creditors:			
Other creditors	9	947	929
Total liabilities		947	929
Net assets attributable to shareholders		423,527	311,821

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:

	2021	2020
	£000	£000
Non-derivative securities	132,590	(31,826)
Transaction costs	(2)	(6)
Net capital gains/(losses)	132,588	(31,832)

3 Revenue

	2021	2020
	£000	£000
Bank interest	-	34
Overseas dividends	721	466
Stock lending revenue	-	8
UK dividends	6,487	6,235
UK REIT revenue - PID	163	211
UK REIT revenue - non PID	22	21
Underwriting commission	-	9
Total revenue	7,393	6,984

4 Expenses

	2021	2020
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	4,168	4,123
GAC*	693	580
	<u>4,861</u>	<u>4,703</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	31	30
Safe custody fees	11	10
	<u>42</u>	<u>40</u>
Total expenses	4,903	4,743

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £9,393 (2020: £8,861).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of charge in the year

There is no tax charge for the current year (2020: 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% (2020: 20%). The differences are explained below:

	2021	2020
	£000	£000
Net revenue before taxation	2,490	2,241
Corporation tax at 20% (2020: 20%)	498	448
Effects of:		
Overseas dividends	(144)	(93)
UK dividends*	(1,302)	(1,251)
Unused management expenses	948	896
Tax charge for the year (note 5a)	-	-

* 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 (2020: 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 £18,565,136 (2020: £17,617,173) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

6 Distributions

	2021	2020
	£000	£000
Final accumulation	2,490	2,241
Total distributions	2,490	2,241

Details of the distribution per share are set out in the Distribution table on page 97.

7 Debtors

	2021	2020
	£000	£000
Accrued revenue	1,862	685
Amounts receivable for issue of shares	17	45
Income tax recoverable	-	26
Total debtors	1,879	756

8 Cash and bank balances

	2021	2020
	£000	£000
Cash and bank balances	74	4,718
Total cash and bank balances	74	4,718

Notes to the financial statements (continued)

9 Other creditors

	2021	2020
	£000	£000
Accrued annual management charge	407	307
Accrued Depository's fee	3	2
Accrued other expenses	70	53
Amounts payable for cancellation of shares	457	392
Purchases awaiting settlement	10	175
Total other creditors	947	929

10 Contingent liabilities and commitments

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

11 Related party transactions

HIFL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 89 and 90 and notes 4, 7 and 9 on pages 91 to 93 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 (2020: nil).

12 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:

	2021	2020
	%	%
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 81 to 83. The distribution per share class is given in the Distribution table on page 97. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

12 Shareholders' funds (continued)

Shares reconciliation as at 31 August 2021

	Class A accumulation	Class C accumulation	Class E accumulation
Opening number of shares	102,591,898	63,591	86,454,467
Issues during the year	503,750	-	165,673
Cancellations during the year	(6,036,205)	(27,741)	(5,183,366)
Shares converted during the year	(4,863,379)	2,837	4,239,540
Closing shares in issue	92,196,064	38,687	85,676,314

	Class I accumulation	Class Z accumulation
Opening number of shares	24,304,283	73,301
Issues during the year	808,768	-
Cancellations during the year	(2,954,977)	(11,482)
Shares converted during the year	247,092	-
Closing shares in issue	22,405,166	61,819

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 derivatives as at 31 August 2021 (2020: nil).

2021

The fund had no exposure to derivatives as at 31 August 2021.

2020

The fund had no exposure to derivatives as at 31 August 2020.

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 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.

2021

The fund had no stock on loan as at 31 August 2021 and no stock lending revenue received in the year to 31 August 2021.

2020

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

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
BNP Paribas	Stock lending agent	9	1	8

Notes to the financial statements (continued)

15 Risk

Currency risk

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

Interest rate risk

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

Leverage

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

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2021				
Other creditors	-	947	-	-
Total	-	947	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2020				
Other creditors	-	929	-	-
Total	-	929	-	-

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

	2021		2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	422,521	-	307,276	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	422,521	-	307,276	-

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2021 £000	2020 £000	2021 £000	2020 £000
Trades in the year				
Equities	56,477	78,721	72,767	108,728
Trades in the year before transaction costs	56,477	78,721	72,767	108,728
Transaction costs				
Commissions				
Equities	11	40	28	49
Total commissions	11	40	28	49
Taxes				
Equities	97	329	-	-
Total taxes	97	329	-	-
Other expenses				
Equities	-	-	-	-
Total other expenses	-	-	-	-
Total transaction costs	108	369	28	49
Total net trades in the year after transaction costs	56,585	79,090	72,739	108,679

	Purchases		Sales	
	2021 %	2020 %	2021 %	2020 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.02	0.05	0.04	0.05
Taxes				
Equities	0.17	0.42	-	-
Other expenses				
Equities	-	-	-	-
	2021 %	2020 %		

Total transaction costs expressed as a percentage of net asset value

Commissions	0.01	0.03
Taxes	0.03	0.09
Other expenses	-	-
Total costs	0.04	0.12

There were no in specie transfers during the year (2020: nil). There were corporate actions during the year of £755,754 (2020: nil).

There were no direct transaction costs associated with derivatives in the year (2020: nil).

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

The portfolio dealing spread as at 31 August 2021 was 0.28% (2020: 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 table for the year ended 31 August 2021 (in pence per share)

Final dividend distribution (accounting date 31 August 2021, paid on 29 October 2021)

Group 1: shares purchased prior to 1 September 2020

Group 2: shares purchased on or after 1 September 2020

	Distribution per share	Total distribution per share 29/10/21	Total distribution per share 30/10/20
Class A accumulation			
Group 1	0.4729	0.4729	0.4413
Group 2	0.4729	0.4729	0.4413
Class C accumulation			
Group 1	13.7414	13.7414	12.1056
Group 2	13.7414	13.7414	12.1056
Class E accumulation			
Group 1	1.2696	1.2696	0.9429
Group 2	1.2696	1.2696	0.9429
Class I accumulation			
Group 1	4.2769	4.2769	3.9611
Group 2	4.2769	4.2769	3.9611
Class Z accumulation			
Group 1	4.4946	4.4946	3.3066
Group 2	4.4946	4.4946	3.3066

Appendix - additional information (unaudited)

Securities financing transactions

The Janus Henderson Global Equity Income Fund engages 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) (EU 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 fund's involvement in and exposures related to securities lending for the year ended 31 August 2021 are detailed below.

Global data

The table lists the amount of securities on loan as a proportion of total lendable assets and the fund's AUM as at 31 August 2021:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson Global Equity Income Fund	6,978	0.99%	0.94%

Concentration data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for the fund as at 31 August 2021:

Issuer	Market value of collateral received £000
UK Treasury	7,412
Government of Belgium	1

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for the fund as at 31 August 2021:

Counterparty	Market value of securities on loan £000	Settlement basis
Morgan Stanley	6,978	Triparty
	6,978	

All counterparties have been included.

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Aggregate transaction data

The following table provides an analysis of the collateral received by the fund in respect of each type of SFTs as at 31 August 2021:

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
Morgan Stanley	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan	1
Morgan Stanley	United States	Government Bond	Investment grade	GBP	Triparty	JPMorgan	7,412
							<u>7,413</u>

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.

Return and cost on securities lending activities

The following table details the fund's return and costs for each type of SFTs for the year ended 31 August 2021:

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 Global Equity Income Fund	27	4	23	15%	85%

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 Global Equity Income Fund	49	4	45	8%	92%

* JPMorgan Chase Bank, National Association (London Branch) replaced BNP Paribas as securities ending agent from 10 March 2021. Under this arrangement the return retained by the securities lending agent has reduced from 15% to 8%, with 92% return retained by the fund.

Appendix - additional information (unaudited) (continued)

Remuneration policy

Following the implementation of the UCITS V in the UK from 18 March 2016, all authorised UCITS Management Companies are required to comply with the UCITS Remuneration Code (SYC 19E). Under the Code, the Compensation Committee of Janus Henderson Group plc in its oversight of HIFL must make relevant remuneration disclosures.

The disclosures must split remuneration between fixed and variable remuneration and must break down remuneration for categories of UCITS Code Staff (defined as all staff whose professional activities have a material impact on the risk profiles of the fund it manages). The Janus Henderson Group plc Compensation Committee approves the list of UCITS Code Staff annually. In addition, identified UCITS Code Staff are notified of their status and the associated implications annually.

Janus Henderson Investment Fund OEIC is managed by HIFL which is a subsidiary of Janus Henderson Group plc.

The Compensation Committee of Janus Henderson Group plc has established a Remuneration policy, one of the guiding principles of which is to ensure that the remuneration of its employees is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is consistent with risk profiles, rules or instruments of incorporation of each ACD and the funds they manage. This policy applies to HIFL and Janus Henderson Investment Fund OEIC.

Further information with respect to Janus Henderson Group plc's Remuneration policy is available in Janus Henderson Group plc's annual report as at 31 December 2020.

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson European Growth Fund	2,015	2,134
of which		
Fixed Remuneration	2,015	770
Variable Remuneration	2,003	1,364
Janus Henderson European Growth Fund Remuneration Code Staff	53	1,287
of which		
Senior Management (4)	25	103
Other Code Staff (5)	28	1,183
Janus Henderson Global Equity Income Fund	2,016	1,390
of which		
Fixed Remuneration	2,016	491
Variable Remuneration	2,004	899
Janus Henderson Global Equity Income Fund Remuneration Code Staff	52	696
of which		
Senior Management (4)	25	84
Other Code Staff (5)	27	612
Janus Henderson UK Alpha Fund	2,014	914
of which		
Fixed Remuneration	2,014	359
Variable Remuneration	2,002	555
Janus Henderson UK Alpha Fund Remuneration Code Staff	54	567
of which		
Senior Management (4)	25	42
Other Code Staff (5)	29	524

Appendix - additional information (unaudited) (continued)

Remuneration policy (continued)

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

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

The following line is also available:

Client Services: **0800 832 832**

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

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

Important Information

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

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

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