

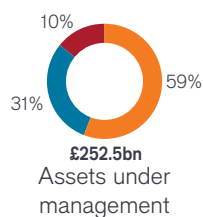
# ANNUAL REPORT & ACCOUNTS

For the year ended 31 October 2023

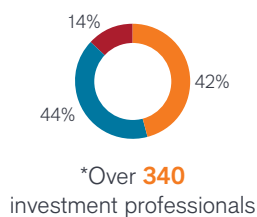


# Who are Janus Henderson Investors?

## Global Strength



■ North America ■ EMEA & LatAm ■ Asia Pacific



More than **2,000**  
employees



**24**  
Offices worldwide



**4,000**  
company engagements  
by our investment teams  
in 2022

\* Numbers may not cast due to rounding.

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

## Who we are

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

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

## Why us

Choosing Janus Henderson means benefiting from:

### Differentiated insights

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

### Disciplined investments

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

### World class service

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

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## Authorised Corporate Director's (ACD) report for the year ended 31 October 2023

We are pleased to present the Annual Report & Accounts for Janus Henderson Global Funds (the 'Company') for the year ended 31 October 2023.

### Authorised status

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

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

### Segregation of assets

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

### Other information

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

On 13 October 2022 the Janus Henderson Institutional Global Buy & Maintain Fund closed. Termination accounts have been prepared for this fund as at 30 October 2023 and therefore are not included within these Annual Report & Accounts.

Janus Henderson Global Property Equities Fund launched on 11 January 2023.

Janus Henderson Global Life Sciences Equity Fund launched on 14 September 2023.

### Value assessment

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

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

The FCA, the UK's financial services regulator, requires all fund management groups to perform a detailed assessment of whether funds are providing value to investors, and publish an annual statement summarising the outcome of this process, known as the value assessment. Our report is published by JHFMUKL, the Board of the ACD (the body responsible for an investment fund) and summarises the period to 31 December 2022. For the period to 31 December 2023, the report is expected to be published on our website at the end of April 2024.

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

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

The value assessment was not performed on the Henderson Institutional Emerging Markets Fund as this fund closed on 11 February 2016 or on the Janus Henderson Global Property Equities Fund and the Janus Henderson Global Life Sciences Equity Fund as these funds launched on 11 January 2023 and the 14 September 2023, respectively.

### Stewardship policy

Janus Henderson is committed to the principles of good stewardship. Stewardship is a natural part of our approach to investment management, and a key element of how we discharge our responsibility towards clients as we seek to protect and enhance value in the companies we invest in on their behalf.

The Stewardship Policy statement can be accessed by this link:

(<https://www.janushenderson.com/en-gb/investor/about-us/esg-environmental-social-governance/esg-resources/>)

The Voting and Engagement Report for Janus Henderson Global Technology Leaders Strategy Fund\* can be accessed via the following link:

<https://janushenderson.com/download/document/135343>

The Voting and Engagement Report for Janus Henderson Global Property Equities Fund\* can be accessed via the following link:

<https://janushenderson.com/download/document/138057>

\*Please note that the Voting and Engagement Report is based on the Strategy and not the fund specifically.

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

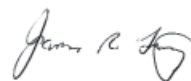
### Macro risks

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

The Henderson Institutional Emerging Markets Fund closed on 11 February 2016 and whilst the risks noted above still exist, the impact of these on the fund during the year was minimal.

### Director's statement

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



JR Lowry  
(Director)

26 January 2024

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

### Service providers

	Name	Address	Regulator
<b>Authorised Corporate Director</b>	<b>Janus Henderson Fund Management UK Limited</b> Member of the Investment Association  The ultimate holding company is Janus Henderson Group plc	Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531 Enquiries – 0800 832 832	Authorised and regulated by the Financial Conduct Authority
<b>Directors of the ACD</b>	R Chaudhuri G Fogo S Hillenbrand (to 06.11.23) JR Lowry W Lucken P Shea* F Smith* R Weallans *Independent		
<b>Investment Manager</b>	<b>Janus Henderson Investors UK Limited</b> The ultimate holding company is Janus Henderson Group plc	201 Bishopsgate London EC2M 3AE	Authorised and regulated by the Financial Conduct Authority
<b>Shareholder Administrator</b>	<b>SS&amp;C Financial Services International Limited and SS&amp;C Financial Services Europe Limited</b>	SS&C House St Nicholas Lane Basildon Essex SS15 5FS	Authorised and regulated by the Financial Conduct Authority
<b>Fund Administrator</b>	<b>BNP Paribas</b>	10 Harewood Avenue London NW1 6AA	Authorised and regulated by the Financial Conduct Authority
<b>Depository</b>	<b>NatWest Trustee and Depository Services Limited</b> 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
<b>Independent Auditors</b>	<b>PricewaterhouseCoopers LLP</b>	141 Bothwell Street Glasgow G2 7EQ	Institute of Chartered Accountants in England and Wales
<b>Legal Adviser</b>	<b>Eversheds Sutherland (International) LLP</b>	One Wood Street London EC2V 7WS	The Law Society

Global equities, as measured by the MSCI World Index, rose by 5.4% in sterling and 11.0% in US dollar terms during the reporting year, as inflation cooled and major central banks neared the end of their interest rate hiking campaigns. Strong interest in artificial intelligence (AI) boosted the technology sector and broader markets in 2023. However, bouts of uncertainty about the direction of monetary policy – particularly in the latter part of the year as major central banks indicated that borrowing conditions could remain tighter for longer – China's stuttering recovery from COVID-19 lockdowns and potential contagion from a US regional banking crisis caused significant volatility.

In the UK, the FTSE All Share Index gained 5.9% in sterling terms, as pricing pressures eased and major central banks turned less hawkish. The FTSE 100 Index hit a record high in February, although the market generally trended downwards thereafter as annual inflation, which slowed from 10.7% in November 2022 to 6.7% in both August and September 2023, proved 'stickier' than expected. The Bank of England (BoE), which increased its benchmark interest rate from 2.25% to 5.25% during the year, announced its first pause in almost two years in September. GDP growth was relatively subdued, at 0.3% and 0.2% over the first and second quarters of 2023, respectively. More positively, a data revision at the end of September showed that the economy had recovered more strongly than previously thought from the COVID-19 pandemic. Sterling strengthened against the US dollar, reaching a 15-month high in mid-July amid expectations that the BoE would continue to tighten monetary policy. However, the pound subsequently weakened as the central bank appeared close to ending its rate hiking campaign.

In Europe, the FTSE World Europe ex UK Index increased by 12.0% in sterling and 11.0% in euro terms as inflation cooled, major central banks eased the pace of their rate hikes and the region avoided a winter energy shortage. Fears about a mini-banking crisis in March hit sentiment, as did worries about China's recovery and tighter-for-longer monetary policy towards the end of the reporting year. The European Central Bank (ECB) announced a series of rate hikes, which helped to bring down Eurozone annual inflation from 9.2% in November 2022 to 2.9% in October. In September, the ECB raised its deposit rate by 25 basis points (bps) to an all-time high of 4.0%, although in the following month, it kept the rate unchanged for the first time since July 2022. The Eurozone economy unexpectedly shrank by 0.1% over the third quarter of 2023, following 0.2% growth over the previous quarter. The euro strengthened slightly against sterling but weakened against the US dollar during the year.

US equities, as measured by the S&P 500 Index, strengthened by 4.5% in sterling and 10.1% in US dollar terms as a slowdown in both inflation and US Federal Reserve (Fed) rate hikes boosted sentiment. The positive mood, along with an AI-fuelled surge in technology stocks, helped the Nasdaq Composite Index achieve its best first-half performance in 40 years in 2023. The gains came despite volatility caused by the collapse of three US regional lenders, uncertainty about US debt ceiling negotiations, the threat of a government shutdown and worries about higher-for-longer interest rates. The annual inflation rate cooled from 7.1% in November 2022 to a low of 3.0% in June, although it subsequently picked up. The Fed raised interest rates to 5.5% – a 22-year high – from 3.25% at the start of the reporting year, and although it announced pauses in May and September, it warned of further tightening in 2023. The economy remained resilient as it expanded by an annualised 4.9% in the third quarter of 2023, up from 2.1% growth in the previous quarter. The US dollar weakened against a basket of currencies during the year, on expectations that the Fed was nearing the end of its tightening cycle. However, it strengthened in the closing months as the central bank warned that borrowing costs could stay elevated for an extended period.

In Japan, the Tokyo Stock Exchange First Section Index (TOPIX) advanced 11.6% in sterling and 19.8% in yen terms, buoyed by strong interest from foreign investors, solid economic growth and the Bank of Japan's (BoJ) continued monetary policy support. The benchmark Nikkei 225 Index reached a 33-year high in early July, having recovered from a sell-off in December, when the BoJ unexpectedly adjusted its yield curve control policy. The annual core inflation rate, which excludes fresh food prices, hit a more than 40-year high of 4.2% in January, although it cooled to 2.8% in September. Japan's economy grew by an annualised 4.8% in the second quarter of 2023, which was stronger than forecast as the weak yen boosted exports. This followed the first quarter's expansion of 3.2%. The yen weakened against the US dollar, hitting the lowest level in about a year at the end of October as the BoJ maintained its dovish stance and announced a new policy tweak, which investors viewed as underwhelming.

In Asia, the MSCI All Countries Asia Pacific ex Japan Index was up by 6.4% in sterling and 12.1% in US dollar terms as China's economic reopening initially lifted the mood across the region, although signs that the recovery was stalling unsettled investors. Chinese equities made strong gains after rallying at the end of 2022 and in January as the dismantling of COVID-19 restrictions boosted economic optimism. However, the market came under sustained pressure as the recovery faltered, geopolitical tensions continued to simmer and investors continued to worry about the debt-laden property sector. Stimulus measures did little to arrest the overall decline. South Korean and Taiwanese equities moved higher – the latter market was notably strong – as they benefited from gains in the key technology sector. Australian shares fell in sterling terms but rose in US dollar terms, given foreign exchange movements. Rises in commodity stocks boosted sentiment earlier in the year, although worries about the direction of monetary policy, at home and abroad, pressured shares later on.



## Market review (continued)

The MSCI Emerging Markets Index was higher by 5.6% in sterling and 11.3% in US dollar terms, on optimism about slowing interest rates, although China's uncertain recovery weighed on sentiment. Indian shares edged down in sterling terms but were up in US dollar terms, due to foreign currency movements. Continued economic growth and foreign investor interest helped the benchmark Nifty 50 and S&P BSE Sensex indices hit all-time highs. Brazilian equities also fell in sterling terms but gained in US dollar terms. Concerns about the government's economic policies abated, while the economy continued to expand in 2023 and the country's central bank started to loosen monetary policy. South African stocks dropped in sterling terms, although they rose in US dollar terms, with GDP growing in 2023, despite persistent electricity blackouts. Turkey's market increased strongly, buoyed by strong investment flows from domestic investors keen to protect their money from soaring inflation, while the central bank announced a series of large interest rate rises to combat the pricing pressures.

Within fixed income, the JPM Global Government Bond Index fell 5.6% in sterling and 0.5% in US dollar terms. Yields on core government bond markets – including the US, UK, Germany and Japan – rose (prices fell, reflecting their inverse relationship) as most major central banks tightened monetary policy to bring inflation under control. The prospect of higher-for-longer borrowing costs caused government bonds to sell off in the latter months of the year. The yield on US benchmark 10-year Treasuries, which hit a 16-year high of 5% in October, ended at more than 4.9%, up from about 4.0% at the start of November 2022. The 10-year Japanese government bond yield increased sharply – it reached a more than 10-year high in October – as investors speculated that the BoJ would ultimately need to tighten its policy. Corporate bonds outperformed government bonds, taking their cue more from equity markets and as risk appetite remained largely positive, despite weakness towards year end.

In commodity markets, oil prices fell as a weakening economic outlook, and the threat to demand, outweighed worries about tightening supply. US crude benchmark West Texas Intermediate ended the year down by about 6%. Spot gold prices rose – they neared a record high in early May amid the banking turmoil – as major central banks slowed the pace of monetary tightening. Prices fell sharply in September on expectations that interest rates would stay higher for longer, before rebounding in the following month as fighting in the Middle East, between Israel and Hamas, boosted gold's safe-haven appeal. Copper prices were slightly higher, having climbed in late 2022 before declining over much of 2023 as disappointment about China's recovery dampened hopes that the country's reopening would boost demand.

## Statement of Authorised Corporate Director's (ACD) responsibilities

for the year ended 31 October 2023

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

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

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

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

for the year ended 31 October 2023

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

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

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

The Depositary must ensure that:

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

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

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

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

NatWest Trustee and Depositary Services Limited  
London  
26 January 2024

## Report on the audit of the financial statements

### Opinion

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

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 October 2023 and of the net revenue/expenses and the net capital gains/losses/result on the scheme property of the Company and each of the sub-funds for the respective periods then ended ('respective periods' is defined as 1 November 2022 to 31 October 2023 for all sub-funds except Janus Henderson Global Property Equities Fund and Janus Henderson Global Life Sciences Equity Fund with periods of 11 January 2023 to 31 October 2023 and 14 September 2023 to 31 October 2023); and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Janus Henderson Global Funds is an Open Ended Investment Company ('OEIC') with eight sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report & Accounts (the "Annual Report"), which comprise: the Balance sheets as at 31 October 2023; the Statements of total return and the Statements of change in net assets attributable to shareholders for the respective periods then ended; the Distribution tables; the Accounting policies; and the Notes to the financial statements.

### Basis for opinion

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

### Independence

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

### Emphasis of matter – financial statements of a sub-fund prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to Accounting policy (1a) Basis of Preparation which describes the Authorised Corporate Director's reasons why the financial statements for the Henderson Institutional Emerging Markets Fund (the "terminating sub-fund"), sub-fund of Janus Henderson Global Funds, have been prepared on a basis other than going concern. The financial statements of the remaining sub-funds of the Company (the "continuing sub-funds") have been prepared on a going concern basis.

### Conclusions relating to going concern

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

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

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

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

### Reporting on other information

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

## Independent auditors' report to the Shareholders of Janus Henderson Global Funds

(continued)

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

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

### Authorised Corporate Director's Report

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

### Responsibilities for the financial statements and the audit

#### Responsibilities of the Authorised Corporate Director for the financial statements

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

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

#### Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 Global Funds

(continued)

### Other required reporting

#### Opinion on matter required by the Collective Investment Schemes sourcebook

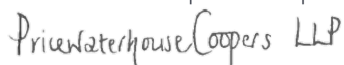
In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

#### Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Glasgow

26 January 2024

## **1 Accounting policies**

### **(a) Basis of preparation**

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

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

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

On 13 October 2022 the Janus Henderson Institutional Global Buy & Maintain Fund closed. Termination accounts have been prepared for this fund as at 30 October 2023 and therefore are not included within these Annual Report & Accounts.

### **(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 October 2023) in accordance with the provisions of the scheme particulars.

The ACD reviews and approves fair value pricing decisions on a regular basis with the support of the Janus Henderson EMEA and APAC Pricing Committee (EAPC). 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.

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

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

### **(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.

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

Overseas dividends and overseas Real Estate Investment Trust (REIT) revenue are disclosed gross of any foreign tax suffered, the tax element being separately disclosed in the tax note.

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

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

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

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

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

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

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

### 1 Accounting policies (continued)

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

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

#### Annual Management Charge

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

The investment objective of the Janus Henderson Global High Yield Bond 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.

#### General Administration Charge

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

#### Allocation of revenue and expenses to multiple share classes

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

#### (e) Exchange rates

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

#### (f) Taxation

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

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

Deferred tax is provided on all timing differences that have originated but not reversed at the Balance sheet date other than those recorded as permanent differences. Deferred tax is provided at the standard rate of 20%. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

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

Capital gains tax on disposal of shares in Indian securities is charged on short-term and long-term capital gains. A deferred tax provision based on the short-term and long-term capital gains and associated tax rates at the Balance sheet date calculated in accordance with the Indian tax authorities required methodology has been included in the financial statements.

#### (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.

#### Bond and Index future contracts

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



## Aggregated notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (h) Treatment of derivatives (continued)

##### Swaps

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

##### 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).

#### (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 by swinging the price of the shares purchased or sold. In particular the ACD reserves the right to make such an adjustment in the following circumstances:

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

### 2 Distribution policy

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

Janus Henderson Global High Yield Bond Fund and Janus Henderson Institutional Overseas Bond Fund make interest distributions. The other funds make dividend distributions.

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

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

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

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

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

- Janus Henderson Asia Pacific Capital Growth Fund
- Janus Henderson Global Life Sciences Equity Fund
- Janus Henderson Global Property Equities Fund
- Janus Henderson Global Technology Leaders Fund
- Janus Henderson Japan Opportunities Fund

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

- Janus Henderson Global High Yield Bond Fund
- Janus Henderson Institutional Overseas Bond Fund

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

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

#### Equalisation

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

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

### 3 Risk

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

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 Analytics and Barra for market risk measurement; and
- Bloomberg for market data and price checking.

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

#### (a) Market risk

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

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

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

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

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

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

### 3 Risk (continued)

#### (a) Market risk (continued)

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

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

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

#### Currency risk

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

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

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

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

#### Interest rate risk

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

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

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

#### Other market price risk

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

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

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

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

#### (b) Credit and counterparty risk

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

### 3 Risk (continued)

#### (b) Credit and counterparty risk (continued)

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

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

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

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

#### (c) Operational risk

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

#### (d) Liquidity risk

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

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

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

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

### 4 Cross holdings

As at 31 October 2023 there were no sub-fund cross holdings within Janus Henderson Global Funds (2022: none).

# Henderson Institutional Emerging Markets Fund

## Authorised Corporate Director's report

### Other information

As the fund has ceased investment activity, standard disclosures relating to the fund's Performance, Significant purchases and sales, Comparative tables, Ongoing charges figure (OCF), Risk and reward profile and Distribution tables have not been presented within the financial statements.

## Statement of total return for the year ended 31 October 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital result			-		-
Revenue	2	1		1	
Expenses	3	-		-	
Net revenue before taxation		1		1	
Taxation	4	-		-	
Net revenue after taxation			1		1
Total return before distributions			1		1
Distributions	5		-		-
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1</b>		<b>1</b>

## Statement of change in net assets attributable to shareholders for the year ended 31 October 2023

		2023		2022	
		£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>			-		-
Movement in amount payable to merger fund*		(1)		(1)	
			(1)		(1)
Change in net assets attributable to shareholders from investment activities			1		1
<b>Closing net assets attributable to shareholders</b>			-		-

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

## Balance sheet

as at 31 October 2023

	Note	2023 £000	2022 £000
<b>Assets:</b>			
Current assets:			
Debtors	6	-	1
Cash and bank balances	7	5	4
<b>Total assets</b>		<b>5</b>	<b>5</b>
<b>Liabilities:</b>			
Creditors:			
Other creditors	8	5	5
<b>Total liabilities</b>		<b>5</b>	<b>5</b>
<b>Net assets attributable to shareholders</b>		<b>-</b>	<b>-</b>

## Notes to the financial statements for the year ended 31 October 2023

### 1 Accounting policies

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

### 2 Revenue

	2023 £000	2022 £000
Bank interest	1	1
<b>Total revenue</b>	<b>1</b>	<b>1</b>

### 3 Expenses

There were no expenses for the current year (2022: nil).

The 2023 audit fee of £5,659 (2022: £5,098) will be paid by the ACD.

### 4 Taxation

#### a) Analysis of charge in the year

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

#### b) Factors affecting tax charge for year

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

OEICs are exempt from tax on capital gains made in the UK.

#### c) Deferred tax

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

#### d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £859 (2022: £1,032) 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.

### 5 Distributions

	2023 £000	2022 £000
Final accumulation	-	-
	-	-
<b>Total distributions</b>	<b>-</b>	<b>-</b>
Net revenue after taxation	1	1
Movement in amounts payable to host fund	(1)	(1)
<b>Total distributions</b>	<b>-</b>	<b>-</b>



## Notes to the financial statements (continued)

### 6 Debtors

	2023 £000	2022 £000
Accrued revenue	-	1
<b>Total debtors</b>	<b>-</b>	<b>1</b>

### 7 Cash and bank balances

	2023 £000	2022 £000
Cash and bank balances	5	4
<b>Total cash and bank balances</b>	<b>5</b>	<b>4</b>

### 8 Other creditors

	2023 £000	2022 £000
Amounts payable to host fund	1	1
Reimbursement to ACD for unused merger provision	4	4
<b>Total other creditors</b>	<b>5</b>	<b>5</b>

### 9 Contingent assets, liabilities and commitments

The fund has filed a claim with HMRC (on the basis of the principles set out in the 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. The fund has been successful in receiving refunds of corporation tax for the 2008 and 2009 accounting years. This refund has been recognised in the Janus Henderson Emerging Markets Opportunities Fund in line with the terms of the merger. The fund's claims for the 2003-2007 accounting years continue to be in progress. Currently, there is insufficient information available to provide an estimate of the financial effect regarding the timing and amount of any future settlement.

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

### 10 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. There were no new transactions with the ACD in the current or prior year due to the closure of the fund.

At the end of the current year, a creditor balance of £3,780 (2022: £3,780) was due to the ACD, as disclosed in note 8 above. As disclosed in note 3 (page 20), the ACD will cover the costs of the 2023 and 2022 audit fees.

### 11 Shareholders' funds

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

### 12 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.

## Notes to the financial statements (continued)

### 12 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
<b>2023</b>				
Other creditors	-	5	-	-
<b>Total</b>	<u>-</u>	<u>5</u>	<u>-</u>	<u>-</u>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2022</b>				
Other creditors	-	5	-	-
<b>Total</b>	<u>-</u>	<u>5</u>	<u>-</u>	<u>-</u>

### 13 Events after the Balance sheet date

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

# Janus Henderson Asia Pacific Capital Growth Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Daniel J Graña and Matthew Culley

### Investment objective and policy

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

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

The fund invests at least 80% of its assets in a concentrated portfolio of shares (also known as equities) of companies, of any size, in any industry, in the Asia Pacific region (including the Indian subcontinent and Australasia, but excluding Japan). Companies will be incorporated, headquartered, listed on an exchange in, or deriving significant revenue from, this region. The portfolio may be concentrated in terms of its number of holdings and/or the size of its largest holdings. The fund may also hold cash. The Investment Manager may use derivatives (complex financial instruments) to reduce risk or to manage the fund more efficiently.

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

### Strategy

The Investment Manager seeks to identify quality companies and capture growth in the dynamic and fast-growing Asia Pacific region through different market conditions. The investment process is driven by stock selection based on in-depth research, resulting in a high-conviction portfolio.

### Performance summary

#### Cumulative performance

	One year 31 Oct 22 - 31 Oct 23 %	Three years 31 Oct 20 - 31 Oct 23 %	Five years 31 Oct 18 - 31 Oct 23 %	Since inception 28 Sep 90 - 31 Oct 23 %
<b>Class I accumulation (Net)</b>	5.7	(17.4)	13.1	2,112.8
<b>MSCI All Countries Asia Pacific ex Japan Index</b>	6.4	(4.3)	21.1	1,411.8
<b>IA Asia Pacific ex Japan Sector</b>	4.3	(1.7)	25.1	1,508.3
<b>Class I accumulation (Gross)</b>	6.6	(15.1)	18.3	2,889.7
<b>MSCI All Countries Asia Pacific ex Japan Index + 2%</b>	8.5	1.6	33.7	2,811.2

#### Discrete performance

	31 Oct 22 - 31 Oct 23 %	31 Oct 21 - 31 Oct 22 %	31 Oct 20 - 31 Oct 21 %	31 Oct 19 - 31 Oct 20 %	31 Oct 18 - 31 Oct 19 %
<b>Class I accumulation (Net)</b>	5.7	(21.2)	(0.8)	16.2	17.8
<b>MSCI All Countries Asia Pacific ex Japan Index</b>	6.4	(17.8)	9.5	12.2	12.8
<b>IA Asia Pacific ex Japan Sector</b>	4.3	(16.9)	13.4*	11.2	14.5
<b>Class I accumulation (Gross)</b>	6.6	(20.5)	0.1	17.2	18.9
<b>MSCI All Countries Asia Pacific ex Japan Index + 2%</b>	8.5	(16.2)	11.7	14.4	15.0

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

\* Historical performance has been restated.

On 2 August 2022 the Janus Henderson Asia Pacific Capital Growth Fund received a windfall tax refund as a result of a successful settlement of historic tax claims filed with HMRC that increased the NAV by 0.11%. This uplift is reflected in all performance figures for the representative share class that span that date.

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

Source: Morningstar

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

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

Benchmark values are as at close of business.

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

### Benchmark usage:

Index: MSCI All Countries Asia Pacific ex Japan Index

Index usage: Target

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

Peer group: IA Asia Pacific ex Japan Sector

Peer group usage: Comparator

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

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

## Significant portfolio changes for the year ended 31 October 2023

Largest purchases	£000	Largest sales	£000
AIA	3,120	Alibaba	4,720
H World	3,057	AIA	3,737
Samsung Electronics	2,892	Housing Development Finance	3,517
BDO Unibank	2,823	Tencent	3,349
Wuliangye Yibin 'A'	2,654	JD.com 'A'	3,177
Contemporary Amperex Technology 'A'	2,459	QBE Insurance	2,891
BYD 'H'	2,247	Hon Hai Precision Industry	2,756
Taiwan Semiconductor Manufacturing	2,138	Bank Negara	2,226
Eicher Motors	2,107	Tingyi	2,222
HDFC Life Insurance	2,096	ICICI Bank	2,126
<b>Total purchases</b>	<b>64,690</b>	<b>Total sales</b>	<b>72,792</b>

### Investment review

The fund returned 5.7% (Net), 6.6% (Gross) based on Class I accumulation over the year under review, compared with a return of 6.4% in the MSCI All Countries Asia Pacific ex Japan Index, a return of 8.5% in the Target Index + 2% and a return of 4.3% in the IA Asia Pacific ex Japan Sector peer group benchmark.

Global equities rallied in the fourth quarter of 2022 on hopes that moderating inflation might allow central banks to slow or potentially end their interest rate hiking campaigns. The Chinese government also announced the relaxation of its 'zero-COVID-19' policies, which was viewed as a potential positive development for global economic growth. Equities continued to rally in the first half of 2023 despite periods of volatility. However, while the pace of interest rate increases appeared to moderate, most developed market central banks continued to tighten monetary policy. These rate increases acted as a headwind for global economic growth, with implications for emerging markets. Equities generally declined in the third quarter of 2023 amid a realisation that interest rates may remain elevated due to persistent inflation and rising energy prices. In addition, China's economic recovery appeared to be losing steam, adding to global growth concerns. The third-quarter market decline extended into October, as geopolitical uncertainty also pressured stocks. Despite this fall, the MSCI All Country Asia ex Japan Index ended the reporting year with a positive performance.

Several of the fund's investments in China were notable detractors from relative performance. China's post-lockdown recovery has been weaker than expected, and official stimulus measures have yet to address the economic slowdown or problems in the property sector. These economic headwinds weakened the business outlook for companies such as Linklogis, a provider of supply chain financing solutions for small and medium-sized businesses in China. Linklogis also faced uncertainty because of reduced technology-related capital spending by banks, which are critical consumers of its products. This led to a drop in the stock price.

Global economic uncertainty pressured commodity-related investments such as Merdeka Copper Gold, an Indonesian mining company supplier with exposure to nickel, copper, and gold. We recognised near-term uncertainty for raw materials demand and pricing. At the same time, we continued to appreciate the company's exposure to copper and nickel, which are two key enabling materials required for the green energy transition and remained invested in the stock.

The fund's relative performance benefited from an investment in Structure Therapeutics (formerly known as ShouTi), as the stock performed well following its initial public offering in January. We were early investors in ShouTi, even before the company went public, because of our positive view on its glucagon-like peptide 1 oral medication to treat obesity and type 2 diabetes. These drugs have received increased focus from investors, which helped support the stock performance. As its name implies, the company is focused on applying a unique structural biology method to drug development. Through this approach, it hopes to address a variety of metabolic and pulmonary conditions. In addition, the company has demonstrated strong governance while establishing a track record for developing, scaling, and selling biotechnology assets.

Kalyan Jewellers India was another contributor. The India-based jewellery store chain continued to execute its business plan well, and it reported better-than-expected sales and profitability. These results helped raise market sentiment around the company's adoption of a franchise strategy for new store development, a transition it hopes will reduce the capital intensity of the business. In our view, Kalyan Jewellers India was well placed as the jewellery retail trade has continued to formalise.

We recognise that Asian stocks could experience near-term volatility as investors try to assess the outlook for global economic growth, inflation, and interest rates, along with the implications of these macroeconomic headwinds for emerging market economies. Despite this uncertainty, we remain optimistic about emerging markets relative to developed economies. Emerging market central banks started to raise rates before banks in the US and Europe. We believe they are further along in their efforts to contain inflation and, therefore, are closer to ending their policy tightening. For this reason, we believe we could see rates stabilise sooner in emerging markets, relative to the US and Europe. We also continue to seek out longer-term trends, from innovation in healthcare to investments in electric vehicles and green energy, which are creating opportunities for emerging market companies. Additionally, we believe that the reshoring of manufacturing capacity may spur stronger economic growth and investment potential in emerging markets such as Vietnam. As we look to take advantage of this broad array of opportunities, we continue to pay close attention to company and country fundamentals, as well as corporate governance. We think that this strategy may lead to favourable long-term outcomes for our investors.

## Comparative tables for the year ended 31 October 2023

	Class A accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	1,024.81	1,314.62	1,331.06
Return before operating charges*	68.25	(267.88)	8.71
Operating charges	(20.10)	(21.93)	(25.15)
Return after operating charges*	48.15	(289.81)	(16.44)
Distributions on accumulation shares	(2.28)	(0.63)	-
Retained distributions on accumulation shares	2.28	0.63	-
Closing net asset value per share	1,072.96	1,024.81	1,314.62
* after direct transaction costs of:	2.15	4.91	1.97

### Performance

Return after charges	4.70%	(22.05%)	(1.23%)
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### Other information

Closing net asset value (£000s)	29,293	38,658	53,935
Closing number of shares	2,730,067	3,772,271	4,102,711
Operating charges	1.78%	1.81%	1.78%
Direct transaction costs	0.19%	0.41%	0.14%

### Prices

Highest share price (pence)	1,244.00	1,364.00	1,599.00
Lowest share price (pence)	1,048.00	1,018.00	1,287.00

	Class C accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	767.27	972.88	973.67
Return before operating charges*	50.76	(199.76)	5.68
Operating charges	(5.28)	(5.85)	(6.47)
Return after operating charges*	45.48	(205.61)	(0.79)
Distributions on accumulation shares	(24.43)	(11.10)	(9.11)
Retained distributions on accumulation shares	24.43	11.10	9.11
Closing net asset value per share	812.75	767.27	972.88
* after direct transaction costs of:	1.62	3.65	1.45

### Performance

Return after charges	5.93%	(21.13%)	(0.08%)
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### Other information

Closing net asset value (£000s)	323	662	840
Closing number of shares	39,742	86,320	86,320
Operating charges	0.62%	0.65%	0.62%
Direct transaction costs	0.19%	0.41%	0.14%

### Prices

Highest share price (pence)	933.90	1,010.00	1,174.00
Lowest share price (pence)	784.50	762.20	951.70

## Comparative tables (continued)

	Class E accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	1,042.13	1,330.15	1,340.06
Return before operating charges*	69.27	(271.93)	8.29
Operating charges	(14.72)	(16.09)	(18.20)
Return after operating charges*	54.55	(288.02)	(9.91)
Distributions on accumulation shares	(8.59)	(7.05)	(3.04)
Retained distributions on accumulation shares	8.59	7.05	3.04
Closing net asset value per share	1,096.68	1,042.13	1,330.15
* after direct transaction costs of:	2.19	4.98	1.99
<b>Performance</b>			
Return after charges	5.23%	(21.65%)	(0.74%)
<b>Other information</b>			
Closing net asset value (£000s)	45,889	46,615	62,233
Closing number of shares	4,184,398	4,473,029	4,678,659
Operating charges	1.28%	1.31%	1.28%
Direct transaction costs	0.19%	0.41%	0.14%
<b>Prices</b>			
Highest share price (pence)	1,266.00	1,380.00	1,612.00
Lowest share price (pence)	1,065.00	1,035.00	1,302.00

	Class G accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	96.95	122.99	123.27
Return before operating charges*	9.02	(25.11)	0.76
Operating charges	(0.47)	(0.93)	(1.04)
Return after operating charges*	8.55	(26.04)	(0.28)
Distributions on accumulation shares	-	(1.11)	(0.92)
Retained distributions on accumulation shares	-	1.11	0.92
Final cancellation	(105.50) <sup>1</sup>	-	-
Closing net asset value per share	-	96.95	122.99
* after direct transaction costs of:	0.21	0.46	0.18
<b>Performance</b>			
Return after charges	8.82% <sup>2</sup>	(21.17%)	(0.23%)
<b>Other information</b>			
Closing net asset value (£000s)	-	1	1
Closing number of shares	-	516	408
Operating charges	0.78%	0.82%	0.79%
Direct transaction costs	0.19%	0.41%	0.14%
<b>Prices</b>			
Highest share price (pence)	118.00 <sup>3</sup>	127.60	148.50
Lowest share price (pence)	99.12 <sup>3</sup>	96.30	120.30

<sup>1</sup> Class G accumulation closed on 18 May 2023.

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

<sup>3</sup> to 18 May 2023.

## Comparative tables (continued)

	Class I accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	1,184.65	1,506.33	1,511.78
Return before operating charges*	78.60	(308.79)	9.13
Operating charges	(11.79)	(12.89)	(14.58)
Return after operating charges*	66.81	(321.68)	(5.45)
Distributions on accumulation shares	(15.09)	(13.62)	(9.80)
Retained distributions on accumulation shares	15.09	13.62	9.80
Closing net asset value per share	1,251.46	1,184.65	1,506.33
* after direct transaction costs of:	2.50	5.67	2.25

### Performance

Return after charges	5.64%	(21.36%)	(0.36%)
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### Other information

Closing net asset value (£000s)	50,365	46,709	80,629
Closing number of shares	4,024,476	3,942,878	5,352,732
Operating charges	0.90%	0.92%	0.90%
Direct transaction costs	0.19%	0.41%	0.14%

### Prices

Highest share price (pence)	1,441.00	1,563.00	1,821.00
Lowest share price (pence)	1,211.00	1,177.00	1,474.00

	Class Z accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	1,358.93	1,709.35	1,705.70
Return before operating charges*	125.99	(348.19)	5.83
Operating charges	(0.92)	(2.23)	(2.18)
Return after operating charges*	125.07	(350.42)	3.65
Distributions on accumulation shares	-	(30.45)	(553.32)
Retained distributions on accumulation shares	-	30.45	553.32
Final cancellation	(1,484.00) <sup>4</sup>	-	-
Closing net asset value per share	-	1,358.93	1,709.35
* after direct transaction costs of:	2.92	6.44	2.53

### Performance

Return after charges	9.20% <sup>5</sup>	(20.50%)	0.21%
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### Other information

Closing net asset value (£000s)	-	1	1
Closing number of shares	-	38	38
Operating charges	0.11%	0.14%	0.12%
Direct transaction costs	0.19%	0.41%	0.14%

### Prices

Highest share price (pence)	1,657.00 <sup>6</sup>	1,779.00	2,059.00
Lowest share price (pence)	1,389.00 <sup>6</sup>	1,350.00	1,675.00

<sup>4</sup> Class Z accumulation closed on 18 May 2023.

<sup>5</sup> Return after charges relates to the period 1 November 2022 to the closure of the share class on 18 May 2023. This performance will differ from the other share classes as it does not include returns generated over the same period.

<sup>6</sup> to 18 May 2023.



## Comparative tables (continued)

	Class I USD accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	862.90	1,097.09	1,100.78
Return before operating charges*	57.72	(224.86)	6.57
Operating charges	(8.67)	(9.33)	(10.61)
Return after operating charges*	49.05	(234.19)	(3.69)
Distributions on accumulation shares	(44.71)	(9.74)	(7.25)
Retained distributions on accumulation shares	44.71	9.74	7.25
Closing net asset value per share	911.95	862.90	1,097.09
* after direct transaction costs of:	1.84	4.11	1.64
<b>Performance</b>			
Return after charges	5.68%	(21.35%)	(0.34%)
<b>Other information</b>			
Closing net asset value (£000s)	1	7	9
Closing number of shares	150	808	808
Operating charges	0.90%	0.92%	0.90%
Direct transaction costs	0.19%	0.41%	0.14%
<b>Prices</b>			
Highest share price (USD cents)	1,293.00	1,531.00	1,838.00
Lowest share price (USD cents)	1,003.00	981.00	1,438.00

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

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

### Operating charges

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

### Share class launches and closures

There were no share classes launched during the year.

The following share classes closed during the year:

Share class	Closure date
Class G accumulation	18 May 2023
Class Z accumulation	18 May 2023

## Ongoing charge figure

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

	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
<b>Class A accumulation</b>	1.78	1.81
<b>Class C accumulation</b>	0.62	0.65
<b>Class E accumulation</b>	1.28	1.31
<b>Class G accumulation<sup>1</sup></b>	n/a	0.82
<b>Class I accumulation</b>	0.90	0.92
<b>Class Z accumulation<sup>1</sup></b>	n/a	0.14
<b>Class I USD accumulation</b>	0.90	0.92

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

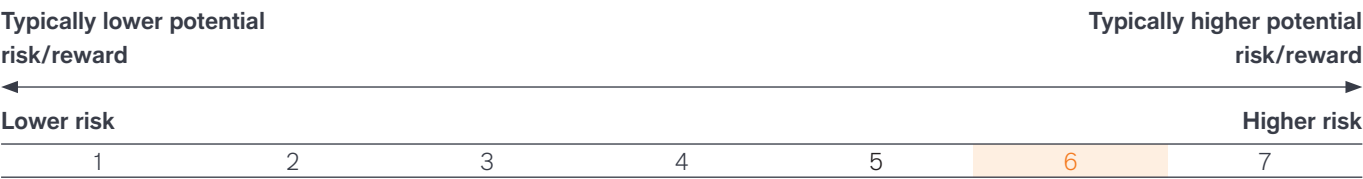
The OCF for all classes includes fees charged to the fund in relation to FII GLO reclaims successfully completed in the prior year, which increased the fund NAV by 0.11% . These fees account for 0.00% (2022: 0.02%) of the total OCF for each class disclosed above.

<sup>1</sup> Class G accumulation and Class Z accumulation closed on 18 May 2023.

# Risk and reward profile

The fund currently has 5 types of share class in issue: A accumulation, C accumulation, E accumulation, I accumulation and I USD accumulation.

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



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

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

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

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

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

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

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

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

## Portfolio statement as at 31 October 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 97.87% (2022: 93.62%)</b>		
	<b>Australia 13.42% (2022: 18.32%)</b>		
	<b>Energy 2.82% (2022: 2.56%)</b>		
888,600	Santos	3,552	2.82
	<b>Financials 4.56% (2022: 7.36%)</b>		
28,862	Macquarie	2,420	1.92
228,319	National Australia Bank	3,321	2.64
		5,741	4.56
	<b>Health Care 2.43% (2022: 3.73%)</b>		
25,314	CSL	3,065	2.43
	<b>Materials 3.61% (2022: 4.67%)</b>		
238,443	Allkem	1,183	0.94
145,123	BHP	3,367	2.67
		4,550	3.61
	<b>China 25.49% (2022: 24.49%)</b>		
	<b>Communication Services 2.99% (2022: 3.61%)</b>		
123,700	Tencent	3,765	2.99
	<b>Consumer Discretionary 5.16% (2022: 5.94%)</b>		
107,500	BYD 'H'	2,688	2.13
2,163,000	Fu Shou Yuan International	1,196	0.95
849,600	H World	2,613	2.08
		6,497	5.16
	<b>Consumer Staples 2.62% (2022: 1.58%)</b>		
96,334	Wuliangye Yibin 'A'	1,687	1.34
1,340,000	ZJLD	1,606	1.28
		3,293	2.62
	<b>Financials 2.04% (2022: 1.92%)</b>		
1,601,500	CITIC Securities 'H'	2,567	2.04
	<b>Health Care 6.70% (2022: 2.86%)</b>		
173,000	Angelalign Technology	979	0.78
1,181,000	New Horizon Health	2,358	1.87
40,024	Shenzhen Mindray Bio-Medical Electronics 'A'	1,285	1.02
213,200	Sichuan Kelun-Biotech Biopharmaceutical 'H'	1,862	1.48
651,400	Zai Lab	1,360	1.08
1,322,500	Zhaoke Ophthalmology	585	0.47
		8,429	6.70
	<b>Industrials 5.21% (2022: 3.11%)</b>		
94,558	Contemporary Amperex Technology 'A'	1,970	1.56
459,357	Full Truck Alliance	2,483	1.97
473,764	Ming Yang Smart Energy 'A'	742	0.59
202,034	Shenzhen Inovance Technology 'A'	1,371	1.09
		6,566	5.21

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Information Technology 0.00% (2022: 1.74%)</b>		
	<b>Materials 0.00% (2022: 1.46%)</b>		
	<b>Utilities 0.77% (2022: 2.27%)</b>		
1,856,000	China Water Affairs	968	0.77
	<b>Hong Kong 5.71% (2022: 4.98%)</b>		
	<b>Financials 5.71% (2022: 4.98%)</b>		
794,600	AIA	5,678	4.51
52,000	Hong Kong Exchanges & Clearing	1,505	1.20
		7,183	5.71
	<b>India 17.91% (2022: 15.49%)</b>		
	<b>Communication Services 2.55% (2022: 3.10%)</b>		
354,800	Bharti Airtel	3,213	2.55
	<b>Consumer Discretionary 4.24% (2022: 0.00%)</b>		
63,897	Eicher Motors	2,085	1.66
446,191	Kalyan Jewellers India	1,276	1.01
62,082	MakeMyTrip	1,982	1.57
		5,343	4.24
	<b>Consumer Staples 0.00% (2022: 0.84%)</b>		
	<b>Financials 9.35% (2022: 10.32%)</b>		
309,643	HDFC Bank	4,519	3.59
338,426	HDFC Life Insurance	2,079	1.65
327,345	ICICI Bank	2,968	2.36
243,093	One97 Communications	2,206	1.75
		11,772	9.35
	<b>Health Care 0.98% (2022: 1.23%)</b>		
183,319	Syngene International	1,232	0.98
	<b>Industrials 0.79% (2022: 0.00%)</b>		
41,618	KEI Industries	990	0.79
	<b>Indonesia 4.88% (2022: 4.87%)</b>		
	<b>Communication Services 2.10% (2022: 1.94%)</b>		
14,616,200	Telekomunikasi	2,639	2.10
	<b>Financials 1.42% (2022: 2.93%)</b>		
7,203,600	Bank Negara	1,790	1.42
	<b>Materials 1.36% (2022: 0.00%)</b>		
24,976,253	Merdeka Battery Materials	868	0.69
7,313,700	Merdeka Copper Gold	842	0.67
		1,710	1.36

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Philippines 2.82% (2022: 1.26%)</b>		
	<b>Financials 1.82% (2022: 0.00%)</b>		
1,238,870	BDO Unibank	2,294	1.82
	<b>Industrials 1.00% (2022: 1.26%)</b>		
431,910	International Container Terminal Services	1,262	1.00
	<b>South Korea 11.94% (2022: 8.66%)</b>		
	<b>Consumer Staples 1.14% (2022: 2.09%)</b>		
16,971	BGF Retail	1,431	1.14
	<b>Financials 0.55% (2022: 0.00%)</b>		
140,724	NHN KCP	690	0.55
	<b>Information Technology 10.25% (2022: 6.57%)</b>		
271,910	Samsung Electronics	11,083	8.80
25,680	SK Hynix	1,823	1.45
		12,906	10.25
	<b>Taiwan 12.46% (2022: 13.11%)</b>		
	<b>Communication Services 1.10% (2022: 0.99%)</b>		
40,170	SEA	1,380	1.10
	<b>Information Technology 11.36% (2022: 12.12%)</b>		
118,000	Accton Technology	1,493	1.18
241,000	E Ink	1,026	0.82
878,000	Taiwan Semiconductor Manufacturing	11,778	9.36
		14,297	11.36
	<b>United States 1.78% (2022: 0.00%)</b>		
	<b>Health Care 1.78% (2022: 0.00%)</b>		
19,073	Legend Biotech ADR	1,038	0.83
19,617	Structure Therapeutics ADR	1,200	0.95
		2,238	1.78
	<b>Vietnam 1.46% (2022: 2.44%)</b>		
	<b>Consumer Staples 0.00% (2022: 1.72%)</b>		
	<b>Financials 1.46% (2022: 0.72%)</b>		
1,972,400	Vietnam Technological and Commercial Joint Stock Bank	1,833	1.46
	<b>Investment assets</b>	<b>123,196</b>	<b>97.87</b>
	Other net assets	2,675	2.13
	<b>Total net assets</b>	<b>125,871</b>	<b>100.00</b>

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

The classification is based on the country of risk and a relevant industry classification standard.

## Statement of total return for the year ended 31 October 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		7,196		(39,339)
Revenue	3	2,948		3,114	
Expenses	4	(1,745)		(2,165)	
Interest payable and similar charges	5	(1)		(3)	
Net revenue before taxation		1,202		946	
Taxation	6	(714)		(272)	
Net revenue after taxation			488		674
Total return before distributions			7,684		(38,665)
Distributions	7		(1,039)		(886)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>6,645</b>		<b>(39,551)</b>

## Statement of change in net assets attributable to shareholders

for the year ended 31 October 2023

		2023		2022	
		£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>			<b>132,653</b>		<b>197,648</b>
Amounts receivable on issue of shares		443		957	
Amounts payable on cancellation of shares		(14,909)		(27,314)	
			(14,466)		(26,357)
Dilution adjustment			-		27
Change in net assets attributable to shareholders from investment activities			6,645		(39,551)
Retained distributions on accumulation shares			1,039		886
<b>Closing net assets attributable to shareholders</b>			<b>125,871</b>		<b>132,653</b>

## Balance sheet as at 31 October 2023

	Note	2023 £000	2022 £000
<b>Assets:</b>			
Investments		123,196	124,191
Current assets:			
Debtors	8	305	750
Cash and bank balances	9	3,362	8,941
<b>Total assets</b>		<b>126,863</b>	<b>133,882</b>
<b>Liabilities:</b>			
Deferred tax liability	6c	560	675
Creditors:			
Other creditors	10	432	554
<b>Total liabilities</b>		<b>992</b>	<b>1,229</b>
<b>Net assets attributable to shareholders</b>		<b>125,871</b>	<b>132,653</b>



## Notes to the financial statements for the year ended 31 October 2023

### 1 Accounting policies

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

### 2 Net capital gains/(losses)

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

	2023 £000	2022 £000
Forward currency contracts	(18)	53
Non-derivative securities	7,176	(39,257)
Other currency gains/(losses)	48	(123)
Transaction costs	(10)	(12)
<b>Net capital gains/(losses)</b>	<b>7,196</b>	<b>(39,339)</b>

### 3 Revenue

	2023 £000	2022 £000
Bank interest*	106	30
Overseas dividends	2,779	3,013
Stock dividends	-	60
Stock lending revenue	63	11
<b>Total revenue</b>	<b>2,948</b>	<b>3,114</b>

\* Includes FII GLO interest receipt of £3,761 (2022: £14,344).

### 4 Expenses

	2023 £000	2022 £000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	1,435	1,749
GAC*	236	285
	<u>1,671</u>	<u>2,034</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	3	12
Safe custody fees	61	77
	<u>64</u>	<u>89</u>
<b>Other expenses:</b>		
Bank charges	-	2
Professional fees	10	40
	<u>10</u>	<u>42</u>
<b>Total expenses</b>	<b>1,745</b>	<b>2,165</b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £14,412 (2022: £12,984).

## Notes to the financial statements (continued)

### 5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2023 £000	2022 £000
Interest payable	1	3
<b>Total interest payable and similar charges</b>	<b>1</b>	<b>3</b>

### 6 Taxation

#### a) Analysis of charge in the year

The tax charge comprises:

	2023 £000	2022 £000
<b>Current tax</b>		
Adjustment in respect of corporation tax*	-	(193)
Capital gains tax	551	212
Overseas withholding tax	163	254
<b>Total tax (note 6b)</b>	<b>714</b>	<b>272</b>

#### b) Factors affecting tax charge for year

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

	2023 £000	2022 £000
Net revenue before taxation	1,202	946
Corporation tax at 20% (2022: 20%)	240	189
Effects of:		
Adjustment in respect of corporation tax*	-	(193)
Capital gains tax**	551	212
Overseas dividends	(555)	(604)
Overseas withholding tax	163	254
Stock dividends	-	(12)
Unused management expenses	315	426
<b>Tax charge for the year (note 6a)</b>	<b>714</b>	<b>272</b>

\* The Adjustment in respect of corporation tax in the prior period relates to successful FII GLO reclaims for the 2008 and 2009 accounting years.

\*\* Non-resident investors will pay capital gains tax on capital gains on Indian securities. At the Balance sheet date the fund has reduced its capital gains tax accrual by £115,123 (2022: decrease of £483,426) for potential Indian capital gains tax exposure.

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 a deferred tax liability at the Balance sheet date of £559,727 due to Indian Capital Gains Tax (2022: £674,850).

#### d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £7,413,399 (2022: £7,098,027) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

## Notes to the financial statements (continued)

### 7 Distributions

	2023 £000	2022 £000
Final accumulation	1,039	886
<b>Total distributions</b>	<b>1,039</b>	<b>886</b>
Net revenue after taxation	488	674
Capital gains tax	551	212
<b>Total distributions</b>	<b>1,039</b>	<b>886</b>

Details of the distribution per share are set out in the Distribution table on page 45.

### 8 Debtors

	2023 £000	2022 £000
Accrued revenue	185	72
Amounts receivable for issue of shares	2	-
Capital gains tax refund	44	48
Overseas withholding tax reclaimable	74	18
Sales awaiting settlement	-	612
<b>Total debtors</b>	<b>305</b>	<b>750</b>

### 9 Cash and bank balances

	2023 £000	2022 £000
Cash and bank balances	3,362	8,941
<b>Total cash and bank balances</b>	<b>3,362</b>	<b>8,941</b>

### 10 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	112	127
Accrued Depositary's fee	1	2
Accrued other expenses	30	62
Amounts payable for cancellation of shares	289	108
Purchases awaiting settlement	-	255
<b>Total other creditors</b>	<b>432</b>	<b>554</b>

### 11 Contingent assets, liabilities and commitments

The fund has filed a claim with HMRC (on the basis of the principles set out in the 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. The fund has been successful in receiving refunds of corporation tax for the 2007 and 2008 accounting years as recognised in the taxation notes 6a) and 6b). The fund's claims for the 2003-2006 accounting years continue to be in progress. Currently, there is insufficient information available to provide an estimate of the financial effect regarding the timing and amount of any future settlement.

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

## Notes to the financial statements (continued)

### 12 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 35 and 36 and notes 4, 8 and 10 on pages 37 to 39 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

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

### 13 Shareholders' funds

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

	2023 %	2022 %
Class A	1.50	1.50
Class C	0.50	0.50
Class E	1.00	1.00
Class G <sup>1</sup>	n/a	0.675
Class I	0.75	0.75
Class Z <sup>1,2</sup>	n/a	0.00

<sup>1</sup> Class G accumulation and Class Z accumulation closed on 18 May 2023.

<sup>2</sup> 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 26 to 29. The distribution per share class is given in the Distribution table on page 45. All share classes have the same rights on winding up.

#### Shares reconciliation as at 31 October 2023

	Class A accumulation	Class C accumulation	Class E accumulation	Class G accumulation
Opening number of shares	3,772,271	86,320	4,473,029	516
Issues during the year	17,485	-	11,371	55
Cancellations during the year	(277,003)	(46,578)	(347,250)	(571)
Shares converted during the year	(782,686)	-	47,248	-
<b>Closing shares in issue</b>	<b>2,730,067</b>	<b>39,742</b>	<b>4,184,398</b>	<b>-</b>

	Class I accumulation	Class Z accumulation	Class I USD accumulation
Opening number of shares	3,942,878	38	808
Issues during the year	8,446	-	-
Cancellations during the year	(560,664)	(38)	(658)
Shares converted during the year	633,816	-	-
<b>Closing shares in issue</b>	<b>4,024,476</b>	<b>-</b>	<b>150</b>

## 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 derivatives as at 31 October 2023 (2022: nil).

#### 2023

The fund had no exposure to derivatives as at 31 October 2023.

#### 2022

The fund had no exposure to derivatives as at 31 October 2022.

### 15 Stock lending

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

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

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by an EU Member State, a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102% to 110% of the value of the stock on loan.

#### 2023

The fund had no stock on loan as at 31 October 2023.

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	68	5	63

#### 2022

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Citigroup	98	104	Government Bond
	<b>98</b>	<b>104</b>	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	12	1	11

## 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:

	Investment assets £000	Other net assets £000	Total net assets £000
<b>2023</b>			
<b>Currency</b>			
Australian dollar	16,908	-	16,908
Chinese yuan	7,054	-	7,054
Hong Kong dollar	29,730	35	29,765
Indian rupee	20,567	11	20,578
Indonesian rupiah	6,139	-	6,139
Korean won	15,028	128	15,156
Philippine peso	3,556	-	3,556
Taiwan dollar	14,297	-	14,297
UK sterling	-	2,406	2,406
US dollar	8,084	95	8,179
Vietnamese dong	1,833	-	1,833
<b>Total</b>	<b>123,196</b>	<b>2,675</b>	<b>125,871</b>
<b>2022</b>			
<b>Currency</b>			
Australian dollar	24,299	-	24,299
Chinese yuan	7,229	-	7,229
Hong Kong dollar	29,939	49	29,988
Indian rupee	20,553	28	20,581
Indonesian rupiah	6,468	612	7,080
Korean won	11,479	24	11,503
Philippine peso	1,678	-	1,678
Taiwan dollar	16,075	-	16,075
UK sterling	-	4,447	4,447
US dollar	3,235	-	3,235
Vietnamese dong	3,236	3,302	6,538
<b>Total</b>	<b>124,191</b>	<b>8,462</b>	<b>132,653</b>

#### Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £123,465,497 (2022: £128,206,086). 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 £12,338,742 (2022: £12,820,609).

#### 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
<b>2023</b>				
Deferred tax liability	-	560	-	-
Other creditors	-	432	-	-
<b>Total</b>	<b>-</b>	<b>992</b>	<b>-</b>	<b>-</b>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2022</b>				
Deferred tax liability	-	675	-	-
Other creditors	-	554	-	-
<b>Total</b>	<b>-</b>	<b>1,229</b>	<b>-</b>	<b>-</b>

### 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

	<b>2023</b>		<b>2022</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	123,196	-	124,191	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	<b>123,196</b>	<b>-</b>	<b>124,191</b>	<b>-</b>

## Notes to the financial statements (continued)

### 18 Direct transaction costs

	Purchases		Sales	
	2023	2022	2023	2022
	£000	£000	£000	£000
<b>Trades in the year</b>				
Equities	64,576	176,643	72,943	206,897
<b>Trades in the year before transaction costs</b>	<b>64,576</b>	<b>176,643</b>	<b>72,943</b>	<b>206,897</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Equities	76	131	48	142
<b>Total commissions</b>	<b>76</b>	<b>131</b>	<b>48</b>	<b>142</b>
<b>Taxes</b>				
Equities	33	79	87	277
<b>Total taxes</b>	<b>33</b>	<b>79</b>	<b>87</b>	<b>277</b>
<b>Other expenses</b>				
Equities	5	12	16	63
<b>Total other expenses</b>	<b>5</b>	<b>12</b>	<b>16</b>	<b>63</b>
<b>Total transaction costs</b>	<b>114</b>	<b>222</b>	<b>151</b>	<b>482</b>
<b>Total net trades in the year after transaction costs</b>	<b>64,690</b>	<b>176,865</b>	<b>72,792</b>	<b>206,415</b>

	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.12	0.07	0.07	0.07
<b>Taxes</b>				
Equities	0.05	0.04	0.12	0.13
<b>Other expenses</b>				
Equities	0.01	0.01	0.02	0.03
	<b>2023</b>	<b>2022</b>		
	%	%		
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	0.09	0.16		
Taxes	0.08	0.21		
Other expenses	0.02	0.04		
<b>Total costs</b>	<b>0.19</b>	<b>0.41</b>		

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

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

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

The portfolio dealing spread as at 31 October 2023 was 0.19% (2022: 0.21%). 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 October 2023 (in pence per share)

### Final dividend distribution (accounting date 31 October 2023, paid on 29 December 2023)

Group 1: shares purchased prior to 1 November 2022

Group 2: shares purchased on or after 1 November 2022

	Distribution per share	Total distribution per share 29/12/23	Total distribution per share 30/12/22
<b>Class A accumulation<sup>1</sup></b>			
Group 1	2.2837	2.2837	0.6320
Group 2	2.2837	2.2837	0.6320
<b>Class C accumulation<sup>1</sup></b>			
Group 1	24.4268	24.4268	11.1021
Group 2	24.4268	24.4268	11.1021
<b>Class E accumulation<sup>1</sup></b>			
Group 1	8.5904	8.5904	7.0477
Group 2	8.5904	8.5904	7.0477
<b>Class G accumulation<sup>1,2</sup></b>			
Group 1	n/a	n/a	1.1060
Group 2	n/a	n/a	1.1060
<b>Class I accumulation<sup>1</sup></b>			
Group 1	15.0864	15.0864	13.6217
Group 2	15.0864	15.0864	13.6217
<b>Class Z accumulation<sup>1,2</sup></b>			
Group 1	n/a	n/a	30.4502
Group 2	n/a	n/a	30.4502
<b>Class I USD accumulation<sup>1,3</sup></b>			
Group 1	54.2492	54.2492	11.2124
Group 2	54.2492	54.2492	11.2124

<sup>1</sup> The distribution paid on 30/12/2022 includes the proceeds of successful FII GLO reclaims as detailed in notes 6 and 11.

<sup>2</sup> Class G accumulation and Class Z accumulation closed on 18 May 2023.

<sup>3</sup> in USD cents per share

# Janus Henderson Global High Yield Bond Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Tom Ross, Seth Meyer, Tim Winstone and Brent Olson

### Investment objective and policy

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

Performance target: To outperform the ICE BofA Global High Yield Constrained Index Hedged to GBP by 1.75% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in high yield (non-investment grade, equivalent to BB+ rated or lower) corporate bonds, in any country. The fund may also invest a combined maximum of 20% in other assets including bonds of other types from any issuer, cash and money market instruments.

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

The fund is actively managed with reference to the ICE BofA Global High Yield Constrained Index Hedged to GBP, as this forms the basis of the fund's performance target. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

### Strategy

The Investment Manager seeks to provide a high overall yield and potential for capital growth by investing primarily in sub investment grade rated corporate bonds across global high yield markets. The investment process combines rigorous fundamentally driven security selection from the credit analysts, which is expected to be the largest driver of performance, with asset allocation views at the fund and regional levels.

### Performance summary

#### Cumulative performance

	One year 31 Oct 22 - 31 Oct 23 %	Since inception 1 Dec 20 - 31 Oct 23 %
Class I income (Net)	4.6	(9.1)
ICE BofA Global High Yield Constrained Index Hedged to GBP	7.2	(5.0)
IA Sterling High Yield Sector	6.8	(0.8)
Class I income (Gross)	5.4	(7.1)
ICE BofA Global High Yield Constrained Index Hedged to GBP + 1.75%	9.1	(0.1)

#### Discrete performance

	31 Oct 22 - 31 Oct 23 %	31 Oct 21 - 31 Oct 22 %	1 Dec 20 - 31 Oct 21 %
Class I income (Net)	4.6	(15.5)	2.8
ICE BofA Global High Yield Constrained Index Hedged to GBP	7.2	(14.9)	4.1
IA Sterling High Yield Sector	6.8	(11.5)	4.9
Class I income (Gross)	5.4	(14.8)	3.5
ICE BofA Global High Yield Constrained Index Hedged to GBP + 1.75%	9.1	(13.4)	5.8

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

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

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

Benchmark values are as at close of business.

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

### Benchmark usage:

Index: ICE BofA Global High Yield Constrained Index Hedged to GBP

Index usage: Target

Index description: ICE BofA Global High Yield Constrained Index is a measure of the combined performance of sub investment grade corporate debt securities from developed and emerging stock markets around the world. It forms the basis of the fund's performance target.

Peer group: IA Sterling High Yield Sector

Peer group usage: Comparator

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

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

## Significant portfolio changes for the year ended 31 October 2023

Largest purchases	£000	Largest sales/maturities	£000
Wynn Macau 5.625% 26/08/2028	252	Lloyds Bank 8.50% Perpetual	207
Cemex 9.125% Perpetual	200	Permanent TSB 13.25% Perpetual	199
ZF Finance 5.75% 03/08/2026	180	Deutsche Bank 10.00% Perpetual	183
BNP Paribas 7.375% Perpetual	176	Société Générale 9.375% Perpetual	179
Deutsche Bank 10.00% Perpetual	175	Électricité de France 7.50% Perpetual	178
Bellis Acquisition 3.25% 16/02/2026	173	ZF Finance 5.75% 03/08/2026	177
Électricité de France 7.50% Perpetual	172	BNP Paribas 7.375% Perpetual	170
Société Générale 9.375% Perpetual	170	Ardagh Metal Packaging Finance USA 6.00% 15/06/2027	169
Altice Financing 2.25% 15/01/2025	165	Altice Financing 2.25% 15/01/2025	167
Morocco (Government of) 5.95% 08/03/2028	164	Royal Caribbean Cruises 11.625% 15/08/2027	167
<b>Total purchases</b>	<b>15,128</b>	<b>Total sales/maturities</b>	<b>14,355</b>

### Investment review

The fund returned 4.6% (Net), 5.4% (Gross) based on Class I income over the year under review, compared with a return of 7.2% in the ICE BofA Global High Yield Constrained Index Hedged to GBP Index, a return of 9.1% in the Target Index + 1.75% and a return of 6.8% in the IA Sterling High Yield Sector peer group benchmark.

Global high-yield bonds recorded positive excess returns (relative to equivalent government bonds) during the reporting year, as credit spreads tightened. In March 2023, there was heightened volatility following the collapse of US lender Silicon Valley Bank and UBS' emergency takeover of Credit Suisse. High-yield credit spreads widened as fears of a banking contagion increased the likelihood of a global recession. In response, investors started to price in interest rate cuts as early as July, which sent yields tumbling, particularly at the front end of the yield curve. In the second quarter of 2023, drawn-out talks on the US government debt ceiling sparked further volatility and led to spreads widening before an agreement was reached in June. High-yield spreads retraced some of the widening from the banking crisis in the latter half of the second quarter after the Fed and Swiss authorities stepped in and calmed markets.

In the US, the second half of the year was dominated by the economy's resilience, particularly the labour market and consumer spending. This, and hawkish comments by the Fed, solidified investor expectations that the central bank would need to keep interest rates higher for longer. In Europe, weaker macroeconomic data and still-elevated inflation raised concerns about economic growth and the ECB's rate hiking path.

Within high yield, emerging markets outperformed the US and Europe in excess return terms. European high yield outperformed US equivalents, with both delivering positive returns.

Sector allocation and security selection detracted from returns. The fund's average underweight exposure to credit spread risk relative to its benchmark also hurt performance, given the spread tightening during the year.

At the sector level, an allocation to and security selection in media detracted, while an overweight position in technology and an underweight holding in utilities also had a negative impact. An underweight position in real estate and overweight positions in leisure and basic industry contributed positively. Security selection in real estate, financial services, banking and retail detracted from performance, although this was partially offset by selection in technology and electronics, and leisure.

At the individual issuer level, allocations to US broadcasters Gray Television and Scripps Escrow detracted, given weaker sentiment towards the media sector amid expectations of a fall in consumer spending. We continued to appreciate these businesses and believed they were well positioned as spending on US election campaigns increases. Overweight positions in CPI Property and retailer Victoria's Secret also hampered performance.

More positively, an overweight allocation to hotel operator Wynn Macau and underweight holding in CSC aided returns. An overweight exposure to cruise line operator Carnival benefited performance, given the increased demand for cruise holidays.

While economic growth has been more resilient than economic leading indicators would suggest, the traditional warnings of a deteriorating credit cycle (an inverted yield curve, tighter lending standards and elevated debt levels) remain.

Europe is nearing recession, with third-quarter GDP contracting by a worse-than-expected 0.1%, compared with the previous three months. However, the US economy has performed strongly, driven by continued consumer spending. There are questions about excess savings and when they will run out. If this does happen, it would likely lead to higher unemployment and a quite quick move into recessionary territory. US third-quarter GDP expansion was very strong, although growth is expected to moderate in the fourth quarter. The impact of the interest rate hiking cycle has also been offset by the US budget deficit, where a resolution around government funding has again been pushed further down the road. Elsewhere, the Middle East conflict has heightened geopolitical risk. At the time of writing, the situation appeared to be contained, although any escalation could have a knock-on effect on risk assets. All of this gives us reason to be cautious and to monitor the data closely.

Company earnings data continued to be mixed. The chemical and industrial sectors saw some earnings surprises but continued on a downward trajectory, which suggests that we could be entering a potential manufacturing industrial recession. Cyclical industrial sectors felt challenged on growth, although this has not fed through to credit spreads.

We believe that tighter lending standards, higher refinancing costs and a slowing economy will gradually take its toll on credit quality, causing default rates to increase. In the event of a 'hard landing' economic scenario, we do not expect to see the previous high single-digit default percentages as a recession is widely anticipated and most companies have prepared for this with low leverage and plenty of cash on their balance sheets.

High-yield bond issuance fell in October and continued to be a positive for the asset class. That said, we caution that the 'refinancing wall', though not right upon us, is getting closer as more and more companies will likely look to refinance. This is something we are monitoring closely.

High-yield bond valuations do not seem to be pricing in a recession, with spreads close to long-term averages on a rating-adjusted basis. In comparison, the yields on offer are notably above average and provide some cushion against spread widening through more attractive 'carry'.

## Comparative tables for the year ended 31 October 2023

	Class G accumulation		
	2023 (pence per share)	2022 (pence per share)	01/12/20 - 31/10/21 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	86.95	102.83	100.00 <sup>1</sup>
Return before operating charges*	5.06	(15.41)	3.28
Operating charges	(0.44)	(0.47)	(0.45)
Return after operating charges*	4.62	(15.88)	2.83
Distributions on accumulation shares	(6.13)	(4.42)	(3.92)
Retained distributions on accumulation shares	6.13	4.42	3.92
Closing net asset value per share	91.57	86.95	102.83
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.31%	(15.44%)	2.83%
<b>Other information</b>			
Closing net asset value (£000s)	3,434	3,261	3,856
Closing number of shares	3,750,500	3,750,500	3,750,500
Operating charges	0.48%	0.49%	0.48%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	94.08	103.20	105.10
Lowest share price (pence)	86.24	85.71	99.89

<sup>1</sup> The fund launched on 1 December 2020 and this is the first published price.

	Class G income		
	2023 (pence per share)	2022 (pence per share)	01/12/20 - 31/10/21 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	79.76	98.97	100.00 <sup>2</sup>
Return before operating charges*	4.69	(14.59)	3.28
Operating charges	(0.39)	(0.44)	(0.45)
Return after operating charges*	4.30	(15.03)	2.83
Distributions on income shares	(5.49)	(4.18)	(3.86)
Closing net asset value per share	78.57	79.76	98.97
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.39%	(15.19%)	2.83%
<b>Other information</b>			
Closing net asset value (£000s)	2,947	2,991	3,712
Closing number of shares	3,750,500	3,750,500	3,750,500
Operating charges	0.48%	0.49%	0.48%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	84.35	99.30	102.40
Lowest share price (pence)	79.14	79.73	99.63

<sup>2</sup> The fund launched on 1 December 2020 and this is the first published price.

## Comparative tables (continued)

	Class I accumulation		
	2023 (pence per share)	2022 (pence per share)	01/12/20 - 31/10/21 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	86.51	102.58	100.00 <sup>3</sup>
Return before operating charges*	5.04	(15.36)	3.27
Operating charges	(0.67)	(0.71)	(0.69)
Return after operating charges*	4.37	(16.07)	2.58
Distributions on accumulation shares	(6.04)	(4.35)	(3.86)
Retained distributions on accumulation shares	6.04	4.35	3.86
Closing net asset value per share	90.88	86.51	102.58
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.05%	(15.67%)	2.58%
<b>Other information</b>			
Closing net asset value (£000s)	3,679	3,526	4,002
Closing number of shares	4,047,915	4,076,313	3,901,994
Operating charges	0.74%	0.75%	0.74%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	93.43	102.90	104.90
Lowest share price (pence)	85.81	85.29	99.89

<sup>3</sup> The fund launched on 1 December 2020 and this is the first published price.

	Class I income		
	2023 (pence per share)	2022 (pence per share)	01/12/20 - 31/10/21 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	79.46	98.79	100.00 <sup>4</sup>
Return before operating charges*	4.66	(14.54)	3.27
Operating charges	(0.60)	(0.67)	(0.68)
Return after operating charges*	4.06	(15.21)	2.59
Distributions on income shares	(5.41)	(4.12)	(3.80)
Closing net asset value per share	78.11	79.46	98.79
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.11%	(15.40%)	2.59%
<b>Other information</b>			
Closing net asset value (£000s)	3,142	3,154	3,824
Closing number of shares	4,022,676	3,970,096	3,870,846
Operating charges	0.74%	0.75%	0.74%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	83.98	99.07	102.30
Lowest share price (pence)	78.83	79.42	99.45

<sup>4</sup> The fund launched on 1 December 2020 and this is the first published price.

## Comparative tables (continued)

	Class Z accumulation		
	2023 (pence per share)	2022 (pence per share)	01/12/20 - 31/10/21 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	87.70	103.26	100.00 <sup>5</sup>
Return before operating charges*	4.79	(15.47)	3.33
Operating charges	(0.05)	(0.09)	(0.07)
Return after operating charges*	4.74	(15.56)	3.26
Distributions on accumulation shares	(2.75)	(4.54)	(4.03)
Retained distributions on accumulation shares	2.75	4.54	4.03
Final cancellation	(92.44) <sup>6</sup>	-	-
Closing net asset value per share	-	87.70	103.26
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.40% <sup>7</sup>	(15.07%)	3.26%
<b>Other information</b>			
Closing net asset value (£000s)	-	1	1
Closing number of shares	-	500	500
Operating charges	0.09%	0.09%	0.08%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	94.07 <sup>8</sup>	103.70	105.40
Lowest share price (pence)	87.02 <sup>8</sup>	86.44	99.89

<sup>5</sup> The fund launched on 1 December 2020 and this is the first published price.

<sup>6</sup> Class Z accumulation closed on 18 May 2023.

<sup>7</sup> Return after charges relates to the period 1 November 2022 to the closure of the share class on 18 May 2023. This performance will differ from the other share classes as it does not include returns generated over the same period.

<sup>8</sup> to 18 May 2023.

## Comparative tables (continued)

	Class Z income		
	2023 (pence per share)	2022 (pence per share)	01/12/20 - 31/10/21 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	80.24	99.28	100.00 <sup>9</sup>
Return before operating charges*	4.34	(14.67)	3.34
Operating charges	(0.04)	(0.08)	(0.07)
Return after operating charges*	4.30	(14.75)	3.27
Distributions on income shares	(2.47)	(4.29)	(3.99)
Final cancellation	(82.07) <sup>10</sup>	-	-
Closing net asset value per share	-	80.24	99.28
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.36% <sup>11</sup>	(14.86%)	3.27%
<b>Other information</b>			
Closing net asset value (£000s)	-	1	1
Closing number of shares	-	500	500
Operating charges	0.09%	0.09%	0.08%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	84.94 <sup>12</sup>	99.67	102.70
Lowest share price (pence)	79.64 <sup>12</sup>	80.23	99.89

<sup>9</sup> The fund launched on 1 December 2020 and this is the first published price.

<sup>10</sup> Class Z income closed on 18 May 2023.

<sup>11</sup> Return after charges relates to the period 1 November 2022 to the closure of the share class on 18 May 2023. This performance will differ from the other share classes as it does not include returns generated over the same period.

<sup>12</sup> to 18 May 2023.

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

### Operating charges

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

### Share class launches and closures

There were no share classes launched during the year.

The following share classes closed during the year:

Share class	Closure date
Class Z accumulation	18 May 2023
Class Z income	18 May 2023



## Ongoing charge figure

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

	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
<b>Class G accumulation</b>	0.48	0.49
<b>Class G income</b>	0.48	0.49
<b>Class I accumulation</b>	0.74	0.75
<b>Class I income</b>	0.74	0.75
<b>Class Z accumulation<sup>1</sup></b>	n/a	0.09
<b>Class Z income<sup>1</sup></b>	n/a	0.09

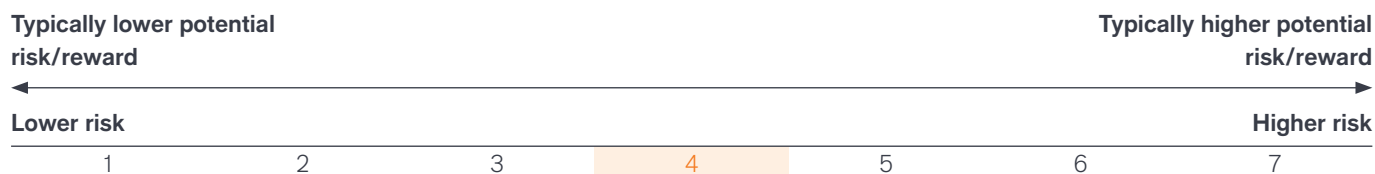
The OCF is calculated in accordance with guidelines issued by ESMA.

<sup>1</sup> Class Z accumulation and Class Z income closed on 18 May 2023.

## Risk and reward profile

The fund currently has 4 types of share class in issue: G accumulation, G income, I accumulation and I income.

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



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

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

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

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

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

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

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

\* All the share classes launched on 1 December 2020. As these share classes do not have a five year history, a synthetic history has been created using the fund's relevant sector average.

## Portfolio statement as at 31 October 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 0.00% (2022: 0.39%)</b>		
	<b>United States 0.00% (2022: 0.39%)</b>		
	<b>Health Care 0.00% (2022: 0.39%)</b>		
	<b>Bonds 95.15% (2022: 94.06%)</b>		
	<b>Australia 0.96% (2022: 0.39%)</b>		
	<b>Fixed Rate Bond 0.96% (2022: 0.39%)</b>		
USD 117,000	FMG Resources 6.125% 15/04/2032	85	0.64
USD 51,000	Mineral Resources 9.25% 01/10/2028	42	0.32
		<u>127</u>	<u>0.96</u>
	<b>Bahamas 1.02% (2022: 0.00%)</b>		
	<b>Fixed Rate Bond 1.02% (2022: 0.00%)</b>		
USD 200,000	Bahamas (Government of) 6.00% 21/11/2028	<u>135</u>	<u>1.02</u>
	<b>Belgium 1.38% (2022: 1.26%)</b>		
	<b>Floating Rate Note 1.38% (2022: 1.26%)</b>		
EUR 250,000	BNP Paribas FRN Perpetual	<u>182</u>	<u>1.38</u>
	<b>Brazil 1.16% (2022: 0.00%)</b>		
	<b>Fixed Rate Bond 1.16% (2022: 0.00%)</b>		
USD 200,000	Petrobras Global Finance 6.50% 03/07/2033	<u>153</u>	<u>1.16</u>
	<b>Canada 1.58% (2022: 1.05%)</b>		
	<b>Fixed Rate Bond 1.58% (2022: 0.54%)</b>		
USD 65,000	Enerflex 9.00% 15/10/2027	49	0.36
USD 45,000	Garda World Security 7.75% 15/02/2028	35	0.27
USD 169,000	Hudbay Minerals 6.125% 01/04/2029	<u>125</u>	<u>0.95</u>
		<u>209</u>	<u>1.58</u>
	<b>Variable Rate Bond 0.00% (2022: 0.51%)</b>		
	<b>Colombia 1.36% (2022: 0.00%)</b>		
	<b>Fixed Rate Bond 1.36% (2022: 0.00%)</b>		
USD 100,000	Ecopetrol 5.875% 02/11/2051	51	0.38
USD 200,000	Empresas Publicas de Medellin 4.25% 18/07/2029	<u>129</u>	<u>0.98</u>
		<u>180</u>	<u>1.36</u>
	<b>Czech Republic 0.32% (2022: 0.53%)</b>		
	<b>Variable Rate Bond 0.32% (2022: 0.53%)</b>		
EUR 150,000	CPI Property B 4.875% Perpetual	<u>42</u>	<u>0.32</u>
	<b>France 6.28% (2022: 2.43%)</b>		
	<b>Fixed Rate Bond 2.98% (2022: 1.87%)</b>		
USD 200,000	Banijay Entertainment 8.125% 01/05/2029	162	1.23
EUR 100,000	Faurecia 2.75% 15/02/2027	79	0.60
EUR 100,000	Getlink 3.50% 30/10/2025	85	0.64
EUR 100,000	Laboratoire Eimer 5.00% 01/02/2029	<u>67</u>	<u>0.51</u>
		<u>393</u>	<u>2.98</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Variable Rate Bond 3.30% (2022: 0.56%)</b>		
EUR 200,000	Électricité de France 2.625% Perpetual	143	1.08
EUR 200,000	Électricité de France 2.875% Perpetual	150	1.14
EUR 200,000	Veolia Environnement Perpetual 2.50% Perpetual	142	1.08
		<u>435</u>	<u>3.30</u>
	<b>Germany 3.47% (2022: 1.51%)</b>		
	<b>Fixed Rate Bond 2.82% (2022: 0.93%)</b>		
EUR 100,000	Adler Pelzer 9.50% 01/04/2027	80	0.61
EUR 100,000	Cheplapharm Arzneimittel 7.50% 15/05/2030	87	0.65
EUR 100,000	Commerzbank 6.75% 05/10/2033	86	0.65
USD 150,000	ZF North America Capital 7.125% 14/04/2030	120	0.91
		<u>373</u>	<u>2.82</u>
	<b>Variable Rate Bond 0.65% (2022: 0.58%)</b>		
EUR 100,000	Bayer 6.625% 25/09/2083	86	0.65
	<b>Gibraltar 0.00% (2022: 0.57%)</b>		
	<b>Fixed Rate Bond 0.00% (2022: 0.57%)</b>		
	<b>Ireland 1.06% (2022: 1.38%)</b>		
	<b>Fixed Rate Bond 1.06% (2022: 0.00%)</b>		
USD 172,000	GGAM Finance 8.00% 15/06/2028	140	1.06
	<b>Variable Rate Bond 0.00% (2022: 1.38%)</b>		
	<b>Israel 1.03% (2022: 1.11%)</b>		
	<b>Fixed Rate Bond 1.03% (2022: 1.11%)</b>		
EUR 200,000	Teva Pharmaceutical Finance II 1.625% 15/10/2028	136	1.03
	<b>Italy 3.25% (2022: 2.30%)</b>		
	<b>Fixed Rate Bond 3.25% (2022: 2.30%)</b>		
EUR 100,000	Fiber Bidco 11.00% 25/10/2027	92	0.70
EUR 100,000	Lottomatica 7.125% 01/06/2028	88	0.67
EUR 100,000	Lottomatica 9.75% 30/09/2027	93	0.70
EUR 100,000	Telecom Italia 1.625% 18/01/2029	67	0.51
EUR 100,000	Telecom Italia 7.875% 31/07/2028	89	0.67
		<u>429</u>	<u>3.25</u>
	<b>Ivory Coast 0.54% (2022: 0.00%)</b>		
	<b>Fixed Rate Bond 0.54% (2022: 0.00%)</b>		
EUR 100,000	Ivory Coast (Government of) 5.25% 22/03/2030	72	0.54
	<b>Luxembourg 1.04% (2022: 0.00%)</b>		
	<b>Fixed Rate Bond 1.04% (2022: 0.00%)</b>		
EUR 100,000	ARD Finance 5.00% 30/06/2027	51	0.38
EUR 104,000	LHMC 7.25% 02/10/2025	87	0.66
		<u>138</u>	<u>1.04</u>
	<b>Macao 1.05% (2022: 0.00%)</b>		
	<b>Fixed Rate Bond 1.05% (2022: 0.00%)</b>		
USD 200,000	Wynn Macau 5.625% 26/08/2028	138	1.05

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Mauritius 0.00% (2022: 1.16%)</b>		
	<b>Fixed Rate Bond 0.00% (2022: 1.16%)</b>		
	<b>Mexico 3.51% (2022: 0.92%)</b>		
	<b>Fixed Rate Bond 1.99% (2022: 0.92%)</b>		
USD 200,000	Comision Federal de Electricidad 4.688% 15/05/2029	146	1.11
USD 200,000	Mexico City Airport Trust 5.50% 31/07/2047	117	0.88
		<u>263</u>	<u>1.99</u>
	<b>Variable Rate Bond 1.52% (2022: 0.00%)</b>		
USD 238,000	Cemex 9.125% Perpetual	<u>200</u>	<u>1.52</u>
	<b>Mongolia 0.95% (2022: 0.00%)</b>		
	<b>Fixed Rate Bond 0.95% (2022: 0.00%)</b>		
USD 200,000	Mongolia (Government of) 4.45% 07/07/2031	<u>125</u>	<u>0.95</u>
	<b>Netherlands 3.06% (2022: 1.72%)</b>		
	<b>Fixed Rate Bond 2.99% (2022: 0.51%)</b>		
GBP 100,000	GTCR W-2 Merger Sub 8.50% 15/01/2031	100	0.76
EUR 100,000	House of HR 9.00% 03/11/2029	85	0.64
USD 200,000	Trivium Packaging Finance 8.50% 15/08/2027	137	1.04
EUR 100,000	WP/AP Telecom III 5.50% 15/01/2030	73	0.55
		<u>395</u>	<u>2.99</u>
	<b>Stepped Rate Bond 0.00% (2022: 0.26%)</b>		
	<b>Variable Rate Bond 0.07% (2022: 0.95%)</b>		
EUR 15,000	NIBC Bank 0.193% Perpetual	<u>10</u>	<u>0.07</u>
	<b>Nigeria 0.00% (2022: 2.08%)</b>		
	<b>Fixed Rate Bond 0.00% (2022: 2.08%)</b>		
	<b>North Macedonia 0.67% (2022: 0.00%)</b>		
	<b>Fixed Rate Bond 0.67% (2022: 0.00%)</b>		
EUR 100,000	North Macedonia (Government of) 6.96% 13/03/2027	<u>88</u>	<u>0.67</u>
	<b>South Africa 0.00% (2022: 0.55%)</b>		
	<b>Fixed Rate Bond 0.00% (2022: 0.55%)</b>		
	<b>Spain 1.79% (2022: 1.71%)</b>		
	<b>Fixed Rate Bond 1.27% (2022: 1.22%)</b>		
EUR 100,000	Cirsa Finance International Sarl 7.875% 31/07/2028	86	0.66
EUR 100,000	Lorca Telecom 4.00% 18/09/2027	81	0.61
		<u>167</u>	<u>1.27</u>
	<b>Variable Rate Bond 0.52% (2022: 0.49%)</b>		
EUR 100,000	Telefonica Europe 2.376% Perpetual	<u>68</u>	<u>0.52</u>
	<b>Sweden 0.66% (2022: 1.62%)</b>		
	<b>Fixed Rate Bond 0.66% (2022: 1.29%)</b>		
EUR 100,000	Verisure 7.125% 01/02/2028	<u>88</u>	<u>0.66</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Variable Rate Bond 0.00% (2022: 0.33%)</b>		
	<b>Switzerland 1.17% (2022: 1.05%)</b>		
	<b>Fixed Rate Bond 1.17% (2022: 0.54%)</b>		
EUR 200,000	Dufry One 3.375% 15/04/2028	154	1.17
	<b>Variable Rate Bond 0.00% (2022: 0.51%)</b>		
	<b>Turkey 1.26% (2022: 0.00%)</b>		
	<b>Fixed Rate Bond 1.26% (2022: 0.00%)</b>		
USD 200,000	Turkiye Ihracat Kredi Bankasi 9.375% 31/01/2026	167	1.26
	<b>United Kingdom 5.40% (2022: 5.21%)</b>		
	<b>Fixed Rate Bond 4.69% (2022: 3.27%)</b>		
GBP 200,000	Bellis Acquisition 3.25% 16/02/2026	173	1.31
GBP 100,000	Iceland Bondco 10.875% 15/12/2027	100	0.76
GBP 100,000	Pinnacle Bidco 10.00% 11/10/2028	96	0.73
EUR 100,000	Pinnacle Bidco 8.25% 11/10/2028	84	0.64
GBP 100,000	Virgin Media 5.00% 15/04/2027	93	0.70
EUR 100,000	VMed O2 UK Financing I 3.25% 31/01/2031	72	0.55
		618	4.69
	<b>Variable Rate Bond 0.71% (2022: 1.94%)</b>		
GBP 100,000	Vodafone 4.875% 03/10/2078	94	0.71
	<b>United States 50.20% (2022: 64.22%)</b>		
	<b>Fixed Rate Bond 50.20% (2022: 63.12%)</b>		
USD 76,000	Adapthealth 5.125% 01/03/2030	47	0.36
USD 98,800	American Airlines 5.75% 20/04/2029	73	0.55
USD 71,000	American Axle & Manufacturing 6.875% 01/07/2028	52	0.39
USD 118,000	AMN Healthcare 4.00% 15/04/2029	81	0.61
USD 90,000	Arches Buyer 4.25% 01/06/2028	61	0.46
EUR 100,000	Ardagh Packaging Finance 3.00% 01/09/2029	64	0.49
USD 32,000	Artec 10.00% 15/08/2030	27	0.20
USD 28,000	B&G Foods 5.25% 01/04/2025	22	0.18
USD 34,000	B&G Foods 5.25% 15/09/2027	23	0.17
USD 167,000	BroadStreet Partners 5.875% 15/04/2029	120	0.91
USD 200,000	Burford Capital Global Finance 6.25% 15/04/2028	149	1.13
USD 41,000	Burlington Stores 2.25% 15/04/2025	32	0.24
USD 82,000	Caesars Entertainment 7.00% 15/02/2030	65	0.49
USD 185,000	Cargo Aircraft Management 4.75% 01/02/2028	134	1.01
USD 31,000	Chobani Finance 4.625% 15/11/2028	22	0.17
USD 144,000	Chobani Finance 7.50% 15/04/2025	117	0.89
USD 56,000	Ciena 4.00% 31/01/2030	38	0.29
USD 69,000	Civitas Resources 8.375% 01/07/2028	57	0.43
USD 174,000	Coherent 5.00% 15/12/2029	122	0.92
USD 85,000	Compass Minerals International 6.75% 01/12/2027	65	0.49
USD 107,000	DISH Network 2.375% 15/03/2024	84	0.64
USD 100,000	Dresdner Funding Trust 8.151% 30/06/2031	86	0.65
USD 157,000	DT Midstream 4.125% 15/06/2029	111	0.84
USD 38,000	DT Midstream 4.375% 15/06/2031	26	0.20
USD 126,000	Entegris 3.625% 01/05/2029	87	0.66

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond</b> (continued)			
USD 42,000	Entegris Escrow 5.95% 15/06/2030	32	0.24
USD 116,000	Foot Locker 4.00% 01/10/2029	70	0.53
USD 200,000	Ford Motor Credit 3.625% 17/06/2031	130	0.98
USD 69,000	Fortress Transportation and Infrastructure Investors 9.75% 01/08/2027	58	0.44
USD 143,000	FTAI Infra Escrow 10.50% 01/06/2027	115	0.87
USD 154,000	Full House Resorts 8.25% 15/02/2028	107	0.81
USD 95,000	Gen Digital 6.75% 30/09/2027	76	0.58
USD 43,000	Gray Escrow II 5.375% 15/11/2031	22	0.17
USD 183,000	Gray Television 4.75% 15/10/2030	97	0.73
USD 149,000	Heartland Dental 10.50% 30/04/2028	118	0.89
USD 84,000	Heartland Dental 8.50% 01/05/2026	63	0.48
USD 75,000	Howard Midstream Energy 6.75% 15/01/2027	58	0.44
USD 47,000	HUB International 5.625% 01/12/2029	33	0.25
USD 144,000	Iron Mountain 5.25% 15/07/2030	103	0.78
USD 134,000	Kohl's 3.625% 01/05/2031	75	0.57
USD 79,000	LABL 10.50% 15/07/2027	56	0.42
USD 49,000	LABL 5.875% 01/11/2028	34	0.26
USD 127,000	LABL 8.25% 01/11/2029	78	0.59
USD 34,000	Lantheus 2.625% 15/12/2027	31	0.23
USD 98,000	LGI Homes 4.00% 15/07/2029	62	0.47
USD 104,000	Life Time 8.00% 15/04/2026	84	0.64
USD 76,000	LifePoint Health 9.875% 15/08/2030	57	0.43
USD 192,000	LSF9 Atlantis 7.75% 15/02/2026	143	1.08
USD 197,000	Macy's Retail 5.875% 01/04/2029	143	1.08
USD 69,000	McAfee 7.375% 15/02/2030	46	0.36
USD 188,000	Medline Borrower 5.25% 01/10/2029	132	1.00
USD 143,000	Michaels 5.25% 01/05/2028	85	0.64
USD 78,000	Midwest Gaming Finance 4.875% 01/05/2029	54	0.41
USD 51,000	Navient 5.625% 01/08/2033	29	0.22
USD 87,000	Navient 9.375% 25/07/2030	68	0.52
USD 37,000	NGL Energy 7.50% 01/02/2026	30	0.23
USD 229,000	NRG Energy 3.875% 15/02/2032	140	1.06
USD 52,000	OneMain Finance 3.50% 15/01/2027	36	0.27
USD 83,000	OneMain Finance 4.00% 15/09/2030	50	0.38
USD 34,000	OneMain Finance 5.375% 15/11/2029	23	0.17
USD 51,000	Owens & Minor 4.50% 31/03/2029	34	0.26
USD 59,000	Owl Rock Core Income 7.75% 16/09/2027	48	0.36
USD 64,000	Owl Rock Core Income 7.95% 13/06/2028	52	0.39
USD 54,000	Pediatrics Medical 5.375% 15/02/2030	38	0.29
USD 20,000	Penn Entertainment 2.75% 15/05/2026	18	0.14
USD 63,000	Penn Entertainment 4.125% 01/07/2029	40	0.30
USD 100,000	PennyMac Financial Services 5.75% 15/09/2031	67	0.51
USD 112,000	Rand Parent 8.50% 15/02/2030	84	0.64
USD 98,000	RingCentral 8.50% 15/08/2030	77	0.58
USD 102,000	Rocket Mortgage 3.875% 01/03/2031	65	0.50
USD 31,000	Scripps Escrow 5.875% 15/07/2027	19	0.14
USD 112,000	Scripps Escrow II 5.375% 15/01/2031	57	0.43
USD 91,000	Seagate HDD Cayman 4.125% 15/01/2031	59	0.45
USD 21,000	Seagate HDD Cayman 8.25% 15/12/2029	18	0.14
USD 169,313	Seagate HDD Cayman 9.625% 01/12/2032	149	1.13
USD 134,000	Service International 3.375% 15/08/2030	88	0.67

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Fixed Rate Bond (continued)</b>			
USD 29,000	Service International 4.00% 15/05/2031	19	0.14
USD 79,000	Six Flags Entertainment 7.25% 15/05/2031	60	0.45
USD 236,000	Standard Industries 3.375% 15/01/2031	147	1.11
USD 42,000	Station Casinos 4.625% 01/12/2031	27	0.20
USD 28,000	Summit Materials Finance 5.25% 15/01/2029	21	0.16
USD 170,000	Sunoco 4.50% 30/04/2030	120	0.91
USD 70,000	Tallgrass Energy Partners 6.00% 01/03/2027	53	0.40
USD 94,000	Tallgrass Energy Partners 6.00% 01/09/2031	65	0.49
USD 70,000	Tenet Healthcare 6.125% 15/06/2030	53	0.41
USD 129,000	TerraForm Power Operating 4.75% 15/01/2030	90	0.68
USD 199,000	Thor Industries 4.00% 15/10/2029	132	1.00
USD 166,000	TransDigm 4.875% 01/05/2029	119	0.90
USD 100,000	Travel + Leisure 6.625% 31/07/2026	80	0.61
USD 39,000	Trinity 7.75% 15/07/2028	32	0.24
USD 73,000	Univision Communications 4.50% 01/05/2029	48	0.36
USD 58,000	Univision Communications 7.375% 30/06/2030	42	0.32
USD 88,000	Univision Communications 8.00% 15/08/2028	68	0.52
USD 172,000	Venture Global 8.125% 01/06/2028	137	1.04
USD 14,000	Virtusa 7.125% 15/12/2028	9	0.07
USD 116,000	Watco 6.50% 15/06/2027	89	0.67
		<u>6,627</u>	<u>50.20</u>
<b>Variable Rate Bond 0.00% (2022: 1.10%)</b>			
<b>Uzbekistan 0.98% (2022: 0.00%)</b>			
<b>Fixed Rate Bond 0.98% (2022: 0.00%)</b>			
USD 200,000	Uzbekneftegaz 4.75% 16/11/2028	<u>129</u>	<u>0.98</u>
<b>Zambia 0.00% (2022: 1.29%)</b>			
<b>Fixed Rate Bond 0.00% (2022: 1.29%)</b>			
<b>Derivatives (1.02%) (2022: 2.58%)</b>			
<b>Futures (0.03%) (2022: 0.42%)</b>			
3	CBT US 10 Year Note December 2023	(9)	(0.07)
(7)	CBT US 5 Year Note December 2023	4	0.03
(4)	EUX Euro Bobl December 2023	2	0.02
(1)	ICF Long Gilt December 2023	<u>(1)</u>	<u>(0.01)</u>
		<u>(4)</u>	<u>(0.03)</u>
<b>Swaps 0.00% (2022: 0.36%)<sup>1</sup></b>			
<b>Credit Default Index Swaps 0.00% (2022: 0.28%)<sup>1</sup></b>			
<b>Credit Default Swaps 0.00% (2022: 0.08%)<sup>1</sup></b>			



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts (0.99%) (2022: 1.80%)<sup>1</sup></b>			
	Buy EUR 6,625 : Sell GBP 5,759 November 2023 <sup>2</sup>	-	-
	Buy EUR 94,187 : Sell GBP 82,098 November 2023 <sup>2</sup>	-	-
	Buy GBP 13,617 : Sell USD 16,537 November 2023 <sup>2</sup>	-	-
	Buy GBP 2,976,906 : Sell EUR 3,443,144 November 2023	(24)	(0.18)
	Buy GBP 26,345 : Sell USD 32,000 November 2023 <sup>2</sup>	-	-
	Buy GBP 85,771 : Sell EUR 98,319 November 2023 <sup>2</sup>	-	-
	Buy GBP 9,313,337 : Sell USD 11,433,623 November 2023	(108)	(0.82)
	Buy USD 1,420 : Sell GBP 1,163 November 2023 <sup>2</sup>	-	-
	Buy USD 16,479 : Sell GBP 13,575 November 2023 <sup>2</sup>	-	-
	Buy USD 194,750 : Sell GBP 159,410 November 2023	1	0.01
	Buy USD 3,298 : Sell GBP 2,715 November 2023 <sup>2</sup>	-	-
	Buy USD 3,925 : Sell GBP 3,234 November 2023 <sup>2</sup>	-	-
	Buy USD 30,641 : Sell GBP 25,228 November 2023 <sup>2</sup>	-	-
	Buy USD 32,000 : Sell GBP 26,350 November 2023 <sup>2</sup>	-	-
	Buy USD 43,715 : Sell GBP 35,883 November 2023 <sup>2</sup>	-	-
	Buy USD 46,721 : Sell GBP 38,451 November 2023 <sup>2</sup>	-	-
	Buy USD 52,083 : Sell GBP 42,888 November 2023 <sup>2</sup>	-	-
	Buy USD 62,645 : Sell GBP 51,434 November 2023	1	-
		(130)	(0.99)
<b>Investment assets including investment liabilities</b>		<b>12,427</b>	<b>94.13</b>
	Other net assets	775	5.87
<b>Total net assets</b>		<b>13,202</b>	<b>100.00</b>

<sup>1</sup> Not listed on an official stock exchange

<sup>2</sup> Due to rounding to nearest £1,000

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

## Statement of total return for the year ended 31 October 2023

		2023	2022
	Note	£000	£000
Income			
Net capital losses	2	(156)	(2,987)
Revenue	3	908	671
Expenses	4	(77)	(82)
Interest payable and similar charges	5	(1)	(1)
Net revenue before taxation		830	588
Taxation	6	-	(2)
Net revenue after taxation		830	586
Total return before distributions		674	(2,401)
Distributions	7	(898)	(658)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(224)</b>	<b>(3,059)</b>

## Statement of change in net assets attributable to shareholders

for the year ended 31 October 2023

	2023	2022
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>12,934</b>	<b>15,396</b>
Amounts receivable on issue of shares	118	286
Amounts payable on cancellation of shares	(102)	(29)
	16	257
Change in net assets attributable to shareholders from investment activities	(224)	(3,059)
Retained distributions on accumulation shares	476	340
<b>Closing net assets attributable to shareholders</b>	<b>13,202</b>	<b>12,934</b>

## Balance sheet as at 31 October 2023

	Note	2023 £000	2022 £000
<b>Assets:</b>			
Investments		12,569	12,562
Current assets:			
Debtors	8	322	219
Cash and bank balances	9	617	519
<b>Total assets</b>		<b>13,508</b>	<b>13,300</b>
<b>Liabilities:</b>			
Investment liabilities		142	12
Creditors:			
Amounts held at derivative clearing houses and brokers		6	72
Bank overdrafts		-	7
Distributions payable		124	86
Other creditors	10	34	189
<b>Total liabilities</b>		<b>306</b>	<b>366</b>
<b>Net assets attributable to shareholders</b>		<b>13,202</b>	<b>12,934</b>

## 1 Accounting policies

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

## 2 Net capital losses

Net capital losses on investments during the year comprise:

	2023 £000	2022 £000
Derivative securities	(116)	454
Forward currency contracts	394	(1,970)
Non-derivative securities	(416)	(1,476)
Other currency (losses)/gains	(12)	11
Transaction costs	(6)	(6)
<b>Net capital losses</b>	<b>(156)</b>	<b>(2,987)</b>

## 3 Revenue

	2023 £000	2022 £000
Bank interest	18	3
Derivative revenue	(45)	(137)
Interest on debt securities	929	799
Interest on margin	5	-
Overseas dividends	1	6
<b>Total revenue</b>	<b>908</b>	<b>671</b>

## 4 Expenses

	2023 £000	2022 £000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	68	72
GAC*	8	9
	<u>76</u>	<u>81</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	1	1
	<u>1</u>	<u>1</u>
<b>Total expenses</b>	<b>77</b>	<b>82</b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £14,412 (2022: £12,984), however, as the GAC charge is lower than the audit fee, the GAC does not fully recompense the ACD for this and certain other expenses charged to the fund.

## Notes to the financial statements (continued)

### 5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2023 £000	2022 £000
Interest payable	1	1
<b>Total interest payable and similar charges</b>	<b>1</b>	<b>1</b>

### 6 Taxation

#### a) Analysis of charge in the year

The tax charge comprises:

	2023 £000	2022 £000
<b>Current tax</b>		
Overseas withholding tax	-	2
<b>Total tax (note 6b)</b>	<b>-</b>	<b>2</b>

#### b) Factors affecting tax charge for year

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

	2023 £000	2022 £000
Net revenue before taxation	830	588
Corporation tax at 20% (2022: 20%)	166	118
Effects of:		
Overseas dividends	-	(1)
Overseas withholding tax	-	2
Revenue being paid as interest distributions	(166)	(117)
<b>Tax charge for the year (note 6a)</b>	<b>-</b>	<b>2</b>

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

#### c) Deferred tax

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

#### d) Factors that may affect future tax charges

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

## Notes to the financial statements (continued)

### 7 Distributions

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

	2023 £000	2022 £000
Interim income	298	234
Interim accumulation	333	247
Final income	124	86
Final accumulation	143	93
	<u>898</u>	<u>660</u>
Amounts received on issue of shares	(1)	(2)
<b>Total distributions</b>	<u><b>898</b></u>	<u><b>658</b></u>

Net revenue after taxation	830	586
Annual management charge borne by the capital account	68	72
<b>Total distributions</b>	<u><b>898</b></u>	<u><b>658</b></u>

Details of the distribution per share are set out in the Distribution tables on pages 74 to 77.

### 8 Debtors

	2023 £000	2022 £000
Accrued revenue	225	200
Amounts receivable for issue of shares	7	-
Sales awaiting settlement	90	19
<b>Total debtors</b>	<u><b>322</b></u>	<u><b>219</b></u>

### 9 Cash and bank balances

	2023 £000	2022 £000
Amounts held at derivative clearing houses and brokers	111	202
Cash and bank balances	506	317
<b>Total cash and bank balances</b>	<u><b>617</b></u>	<u><b>519</b></u>

### 10 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	6	6
Accrued other expenses	2	2
Derivative revenue payable	-	15
Purchases awaiting settlement	26	166
<b>Total other creditors</b>	<u><b>34</b></u>	<u><b>189</b></u>

## Notes to the financial statements (continued)

### 11 Contingent liabilities and commitments

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

### 12 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 62 and 63 and notes 4, 7 and 10 on pages 64 to 66 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

Harewood Nominees Limited, as a material shareholder, is a related party holding shares comprising 96.33% of the total net assets of the fund as at the year end (2022: 96.46%).

### 13 Shareholders' funds

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

	2023 %	2022 %
Class G	0.40	0.40
Class I	0.60	0.60
Class Z <sup>1,2</sup>	n/a	0.00

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

<sup>2</sup> Class Z accumulation and Class Z income closed on 18 May 2023.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 49 to 52. The distribution per share class is given in the Distribution tables on pages 74 to 77. All share classes have the same rights on winding up.

#### Shares reconciliation as at 31 October 2023

	Class G accumulation	Class G income	Class I accumulation	Class I income
Opening number of shares	3,750,500	3,750,500	4,076,313	3,970,096
Issues during the year	-	-	47,717	92,225
Cancellations during the year	-	-	(76,115)	(39,645)
<b>Closing shares in issue</b>	<b>3,750,500</b>	<b>3,750,500</b>	<b>4,047,915</b>	<b>4,022,676</b>

	Class Z accumulation	Class Z income
Opening number of shares	500	500
Issues during the year	-	-
Cancellations during the year	(500)	(500)
<b>Closing shares in issue</b>	<b>-</b>	<b>-</b>

### 14 Financial derivatives

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

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

## Notes to the financial statements (continued)

### 14 Financial derivatives (continued)

There was no collateral pledged or collateral held in respect of derivatives as at 31 October 2023 (2022: nil). The fund had cash assets of £111,374 (2022: £201,843) and cash liabilities of £5,945 (2022: £72,107) held in margin accounts at derivative clearing houses and brokers as at 31 October 2023. These balances are held as collateral on the fund's futures contracts and swaps contracts.

#### 2023

As at 31 October 2023 the counterparty exposure calculated using the positive marked-to-market value for each category of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	2	-	2
UBS	-	6	6
	<b>2</b>	<b>6</b>	<b>8</b>

#### 2022

As at 31 October 2022 the counterparty exposure calculated using the positive marked-to-market value for each category of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Credit default index swaps £000	Credit default swaps £000	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
Bank of America	-	5	-	-	5
BNP Paribas	-	-	244	-	244
Goldman Sachs	-	3	-	-	3
JPMorgan Chase	30	3	-	-	33
Salomon Brothers	5	-	-	-	5
UBS	-	-	-	54	54
	<b>35</b>	<b>11</b>	<b>244</b>	<b>54</b>	<b>344</b>

### 15 Risk

#### Currency risk

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

#### Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
<b>2023</b>				
Euro	874	2,133	134	3,141
UK sterling	607	562	11	1,180
US dollar	253	8,749	185	9,187
<b>Total</b>	<b>1,734</b>	<b>11,444</b>	<b>330</b>	<b>13,508</b>



## Notes to the financial statements (continued)

### 15 Risk (continued)

#### Interest rate risk (continued)

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
<b>2022</b>				
Canadian dollar	66	-	2	68
Euro	899	1,738	86	2,723
UK sterling	647	150	7	804
US dollar	251	8,981	473	9,705
<b>Total</b>	<b>1,863</b>	<b>10,869</b>	<b>568</b>	<b>13,300</b>

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
<b>2023</b>				
Euro	2	-	24	26
UK sterling	-	-	133	133
US dollar	4	-	143	147
<b>Total</b>	<b>6</b>	<b>-</b>	<b>300</b>	<b>306</b>

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
<b>2022</b>				
Euro	26	-	175	201
UK sterling	-	-	94	94
US dollar	53	-	18	71
<b>Total</b>	<b>79</b>	<b>-</b>	<b>287</b>	<b>366</b>

#### Credit ratings

##### 2023

##### Investments

	Market value £000	Percentage of total net assets %
Investment grade (AAA - BBB)	363	2.75
Below investment grade (BB and below)	12,198	92.40
<b>Total debt securities</b>	<b>12,561</b>	<b>95.15</b>
Derivatives	(134)	(1.02)
<b>Investment assets including investment liabilities</b>	<b>12,427</b>	<b>94.13</b>
Other net assets	775	5.87
<b>Total net assets</b>	<b>13,202</b>	<b>100.00</b>

## Notes to the financial statements (continued)

### 15 Risk (continued)

#### Credit ratings (continued)

	Market value £000	Percentage of total net assets %
<b>2022</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	1,145	8.85
Below investment grade (BB and below)	11,022	85.21
<b>Total debt securities</b>	<b>12,167</b>	<b>94.06</b>
Derivatives	332	2.58
Equities	51	0.39
<b>Investment assets including investment liabilities</b>	<b>12,550</b>	<b>97.03</b>
Other net assets	384	2.97
<b>Total net assets</b>	<b>12,934</b>	<b>100.00</b>

#### Sensitivity analysis

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

VaR Results	Relative VaR in year			VaR limit	Utilisation of VaR limit		
	Minimum	Maximum	Average		Minimum	Maximum	Average
	%	%	%	%	%	%	%
<b>2023</b>	90.66	125.17	108.44	200	45.33	62.59	54.22
<b>2022</b>	68.54	132.89	109.03	200	34.27	66.44	54.51

#### Leverage

	Minimum %	Maximum %	Average %
<b>2023</b>	105.24	359.26	172.60
<b>2022</b>	123.58	370.59	188.59

#### Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2023</b>				
Amounts held at derivatives clearing houses and brokers	6	-	-	-
Derivative financial liabilities	-	142	-	-
Distribution payable	-	124	-	-
Other creditors	-	34	-	-
<b>Total</b>	<b>6</b>	<b>300</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements (continued)

### 15 Risk (continued)

#### Liquidity risk (continued)

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2022</b>				
Amounts held at derivatives clearing houses and brokers	72	-	-	-
Bank overdrafts	7	-	-	-
Derivative financial liabilities	-	12	-	-
Distribution payable	-	86	-	-
Other creditors	-	189	-	-
<b>Total</b>	<b>79</b>	<b>287</b>	<b>-</b>	<b>-</b>

### 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

	<b>2023</b>		<b>2022</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	6	10	105	-
Level 2	12,563	132	12,457	12
Level 3	-	-	-	-
	<b>12,569</b>	<b>142</b>	<b>12,562</b>	<b>12</b>

## Notes to the financial statements (continued)

### 17 Direct transaction costs

	Purchases		Sales	
	2023	2022	2023	2022
	£000	£000	£000	£000
<b>Trades in the year</b>				
Debt securities	15,052	12,609	14,221	12,879
Equities	76	57	134	198
<b>Trades in the year before transaction costs</b>	<b>15,128</b>	<b>12,666</b>	<b>14,355</b>	<b>13,077</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
Equities	-	-	-	-
<b>Total commissions</b>	-	-	-	-
<b>Taxes</b>				
Debt securities	-	-	-	-
Equities	-	-	-	-
<b>Total taxes</b>	-	-	-	-
<b>Other expenses</b>				
Debt securities	-	-	-	-
Equities	-	-	-	-
<b>Total other expenses</b>	-	-	-	-
<b>Total transaction costs</b>	-	-	-	-
<b>Total net trades in the year after transaction costs</b>	<b>15,128</b>	<b>12,666</b>	<b>14,355</b>	<b>13,077</b>

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

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

There were no in specie transfers during the year (2022: nil). There were corporate actions during the year of £134,690 (2022: £567,474).

There were direct transaction costs associated with derivatives in the year of £192 (2022: £236) which is 0.00% of the average net asset value of the fund (2022: 0.00%).

## Notes to the financial statements (continued)

### 17 Direct transaction costs (continued)

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

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

The portfolio dealing spread as at 31 October 2023 was 0.60% (2022: 0.71%). The portfolio dealing spread is calculated at a 12 noon valuation point.

### 18 Events after the Balance sheet date

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

## Distribution tables for the year ended 31 October 2023 (in pence per share)

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

Group 1: shares purchased prior to 1 November 2022

Group 2: shares purchased on or after 1 November 2022

	Distribution per share	Equalisation	Total distribution per share 31/03/23	Total distribution per share 31/03/22
<b>Class G accumulation</b>				
Group 1	1.2714	-	1.2714	1.0094
Group 2	1.2714	-	1.2714	1.0094
<b>Class G income</b>				
Group 1	1.1665	-	1.1665	0.9720
Group 2	1.1665	-	1.1665	0.9720
<b>Class I accumulation</b>				
Group 1	1.2513	-	1.2513	0.9912
Group 2	0.9527	0.2986	1.2513	0.9912
<b>Class I income</b>				
Group 1	1.1493	-	1.1493	0.9550
Group 2	0.1966	0.9527	1.1493	0.9550
<b>Class Z accumulation</b>				
Group 1	1.2820	-	1.2820	1.0420
Group 2	1.2820	-	1.2820	1.0420
<b>Class Z income</b>				
Group 1	1.1700	-	1.1700	1.0020
Group 2	1.1700	-	1.1700	1.0020

## Distribution tables (continued)

### Interim interest distribution (accounting date 30 April 2023, paid on 30 June 2023)

Group 1: shares purchased prior to 1 February 2023

Group 2: shares purchased on or after 1 February 2023

	Distribution per share	Equalisation	Total distribution per share 30/06/23	Total distribution per share 30/06/22
<b>Class G accumulation</b>				
Group 1	1.4457	-	1.4457	1.0673
Group 2	1.4457	-	1.4457	1.0673
<b>Class G income</b>				
Group 1	1.3081	-	1.3081	1.0169
Group 2	1.3081	-	1.3081	1.0169
<b>Class I accumulation</b>				
Group 1	1.4239	-	1.4239	1.0495
Group 2	0.8766	0.5473	1.4239	1.0495
<b>Class I income</b>				
Group 1	1.2900	-	1.2900	1.0007
Group 2	0.3829	0.9071	1.2900	1.0007
<b>Class Z accumulation</b>				
Group 1	1.4660	-	1.4660	1.0960
Group 2	1.4660	-	1.4660	1.0960
<b>Class Z income</b>				
Group 1	1.3020	-	1.3020	1.0340
Group 2	1.3020	-	1.3020	1.0340

## Distribution tables (continued)

### Interim interest distribution (accounting date 31 July 2023, paid on 29 September 2023)

Group 1: shares purchased prior to 1 May 2023

Group 2: shares purchased on or after 1 May 2023

	Distribution per share	Equalisation	Total distribution per share 29/09/23	Total distribution per share 30/09/22
<b>Class G accumulation</b>				
Group 1	1.5726	-	1.5726	1.1419
Group 2	1.5726	-	1.5726	1.1419
<b>Class G income</b>				
Group 1	1.4010	-	1.4010	1.0761
Group 2	1.4010	-	1.4010	1.0761
<b>Class I accumulation</b>				
Group 1	1.5484	-	1.5484	1.1237
Group 2	0.5112	1.0372	1.5484	1.1237
<b>Class I income</b>				
Group 1	1.3815	-	1.3815	1.0599
Group 2	0.1298	1.2517	1.3815	1.0599
<b>Class Z accumulation<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	1.1700
Group 2	n/a	n/a	n/a	1.1700
<b>Class Z income<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	1.1140
Group 2	n/a	n/a	n/a	1.1140

<sup>1</sup> Class Z accumulation and Class Z income closed on 18 May 2023.



## Distribution tables (continued)

### Final interest distribution (accounting date 31 October 2023, paid on 29 December 2023)

Group 1: shares purchased prior to 1 August 2023

Group 2: shares purchased on or after 1 August 2023

	Distribution per share	Equalisation	Total distribution per share 29/12/23	Total distribution per share 30/12/22
<b>Class G accumulation</b>				
Group 1	1.8440	-	1.8440	1.2004
Group 2	1.8440	-	1.8440	1.2004
<b>Class G income</b>				
Group 1	1.6148	-	1.6148	1.1166
Group 2	1.6148	-	1.6148	1.1166
<b>Class I accumulation</b>				
Group 1	1.8167	-	1.8167	1.1815
Group 2	0.8737	0.9430	1.8167	1.1815
<b>Class I income</b>				
Group 1	1.5934	-	1.5934	1.1000
Group 2	0.5033	1.0901	1.5934	1.1000
<b>Class Z accumulation<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	1.2360
Group 2	n/a	n/a	n/a	1.2360
<b>Class Z income<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	1.1420
Group 2	n/a	n/a	n/a	1.1420

<sup>1</sup> Class Z accumulation and Class Z income closed on 18 May 2023.

# Janus Henderson Global Life Sciences Equity Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Andy Acker and Daniel Lyons

### Investment objective and policy

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

Performance Target: To outperform the MSCI World Health Care Index by at least 2% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its net assets in equities a portfolio of shares (also known as equities) of companies that have a 'life sciences' orientation. Generally speaking these will be companies that provide products and services aimed at maintaining or improving quality of life.

The Investment Manager typically takes a balanced approach in allocating across different sub-sectors which are included within life sciences, including, but not limited to, companies engaged in research, development, production or distribution of products or services related to health care, personal care, medicine, medical devices, biotechnology, or pharmaceuticals.

The Investment Manager selects companies that it believes have growth potential as a result of particular products, technology, patents or other market advantages in the life sciences sector.

The fund may invest in companies of any size, including smaller capitalisation companies, in any country.

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

The fund may also invest in other assets including Collective Investment Schemes (CIS) (including those managed by Janus Henderson), money market instruments, cash, and shares in unlisted companies up to 10% of the fund's net assets.

The fund is actively managed with reference to the MSCI World Health Care Index, which is broadly representative of the securities in which it may invest.

The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index, but at times the fund may hold investments similar to the index.

### Strategy

The Sub-Investment Manager seeks to identify innovative companies addressing high unmet medical needs. The team understands that success of drug development is binary in nature, creating wide disparities between winners and losers. The investment process makes use of proprietary statistical models to analyse the probability of a company's success, focusing on products they believe can overcome the rigours of clinical development. Additional tools, such as physician surveys and prescription models, attempt to more accurately predict commercial viability.

Companies are considered principally on their own fundamental qualitative and quantitative characteristics.

A portfolio of fundamental-based investments are built one security at a time following intensive in-house research into each company.

### Performance summary

#### Cumulative performance

	Since inception 14 Sep 23* - 31 Oct 23 %
<b>Class I accumulation (Net)</b>	(8.8)**
<b>MSCI World Health Care Index</b>	(5.0)**
<b>IA Healthcare</b>	(8.2)**
<b>Class I accumulation (Gross)</b>	(8.7)**
<b>MSCI World Health Care Index + 2%</b>	(4.8)**

Performance/performance target related data will display only when relevant to the fund/share class inception date and the annualised target time period.

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

#### Discrete performance

14 Sep 23\* -  
31 Oct 23  
%

<b>Class I accumulation (Net)</b>	(8.8)**
<b>MSCI World Health Care Index</b>	(5.0)**
<b>IA Healthcare</b>	(8.2)**
<b>Class I accumulation (Gross)</b>	(8.7)**
<b>MSCI World Health Care Index + 2%</b>	(4.8)**

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

\* The fund launched on 14 September 2023.

\*\* Cumulative and discrete performance figures are the same, as this is a newly launched fund.

Source: Morningstar

Class I accumulation (Net), NAV to NAV, net of fees and net income reinvested as at 4 pm valuation point.

Class I accumulation (Gross), NAV to NAV, gross of OCF and net income reinvested as at 4 pm 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: MSCI World Health Care Index

Index usage: Target

Peer group: IA Healthcare

Peer group usage: Comparator

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

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

## Significant portfolio changes for the period 14 September 2023 to 31 October 2023

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
UnitedHealth	326	Traverse Therapeutics	13
Eli Lilly	272	Dexcom	12
AstraZeneca	211	Veralto	11
Novo Nordisk 'B'	208	Structure Therapeutics ADR	9
Sanofi	160	Medtronic	9
Merck	158	Roche Non-Voting Shares	9
Abbott Laboratories	139	Sarepta Therapeutics	8
AbbVie	136	UnitedHealth	7
Sarepta Therapeutics	132	Sandoz Group	6
Novartis	128	Insmed	6
<b>Total purchases</b>	<b>5,335</b>	<b>Total sales</b>	<b>157</b>

### Investment review

The fund fell 8.8% (Net), 8.7% (Gross) based on Class I accumulation over the period under review, compared with a fall of 5.0% in the MSCI World Health Care Index, a fall of 4.8% in the Target Index + 2% and a fall of 8.2% in the IA Healthcare peer group benchmark.

Healthcare stocks fell during the reporting period, with biotechnology and pharmaceutical shares declining the most. These stocks struggled in the face of rising US Treasury yields and waning COVID-19 product sales. Higher yields were especially problematic for biotechnology firms that lacked robust clinical data, as investors worried about financing costs. Devices and medical technology stocks also underperformed, on concerns about the knock-on effects of the new class of glucagon-like peptide 1 (GLP-1) weight-loss medications. Healthcare services benefited from recovering profits and a market rotation into more defensive names.

Many of the fund's largest detractors were impacted by investor intolerance of less-than-perfect clinical news, including Sarepta Therapeutics. The biotechnology company is a leader in the field of Duchenne muscular dystrophy with a marketed franchise approaching US\$1bn in sales and a novel gene therapy, Elevidys, that could be game changing for patients. The process of bringing Elevidys to market has had its ups and downs. In June, the US Food and Drug Administration (FDA) granted accelerated approval for four and five year olds, pending a confirmatory trial. In October, the trial missed its primary end point, although it showed benefits on multiple key secondary end points. We retained our confidence in Elevidys.

Akero Therapeutics was another detractor. The biotechnology company is developing efruxifermin for non-alcoholic steatohepatitis (NASH), a fatty liver disease that affects over 10 million adults in the US and is a leading cause of liver failure. The company reported phase 2 data in the most severe NASH patients but failed to hit statistical significance on the main end point, in this case for fibrosis reversal. Despite achieving statistical significance on other disease markers and prior trials proving the drug's benefit in moderate NASH patients, investors beat a retreat.

Other stocks contributed to performance, including Structure Therapeutics. In late September, the company reported that its GLP-1 candidate, GSBR-1290, generated up to about 5% weight loss in a phase 1 obesity trial after only a month of therapy. Originally developed for diabetes, GLP-1s have upended the medical landscape, with leading medications delivering weight loss of roughly 15-20% in patients. However, those drugs are injectable, whereas GSBR-1290 is an oral medicine, which could make it more appealing to patients. The trajectory of its weight loss at one month was comparable to that of injectable drugs at this time point.

Cytokinetics was also a contributor. The firm's lead drug candidate, aficamten, is a small molecule myosin inhibitor that is being studied for hypertrophic cardiomyopathy, a condition that causes a thickening of the heart muscle and restricts blood flow. The drug is in phase 3 trials. So far, aficamten's data has looked promising, with hints of superiority over a rival drug. Late-stage data for aficamten is expected at the end of 2023.

All investment activity was a result of establishing desired exposures in the portfolio. No derivatives were used.

Market volatility – driven first by enthusiasm for artificial intelligence, then rising US Treasury yields and concerns about competition from GLP-1 weight-loss drugs – meant that many healthcare stocks traded at discounts to the broader market. We believe this could add to healthcare's appeal going forward should higher interest rates persist and economic growth slow.

Thankfully, an economic slowdown is not the only reason to invest in healthcare. Innovation continues to accelerate, with more than fifty new drugs approved by the FDA so far in 2023, and dozens more still pending review. These therapies – some of which target large disease categories such as obesity, autoimmune disease, and Alzheimer's – could represent the start of major product cycles, driving revenue growth for a decade or more. Pandemic-caused supply/demand imbalances have also started to normalise in areas such as managed care, biopharmaceuticals, and bioprocessing, which we expect to lead to improved growth forecasts in 2024.

With our excitement about industry innovation and our concerns about a slowing economy, we continue to take a 'barbell' approach, seeking to balance the sector's defensive qualities with potential new growth opportunities. To that end, we favour large-cap biopharmaceutical and managed care firms that generate strong free cash flow and can hold up well in a recession. At the time of writing, the fund also had an overweight exposure to small and mid-cap biotechnology companies with newly launching products or exciting late-stage development opportunities, which we believed offered growth potential with reduced clinical risk. While some of these stocks have been impacted by worries about higher yields and new weight-loss drugs, we think the market has pushed valuations to unjustifiable lows, which has created an opportunity to invest in biotechnology's long-term growth potential at attractive levels.

## Comparative tables for the period 14 September 2023 to 31 October 2023

	Class G accumulation 14/09/23 - 31/10/23 (pence per share)
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00 <sup>1</sup>
Return before operating charges*	(8.25)
Operating charges	(0.10)
Return after operating charges*	(8.35)
Distributions on accumulation shares	-
Retained distributions on accumulation shares	-
Closing net asset value per share	91.65
* after direct transaction costs of:	0.08
<b>Performance</b>	
Return after charges	(8.35%)
<b>Other information</b>	
Closing net asset value (£000s)	1,148
Closing number of shares	1,252,000
Operating charges	0.76%
Direct transaction costs	0.08%
<b>Prices</b>	
Highest share price (pence)	100.00
Lowest share price (pence)	91.19

<sup>1</sup> The fund launched on 14 September 2023 and this is the first published price.

## Comparative tables (continued)

		<b>Class G income</b> <b>14/09/23 -</b> <b>31/10/23</b> <b>(pence</b> <b>per share)</b>
<b>Change in net assets per share</b>		
Opening net asset value per share	2	100.00 <sup>2</sup>
Return before operating charges*		(8.25)
Operating charges		(0.10)
Return after operating charges*		(8.35)
Distributions on income shares		-
Closing net asset value per share		91.65
* after direct transaction costs of:		0.08
<b>Performance</b>		
Return after charges		(8.35%)
<b>Other information</b>		
Closing net asset value (£000s)		1,147
Closing number of shares		1,252,000
Operating charges		0.76%
Direct transaction costs		0.08%
<b>Prices</b>		
Highest share price (pence)		100.00
Lowest share price (pence)		91.19

<sup>2</sup> The fund launched on 14 September 2023 and this is the first published price.

## Comparative tables (continued)

	Class I accumulation 14/09/23 - 31/10/23 (pence per share)
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00 <sup>3</sup>
Return before operating charges*	(8.25)
Operating charges	(0.11)
Return after operating charges*	(8.36)
Distributions on accumulation shares	-
Retained distributions on accumulation shares	-
Closing net asset value per share	91.64
* after direct transaction costs of:	0.08
<b>Performance</b>	
Return after charges	(8.36%)
<b>Other information</b>	
Closing net asset value (£000s)	1,353
Closing number of shares	1,477,000
Operating charges	0.89%
Direct transaction costs	0.08%
<b>Prices</b>	
Highest share price (pence)	100.00
Lowest share price (pence)	91.17

<sup>3</sup> The fund launched on 14 September 2023 and this is the first published price.

## Comparative tables (continued)

	Class I income 14/09/23 - 31/10/23 (pence per share)
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00 <sup>4</sup>
Return before operating charges*	(8.25)
Operating charges	(0.11)
Return after operating charges*	(8.36)
Distributions on income shares	-
Closing net asset value per share	91.64
* after direct transaction costs of:	0.08
<b>Performance</b>	
Return after charges	(8.36%)
<b>Other information</b>	
Closing net asset value (£000s)	1,147
Closing number of shares	1,252,000
Operating charges	0.89%
Direct transaction costs	0.08%
<b>Prices</b>	
Highest share price (pence)	100.00
Lowest share price (pence)	91.17

<sup>4</sup> The fund launched on 14 September 2023 and this is the first published price.



## Comparative tables (continued)

	Class Z accumulation 14/09/23 - 31/10/23 (pence per share)
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00 <sup>5</sup>
Return before operating charges*	(8.25)
Operating charges	(0.01)
Return after operating charges*	(8.26)
Distributions on accumulation shares	(0.07)
Retained distributions on accumulation shares	0.07
Closing net asset value per share	91.74
* after direct transaction costs of:	0.08
<b>Performance</b>	
Return after charges	(8.26%)
<b>Other information</b>	
Closing net asset value (£000s)	2
Closing number of shares	2,000
Operating charges	0.11%
Direct transaction costs	0.08%
<b>Prices</b>	
Highest share price (pence)	100.00
Lowest share price (pence)	91.28

<sup>5</sup> The fund launched on 14 September 2023 and this is the first published price.

## Comparative tables (continued)

	Class Z income 14/09/23 - 31/10/23 (pence per share)
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00 <sup>6</sup>
Return before operating charges*	(8.25)
Operating charges	(0.01)
Return after operating charges*	(8.26)
Distributions on income shares	(0.07)
Closing net asset value per share	91.67
* after direct transaction costs of:	0.08
<b>Performance</b>	
Return after charges	(8.26%)
<b>Other information</b>	
Closing net asset value (£000s)	2
Closing number of shares	2,000
Operating charges	0.11%
Direct transaction costs	0.08%
<b>Prices</b>	
Highest share price (pence)	100.00
Lowest share price (pence)	91.28

<sup>6</sup> The fund launched on 14 September 2023 and this is the first published price.

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

The following share classes launched during the period:

Share class	Launch date
Class G accumulation	14 September 2023
Class G income	14 September 2023
Class I accumulation	14 September 2023
Class I income	14 September 2023
Class Z accumulation	14 September 2023
Class Z income	14 September 2023

There were no share classes closed during the period.

## 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 period, except for expenses that are explicitly excluded by regulation.

	<b>2023</b>	<b>Estimated OCF from 14 September 2023<sup>1</sup></b>
	<b>%</b>	<b>%</b>
<b>Class G accumulation<sup>2</sup></b>	0.76	0.76
<b>Class G income<sup>2</sup></b>	0.76	0.76
<b>Class I accumulation<sup>2</sup></b>	0.89	0.89
<b>Class I income<sup>2</sup></b>	0.89	0.89
<b>Class Z accumulation<sup>2</sup></b>	0.11	0.11
<b>Class Z income<sup>2</sup></b>	0.11	0.11

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

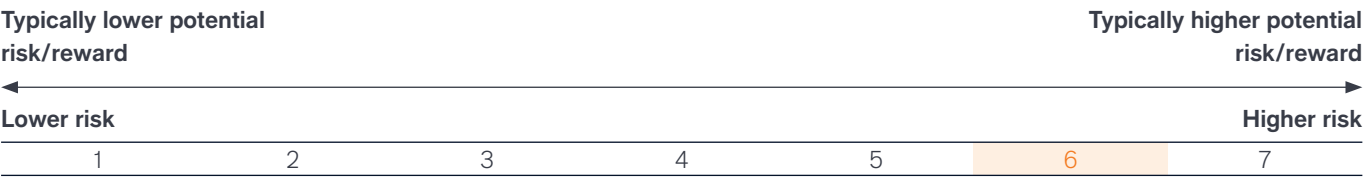
<sup>1</sup> The estimated ongoing charge based on the annual fee rates from 14 September 2023.

<sup>2</sup> The fund launched on 14 September 2023.

## Risk and reward profile

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

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



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

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

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

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

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

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

\* All the share classes launched on 14 September 2023. As these share classes do not have a five year history, a synthetic history has been created using the fund's relevant sector average.

## Portfolio statement as at 31 October 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 99.75%</b>		
	<b>Belgium 1.73%</b>		
	<b>Health Care 1.73%</b>		
215	argenx ADR	83	1.73
	<b>China 1.23%</b>		
	<b>Health Care 1.23%</b>		
10,000	New Horizon Health	20	0.42
1,883	Zai Lab ADR	39	0.81
		59	1.23
	<b>Denmark 4.37%</b>		
	<b>Health Care 4.37%</b>		
2,652	Novo Nordisk 'B'	210	4.37
	<b>France 2.79%</b>		
	<b>Health Care 2.79%</b>		
1,791	Sanofi	134	2.79
	<b>Germany 0.70%</b>		
	<b>Health Care 0.70%</b>		
954	Bayer	34	0.70
	<b>Ireland 0.44%</b>		
	<b>Health Care 0.44%</b>		
104	ICON	21	0.44
	<b>Japan 1.60%</b>		
	<b>Health Care 1.60%</b>		
3,800	Astellas Pharma	39	0.81
200	Hoya	16	0.33
1,000	Takeda Pharmaceutical	22	0.46
		77	1.60
	<b>Switzerland 4.17%</b>		
	<b>Health Care 4.17%</b>		
1,572	Novartis	121	2.52
371	Roche Non-Voting Shares	79	1.65
		200	4.17
	<b>United Kingdom 4.21%</b>		
	<b>Health Care 4.21%</b>		
1,927	AstraZeneca	197	4.11
422	Bicycle Therapeutics ADR	5	0.10
		202	4.21
	<b>United States 78.51%</b>		
	<b>Health Care 78.51%</b>		
1,351	4D Molecular Therapeutics	12	0.25
1,647	89bio	10	0.21
1,644	Abbott Laboratories	128	2.67

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Health Care (continued)</b>		
1,112	AbbVie	129	2.69
1,889	Akero Therapeutics	19	0.40
106	Align Technology	16	0.33
162	Alnylam Pharmaceuticals	20	0.42
473	AmerisourceBergen 'A'	72	1.50
311	Amgen	65	1.35
3,609	Amicus Therapeutics	33	0.69
600	Apogee Therapeutics	8	0.17
720	Arcellx	21	0.44
7,268	Ardelyx	24	0.50
800	Ascendis Pharma ADR	59	1.23
4,043	Avadel Pharmaceuticals ADR	33	0.69
1,085	Baxter International	29	0.60
1,746	Biohaven	38	0.79
735	BioMarin Pharmaceutical	49	1.02
1,169	Biomea Fusion	10	0.21
2,696	Boston Scientific	114	2.38
767	Catalent	22	0.46
888	Centene	50	1.04
1,527	Cogent Biosciences	10	0.21
545	Collegium Pharmaceutical	10	0.21
168	Cooper	43	0.90
2,306	Cymabay Therapeutics	31	0.65
1,212	Cytokinetics	35	0.73
552	Danaher	87	1.81
827	Dentsply Sirona	21	0.44
326	Dexcom	24	0.50
1,228	Edwards Lifesciences	64	1.33
237	Elevance Health	88	1.83
570	Eli Lilly	260	5.42
395	Gilead Sciences	26	0.54
1,156	Globus Medical	44	0.92
298	HCA Healthcare	56	1.17
179	Humana	77	1.60
102	ICU Medical	8	0.17
648	Ideaya Biosciences	15	0.31
418	Illumina	38	0.79
5,092	ImmunoGen	62	1.29
479	Insmad	10	0.21
240	Intra-Cellular Therapies	10	0.21
214	Intuitive Surgical	46	0.96
131	IQVIA	20	0.42
830	Janux Therapeutics	4	0.08
343	Johnson & Johnson	42	0.87
815	Lantheus	43	0.90
721	Legend Biotech ADR	39	0.81
461	Madrigal Pharmaceuticals	50	1.04
594	Medtronic	35	0.73
1,816	Merck	154	3.21

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Health Care (continued)</b>		
603	Mirum Pharmaceuticals	14	0.29
214	Moderna	13	0.27
1,777	NeoGenomics	21	0.44
554	Neurocrine Biosciences	51	1.06
1,147	Organon	14	0.29
151	Penumbra	24	0.50
553	Privia Health	10	0.21
779	Prothena	23	0.48
1,480	PTC Therapeutics	23	0.48
53	Regeneron Pharmaceuticals	34	0.71
1,333	Replimune	16	0.33
994	Revolution Medicines	16	0.33
540	Rhythm Pharmaceuticals	10	0.21
1,818	Roivant Sciences	13	0.27
1,298	Royalty Pharma 'A'	29	0.60
1,324	Sarepta Therapeutics	73	1.52
2,481	Seres Therapeutics	3	0.06
114	Shockwave Medical	19	0.40
401	Soleno Therapeutics	8	0.17
222	Steris	38	0.79
365	Structure Therapeutics ADR	22	0.46
367	Stryker	82	1.71
941	Tandem Diabetes Care	13	0.27
195	Teleflex	30	0.63
284	Thermo Fisher Scientific	104	2.17
274	United Therapeutics	50	1.04
819	UnitedHealth	361	7.52
1,385	Vaxcyte	55	1.15
779	Ventyx Biosciences	9	0.19
420	Vertex Pharmaceuticals	125	2.60
391	Zoetis	51	1.06
		<u>3,767</u>	<u>78.51</u>
	<b>Derivatives 0.00%</b>		
	<b>Forward Foreign Exchange Contracts 0.00%<sup>1</sup></b>		
	Buy HKD 9,857 : Sell GBP 1,041 November 2023 <sup>2</sup>	-	-
	Buy JPY 781,972 : Sell GBP 4,305 November 2023 <sup>2</sup>	-	-
	Buy USD 190,082 : Sell GBP 156,932 November 2023 <sup>2</sup>	-	-
		<u>-</u>	<u>-</u>
	<b>Investment assets</b>	<b>4,787</b>	<b>99.75</b>
	Other net assets	<u>12</u>	<u>0.25</u>
	<b>Total net assets</b>	<b>4,799</b>	<b>100.00</b>

<sup>1</sup> Not listed on an official stock exchange

<sup>2</sup> Due to rounding to nearest £1,000

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

## Statement of total return for the period 14 September 2023 to 31 October 2023

		14/09/23 - 31/10/23	
	Note	£000	£000
Income			
Net capital losses	2		(416)
Revenue	3	4	
Expenses	4	(5)	
Net expense before taxation		(1)	
Taxation	5	(1)	
Net expense after taxation			(2)
Total return before distributions			(418)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(418)</b>

## Statement of change in net assets attributable to shareholders

for the period 14 September 2023 to 31 October 2023

	14/09/23 - 31/10/23	
	£000	£000
<b>Opening net assets attributable to shareholders*</b>		-
Amounts receivable on issue of shares	5,217	5,217
Change in net assets attributable to shareholders from investment activities		(418)
<b>Closing net assets attributable to shareholders</b>		<b>4,799</b>

\* The fund launched on 14 September 2023.



## Balance sheet

as at 31 October 2023

	Note	2023 £000
<b>Assets:</b>		
Investments		4,787
Current assets:		
Debtors	7	222
Cash and bank balances	8	1
<b>Total assets</b>		<b>5,010</b>
<b>Liabilities:</b>		
Creditors:		
Bank overdrafts		6
Other creditors	9	205
<b>Total liabilities</b>		<b>211</b>
<b>Net assets attributable to shareholders</b>		<b>4,799</b>

## Notes to the financial statements for the period 14 September 2023 to 31 October 2023

### 1 Accounting policies

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

### 2 Net capital losses

Net capital losses on investments during the period comprise:

	14/09/23 - 31/10/23 £000
Forward currency contracts	16
Non-derivative securities	(392)
Other currency losses	(40)
<b>Net capital losses</b>	<b>(416)</b>

### 3 Revenue

	14/09/23 - 31/10/23 £000
Overseas dividends	4
<b>Total revenue</b>	<b>4</b>

### 4 Expenses

	14/09/23 - 31/10/23 £000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>	
Annual management charge	4
GAC*	1
	<u>5</u>
<b>Total expenses</b>	<b>5</b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £11,051, however, as the GAC charge is lower than the audit fee, the GAC does not fully recompense the ACD for this and certain other expenses charged to the fund.

### 5 Taxation

#### a) Analysis of charge in the period

The tax charge comprises:

	14/09/23 - 31/10/23 £000
<b>Current tax</b>	
Overseas withholding tax	1
<b>Total tax (note 5b)</b>	<b>1</b>

## Notes to the financial statements (continued)

### 5 Taxation (continued)

#### b) Factors affecting tax charge for period

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

	14/09/23 - 31/10/23 £000
Net expense before taxation	(1)
Corporation tax at 20%	-
Effects of:	
Overseas dividends	(1)
Overseas withholding tax	1
Unused management expenses	1
<b>Tax charge for the period (note 5a)</b>	<b>1</b>

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.

#### d) Factors that may affect future tax charges

At the period end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £978 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 period end.

### 6 Distributions

	14/09/23 - 31/10/23 £000
Final income*	-
Final accumulation*	-
<b>Total distributions</b>	<b>-</b>
Net expense after taxation	(2)
Revenue shortfall	2
<b>Total distributions</b>	<b>-</b>

Details of the distribution per share are set out in the Distribution table on page 100.

\* Class Z accumulation made a distribution of £1 and Class Z income made a distribution of £1.

### 7 Debtors

	31/10/23 £000
Accrued revenue	2
Amounts receivable for issue of shares	205
Sales awaiting settlement	15
<b>Total debtors</b>	<b>222</b>

## Notes to the financial statements (continued)

### 8 Cash and bank balances

	31/10/23 £000
Cash and bank balances	1
<b>Total cash and bank balances</b>	<b>1</b>

### 9 Other creditors

	31/10/23 £000
Accrued annual management charge	3
Purchases awaiting settlement	202
<b>Total other creditors</b>	<b>205</b>

### 10 Contingent liabilities and commitments

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

### 11 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 92 and 93 and notes 4, 8 and 9 on pages 94 to 96 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

Harewood Nominees Limited, as a material shareholder, is a related party holding shares comprising 95.47% of the total net assets of the fund as at the period end.

### 12 Shareholders' funds

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

	31/10/23 %
Class G	0.65
Class I	0.75
Class Z <sup>1</sup>	0.00

<sup>1</sup> 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 86. The distribution per share class is given in the Distribution table on page 100. All share classes have the same rights on winding up.

## Notes to the financial statements (continued)

### 12 Shareholders' funds (continued)

Shares reconciliation as at 31 October 2023

	Class G accumulation	Class G income	Class I accumulation	Class I income
Opening number of shares	-	-	-	-
Issues during the period	1,252,000	1,252,000	1,477,000	1,252,000
Cancellations during the period	-	-	-	-
Shares converted during the period	-	-	-	-
<b>Closing shares in issue</b>	<b>1,252,000</b>	<b>1,252,000</b>	<b>1,477,000</b>	<b>1,252,000</b>

	Class Z accumulation	Class Z income
Opening number of shares	-	-
Issues during the period	2,000	2,000
Cancellations during the period	-	-
Shares converted during the period	-	-
<b>Closing shares in issue</b>	<b>2,000</b>	<b>2,000</b>

### 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 October 2023.

### 2023

The fund had no exposure to derivatives with a positive market value as at 31 October 2023.

### 14 Risk

#### Currency risk

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

	Investment assets £000	Other net assets/ (liabilities) £000	Total net assets £000
<b>2023</b>			
<b>Currency</b>			
Danish krone	210	-	210
Euro	167	1	168
Hong Kong dollar	21	(1)	20
Japanese yen	81	(3)	78
Swiss franc	79	-	79
UK sterling	36	166	202
US dollar	4,193	(151)	4,042
<b>Total</b>	<b>4,787</b>	<b>12</b>	<b>4,799</b>

#### Sensitivity analysis

The net foreign currency assets held by the fund at the period end were £4,596,791. 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 period and the period end net assets by £459,679.

#### Interest rate risk

The fund's exposure to interest rate risk is considered insignificant.

## Notes to the financial statements (continued)

### 14 Risk (continued)

#### Other market price risk

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

#### Leverage

The fund has not employed significant leverage in the current period.

#### 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
<b>2023</b>				
Bank overdrafts	6	-	-	-
Other creditors	-	205	-	-
<b>Total</b>	<b>6</b>	<b>205</b>	<b>-</b>	<b>-</b>

### 15 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

#### Fair value hierarchy

	<b>2023</b>	
	<b>Assets</b>	<b>Liabilities</b>
	<b>£000</b>	<b>£000</b>
Level 1	4,787	-
Level 2	-	-
Level 3	-	-
	<b>4,787</b>	<b>-</b>

## Notes to the financial statements (continued)

### 16 Direct transaction costs

	<b>Purchases</b> 14/09/23 - 31/10/23 £000	<b>Sales</b> 14/09/23 - 31/10/23 £000
<b>Trades in the period</b>		
Equities	5,331	157
<b>Trades in the period before transaction costs</b>	<b>5,331</b>	<b>157</b>
<b>Transaction costs</b>		
<b>Commissions</b>		
Equities	2	-
<b>Total commissions</b>	<b>2</b>	<b>-</b>
<b>Taxes</b>		
Equities	1	-
<b>Total taxes</b>	<b>1</b>	<b>-</b>
<b>Other expenses</b>		
Equities	1	-
<b>Total other expenses</b>	<b>1</b>	<b>-</b>
<b>Total transaction costs</b>	<b>4</b>	<b>-</b>
<b>Total net trades in the period after transaction costs</b>	<b>5,335</b>	<b>157</b>
	<b>Purchases</b> 14/09/23 - 31/10/23 %	<b>Sales</b> 14/09/23 - 31/10/23 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>		
<b>Commissions</b>		
Equities	0.04	-
<b>Taxes</b>		
Equities	0.02	-
<b>Other expenses</b>		
Equities	0.02	-
	<b>14/09/23 - 31/10/23</b> %	
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.04	
Taxes	0.02	
Other expenses	0.02	
<b>Total costs</b>	<b>0.08</b>	

There were no in specie transfers during the period. There were no corporate actions during the period.

There were no direct transaction costs associated with derivatives in the period.

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

The portfolio dealing spread as at 31 October 2023 was 0.14%. The portfolio dealing spread is calculated at a 4pm valuation point.

### 17 Events after the Balance sheet date

As at 23 January 2024, the NAV of the fund is £12,051,955 which is an increase of 151.12% from the Balance sheet date. The increase in NAV is due to net inflows in the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

## Distribution table for the period 14 September 2023 to 31 October 2023 (in pence per share)

### Final dividend distribution (accounting date 31 October 2023, paid on 29 December 2023)

Group 1: shares purchased prior to 14 September 2023

Group 2: shares purchased on or after 14 September 2023

	Distribution per share	Total distribution per share 29/12/23
<b>Class G accumulation</b>		
Group 1	-	-
Group 2	-	-
<b>Class G income</b>		
Group 1	-	-
Group 2	-	-
<b>Class I accumulation</b>		
Group 1	-	-
Group 2	-	-
<b>Class I income</b>		
Group 1	-	-
Group 2	-	-
<b>Class Z accumulation</b>		
Group 1	0.0725	0.0725
Group 2	0.0725	0.0725
<b>Class Z income</b>		
Group 1	0.0725	0.0725
Group 2	0.0725	0.0725



# Janus Henderson Global Property Equities Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Guy Barnard, Tim Gibson and Greg Kuhl

### Investment objective and policy

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

Performance Target: To outperform the FTSE EPRA Nareit Developed Index by at least 2% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its net assets in shares (also known as equities) or Equity-Related Instruments of real estate companies or REITs (or their equivalents) listed or traded on a Regulated Market, that derive the main part of their revenue from owning, developing and managing real estate.

The fund may invest in companies of any size, including smaller capitalisation companies, in any country.

The fund may also invest in other assets including CIS (including those managed by Janus Henderson), money market instruments and cash.

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

The fund is actively managed with reference to the FTSE EPRA Nareit Developed Index, which is broadly representative of the securities 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, but at times the fund may hold investments similar to the index.

### Strategy

The Investment Manager seeks to identify listed property companies and REITs that can deliver the highest total return over the long-term. The investment style of the fund is through active management; the Investment Manager assesses fundamental company level research to identify the best investment opportunities.

### Performance summary

#### Cumulative performance

	Since inception 11 Jan 23* - 31 Oct 23 %
<b>Class I accumulation (Net)</b>	(14.4)**
<b>FTSE EPRA Nareit Developed Index</b>	(12.8)**
<b>Class I accumulation (Gross)</b>	(13.7)**
<b>FTSE EPRA Nareit Developed Index + 2%</b>	(11.4)**

Performance/performance target related data will display only when relevant to the fund/share class inception date and the annualised target time period.

#### Discrete performance

	11 Jan 23* - 31 Oct 23 %
<b>Class I accumulation (Net)</b>	(14.4)**
<b>FTSE EPRA Nareit Developed Index</b>	(12.8)**
<b>Class I accumulation (Gross)</b>	(13.7)**
<b>FTSE EPRA Nareit Developed Index + 2%</b>	(11.4)**

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

\* The fund launched on 11 January 2023.

\*\* Cumulative and discrete performance figures are the same, as this is a newly launched fund.

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

Source: Morningstar

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

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

Benchmark values are as at close of business.

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

### Benchmark usage:

Index: FTSE EPRA Nareit Developed Index

Index usage: Target

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

## Significant portfolio changes for the period 11 January 2023 to 31 October 2023

<b>Largest purchases</b>	<b>£000</b>	<b>Largest sales</b>	<b>£000</b>
Prologis REIT	2,452	Tricon Residential	552
Equinix REIT	1,761	NVR	336
VICI Properties	1,394	Life Storage REIT	244
Welltower REIT	1,098	Alexandria Real Estate Equities REIT	216
Americold Realty Trust	1,056	Rexford Industrial Realty REIT	203
Mitsui Fudosan	1,030	Digital Realty Trust REIT	199
Camden Property Trust REIT	939	CubeSmart	198
UDR REIT	833	CBRE 'A'	189
STAG Industrial	826	Sun Communities	181
Agree Realty	825	VICI Properties	138
<b>Total purchases</b>	<b>30,246</b>	<b>Total sales</b>	<b>4,121</b>

### Investment review

The fund fell 14.4% (Net), 13.7% (Gross) based on Class I accumulation over the period under review, compared with a fall of 12.8% in the FTSE EPRA Nareit Developed Index and a fall of 11.4% in the Target Index + 2%.

The dominant theme in markets has been the aggressive monetary tightening that central banks have pursued to cool persistently elevated inflation. Despite this, global equity markets gained during the reporting period on hopes that systemic risks would be avoided following two of the largest banking collapses in US history and as resilient economic data supported company earnings.

Despite continued operational strength and earnings growth, global property stocks lagged wider markets and declined, with investors focused on the impact of rising interest rates and tightening credit availability. While understandable, we believe we are entering a period of 'winners' and 'losers' with regard to cost and availability of capital. REIT balance sheets largely remained very healthy, characterised by low leverage, well-staggered debt maturity profiles and favourable access to capital. Contrary to headlines, US REIT debt issuance in the year to the end of October was 18% higher than the long-term average. Pleasingly, REITs have selectively begun to make accretive investments in high-quality assets where in recent years they would have been outbid by more leveraged market participants.

The direct property market continued its phase of price discovery, with transaction volumes low. However, we began to see greater evidence emerging, particularly in structurally supported sectors such as residential and logistics, and at pricing levels that suggested an overshoot in public REIT markets. Within the listed sector, with much attention on the regional bank exposure to the challenged US office market, it was not surprising to see US office REITs notably weak, while residential REITs also underperformed. Data centres, house builders, lodging and industrial REITs all outperformed. In the US storage sector, Life Storage REIT was the subject of merger activity from listed peers Public Storage and Extra Space Storage. Likewise, net lease landlord Spirit Realty Capital drew a takeover offer from peer Realty Income.

The most recent earnings season generally supported the view that global REITs can deliver around 5% growth in 2023, with rising rental income offsetting increased financing costs, while supply remained muted in most sectors as barriers to development continued to increase. European property stocks saw considerable volatility and there was wider dispersion between names, driven principally by leverage concerns. However, many companies made progress to address this. Asia-Pacific property stocks declined, although Japanese names materially outperformed.

The fund underperformed its index net of fees. At a sector level, an absence of exposure to traditional US office landlords and an underweight allocation to storage were beneficial, although underweight holdings in data centres and malls proved detrimental. At a stock level, Life Storage REIT added value following the bid approach, with healthcare landlords Welltower REIT and Chartwell Retirement Residences also key contributors. Conversely, apartment landlord UDR REIT and life sciences owners Alexandria Real Estate Equities REIT and Healthpeak Properties REIT detracted. In Europe, logistics landlords CTP and VGP aided performance. In Asia-Pacific, there were positive contributions in Japan, notably from Mitsui Fudosan, and Goodman in Australia, although the fund's Hong Kong exposure detracted through its position in Link REIT.

Following the fund's launch in January, we have invested in line with the mandate. We seek to provide investors with a concentrated global portfolio of listed property companies, reflecting our high conviction bottom-up approach. We have continued to emphasise balance sheet strength and areas where we see earnings resilience in the face of a slowing economy.

Notable changes included the addition of US-listed data centre owner Equinix REIT, given an improved demand backdrop aided by interest in artificial intelligence and accelerated pricing power. We increased exposure to the healthcare sector, adding Sabra Health Care REIT and Chartwell Retirement Residences in North America and Aedifica in Europe. Conversely, we reduced exposure to the US rental residential and storage sectors, where market rental growth has slowed. We lowered the overweight allocation to the US logistics sector, selling southern California-focused Rexford Industrial Realty REIT, given a slowdown in market rental growth. We also sold Alexandria Real Estate Equities REIT, given slowing demand driven by a more challenging venture capital funding backdrop. In Asia-Pacific, trading largely reflected relative valuation opportunities within countries, with a reduced exposure to Hong Kong and increased allocation to Australia.

Real estate markets are facing headwinds from more restrictive financial conditions and an uncertain economic outlook. Against this backdrop, the importance of management, asset and balance sheet quality are coming to the fore again. Real estate fundamentals are likely to reflect ongoing divergence across different property types, driven by the themes of changing demographics, digitisation, sustainability, and the convenience lifestyle. It is, therefore, crucial to remain selective, we believe.

While the private equity commercial real estate market can dominate headlines and is slow to adjust reported values to the challenging macroeconomic landscape, the listed market has reacted already, resulting in shares trading at historically wide discounts to private asset values and 'pricing in' a highly uncertain environment. Public REITs continue to offer reliable and growing income streams, strong balance sheets, demonstrated access to capital, high-quality properties, and astute management teams. From pricing levels that we believe reflect today's economic reality, these characteristics are likely to reward investors with current income and growth over time, as they have historically.

## Comparative tables for the period 11 January 2023 to 31 October 2023

	Class G accumulation 11/01/23 - 31/10/23 (pence per share)
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00 <sup>1</sup>
Return before operating charges*	(12.61)
Operating charges	(0.61)
Return after operating charges*	(13.22)
Distributions on accumulation shares	(1.72)
Retained distributions on accumulation shares	1.72
Closing net asset value per share	86.78
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(13.22%)
<b>Other information</b>	
Closing net asset value (£000s)	1,086
Closing number of shares	1,252,000
Operating charges	0.80%
Direct transaction costs	0.00%
<b>Prices</b>	
Highest share price (pence)	107.10
Lowest share price (pence)	84.94

<sup>1</sup> The fund launched on 11 January 2023 and this is the first published price.

## Comparative tables (continued)

	<b>Class G income</b> <b>11/01/23 -</b> <b>31/10/23</b> <b>(pence</b> <b>per share)</b>
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00 <sup>2</sup>
Return before operating charges*	(12.60)
Operating charges	(0.61)
Return after operating charges*	(13.21)
Distributions on income shares	(1.71)
Closing net asset value per share	85.08
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(13.21%)
<b>Other information</b>	
Closing net asset value (£000s)	2,543
Closing number of shares	2,988,111
Operating charges	0.80%
Direct transaction costs	0.00%
<b>Prices</b>	
Highest share price (pence)	107.10
Lowest share price (pence)	84.95

<sup>2</sup> The fund launched on 11 January 2023 and this is the first published price.

## Comparative tables (continued)

	Class I accumulation 11/01/23 - 31/10/23 (pence per share)
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00 <sup>3</sup>
Return before operating charges*	(12.64)
Operating charges	(0.67)
Return after operating charges*	(13.31)
Distributions on accumulation shares	(0.11)
Retained distributions on accumulation shares	0.11
Closing net asset value per share	86.69
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(13.31%)
<b>Other information</b>	
Closing net asset value (£000s)	20,248
Closing number of shares	23,357,010
Operating charges	0.93%
Direct transaction costs	0.00%
<b>Prices</b>	
Highest share price (pence)	107.10
Lowest share price (pence)	84.87

<sup>3</sup> The fund launched on 11 January 2023 and this is the first published price.

## Comparative tables (continued)

	Class I income 11/01/23 - 31/10/23 (pence per share)
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00 <sup>4</sup>
Return before operating charges*	(12.59)
Operating charges	(0.70)
Return after operating charges*	(13.29)
Distributions on income shares	(1.64)
Closing net asset value per share	85.07
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(13.29%)
<b>Other information</b>	
Closing net asset value (£000s)	1,066
Closing number of shares	1,252,882
Operating charges	0.93%
Direct transaction costs	0.00%
<b>Prices</b>	
Highest share price (pence)	107.10
Lowest share price (pence)	84.87

<sup>4</sup> The fund launched on 11 January 2023 and this is the first published price.

## Comparative tables (continued)

	Class Z accumulation 11/01/23 - 31/10/23 (pence per share)
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00 <sup>5</sup>
Return before operating charges*	(12.72)
Operating charges	(0.11)
Return after operating charges*	(12.83)
Distributions on accumulation shares	(2.17)
Retained distributions on accumulation shares	2.17
Closing net asset value per share	87.17
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(12.83%)
<b>Other information</b>	
Closing net asset value (£000s)	2
Closing number of shares	2,000
Operating charges	0.15%
Direct transaction costs	0.00%
<b>Prices</b>	
Highest share price (pence)	107.10
Lowest share price (pence)	85.32

<sup>5</sup> The fund launched on 11 January 2023 and this is the first published price.



## Comparative tables (continued)

	Class Z income 11/01/23 - 31/10/23 (pence per share)
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00 <sup>6</sup>
Return before operating charges*	(12.72)
Operating charges	(0.11)
Return after operating charges*	(12.83)
Distributions on income shares	(2.17)
Closing net asset value per share	85.00
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(12.83%)
<b>Other information</b>	
Closing net asset value (£000s)	1
Closing number of shares	2,000
Operating charges	0.15%
Direct transaction costs	0.00%
<b>Prices</b>	
Highest share price (pence)	107.10
Lowest share price (pence)	85.32

<sup>6</sup> The fund launched on 11 January 2023 and this is the first published price.

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

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

### Operating charges

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

### Share class launches and closures

The following share classes launched during the period:

Share class	Launch date
Class G accumulation	11 January 2023
Class G income	11 January 2023
Class I accumulation	11 January 2023
Class I income	11 January 2023
Class Z accumulation	11 January 2023
Class Z income	11 January 2023

There were no share classes closed during the period.

## 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 period, except for expenses that are explicitly excluded by regulation.

	<b>2023</b>	<b>Estimated OCF from 11 January 2023<sup>1</sup></b>
	<b>%</b>	<b>%</b>
<b>Class G accumulation<sup>2</sup></b>	0.80	0.80
<b>Class G income<sup>2</sup></b>	0.80	0.80
<b>Class I accumulation<sup>2</sup></b>	0.93	0.93
<b>Class I income<sup>2</sup></b>	0.93	0.93
<b>Class Z accumulation<sup>2</sup></b>	0.15	0.15
<b>Class Z income<sup>2</sup></b>	0.15	0.15

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

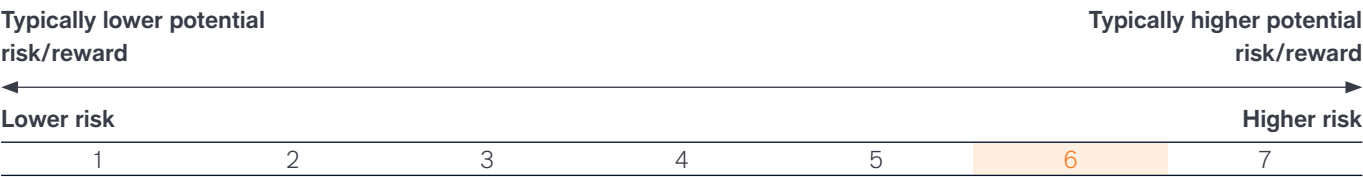
<sup>1</sup> The estimated ongoing charge based on the annual fee rates from 11 January 2023.

<sup>2</sup> The fund launched on 11 January 2023.

# Risk and reward profile

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

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



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

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

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

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

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

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

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

\* All the share classes launched on 11 January 2023. As these share classes do not have a five year history, a synthetic history has been created using the fund's relevant sector average.

## Portfolio statement as at 31 October 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 97.94%</b>		
	<b>Australia 4.00%</b>		
	<b>Real Estate 4.00%</b>		
34,766	Goodman	375	1.50
348,738	Mirvac	332	1.33
231,616	Scentre	290	1.17
		<u>997</u>	<u>4.00</u>
	<b>Belgium 1.63%</b>		
	<b>Real Estate 1.63%</b>		
4,000	Aedifica	179	0.72
3,400	VGP	228	0.91
		<u>407</u>	<u>1.63</u>
	<b>Canada 2.29%</b>		
	<b>Health Care 2.29%</b>		
94,763	Chartwell Retirement Residences	<u>571</u>	<u>2.29</u>
	<b>Germany 2.06%</b>		
	<b>Real Estate 2.06%</b>		
2,939	LEG Immobilien	151	0.60
19,224	Vonovia	363	1.46
		<u>514</u>	<u>2.06</u>
	<b>Hong Kong 3.82%</b>		
	<b>Real Estate 3.82%</b>		
48,000	CK Asset	197	0.79
56,780	Link REIT	214	0.86
38,000	Sun Hung Kai Properties	322	1.29
138,000	Swire Properties	220	0.88
		<u>953</u>	<u>3.82</u>
	<b>Japan 10.23%</b>		
	<b>Real Estate 10.23%</b>		
322	Industrial & Infrastructure Fund Investment	237	0.95
804	Japan Hotel REIT Investment	300	1.21
459	Japan Metropolitan Fund Investment REIT	243	0.97
364	Kenedix Office REIT	312	1.25
53,800	Mitsui Fudosan	950	3.81
325	Orix JREIT	306	1.23
245	United Urban Investment	203	0.81
		<u>2,551</u>	<u>10.23</u>
	<b>Netherlands 0.86%</b>		
	<b>Real Estate 0.86%</b>		
17,953	CTP	<u>215</u>	<u>0.86</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Singapore 3.33%</b>		
	<b>Real Estate 3.33%</b>		
242,900	CapitaLand Ascendas REIT	378	1.51
147,700	CapitaLand Investment	261	1.05
308,800	Fraser's Logistics & Commercial Trust	191	0.77
		<u>830</u>	<u>3.33</u>
	<b>Spain 2.00%</b>		
	<b>Communication Services 0.87%</b>		
9,056	Cellnex Telecom	<u>218</u>	<u>0.87</u>
	<b>Real Estate 1.13%</b>		
41,307	Merlin Properties SOCIMI	<u>283</u>	<u>1.13</u>
	<b>Sweden 0.67%</b>		
	<b>Real Estate 0.67%</b>		
48,000	Fastighets AB Balder 'B'	<u>167</u>	<u>0.67</u>
	<b>United Kingdom 4.94%</b>		
	<b>Real Estate 4.94%</b>		
49,000	British Land	146	0.59
42,500	Helical	82	0.33
25,347	Safestore	173	0.70
60,000	Segro	428	1.72
26,969	UNITE	234	0.94
34,952	Workspace REIT	<u>168</u>	<u>0.66</u>
		<u>1,231</u>	<u>4.94</u>
	<b>United States 62.11%</b>		
	<b>Real Estate 62.11%</b>		
17,082	Agree Realty	787	3.15
19,110	American Homes 4 Rent	515	2.06
43,190	Americold Realty Trust	933	3.74
46,345	Brixmor Property	794	3.18
11,554	Camden Property Trust REIT	808	3.24
9,350	CBRE 'A'	534	2.14
2,967	Equinix REIT	1,784	7.15
48,558	Healthpeak Properties REIT	622	2.50
23,085	National Retail Properties	691	2.77
26,171	Prologis REIT	2,171	8.70
60,593	Sabra Health Care REIT	681	2.73
68,362	SITE Centers	656	2.63
25,651	Spirit Realty Capital	761	3.05
28,554	STAG Industrial	782	3.14
27,580	UDR REIT	723	2.90

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Real Estate</b> (continued)		
50,995	VICI Properties	1,172	4.70
15,673	Welltower REIT	1,080	4.33
		<u>15,494</u>	<u>62.11</u>
	<b>Investment assets</b>	<b>24,431</b>	<b>97.94</b>
	Other net assets	515	2.06
	<b>Total net assets</b>	<b>24,946</b>	<b>100.00</b>

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

The classification is based on the country of risk and a relevant industry classification.

## Statement of total return for the period 11 January 2023 to 31 October 2023

		11/01/23 - 31/10/23	
	Note	£000	£000
Income			
Net capital losses	2		(1,602)
Revenue	3	198	
Expenses	4	(53)	
Net revenue before taxation		145	
Taxation	5	(26)	
Net revenue after taxation			119
Total return before distributions			(1,483)
Distributions	6		(119)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(1,602)</b>

## Statement of change in net assets attributable to shareholders

for the period 11 January 2023 to 31 October 2023

	11/01/23 - 31/10/23	
	£000	£000
<b>Opening net assets attributable to shareholders*</b>		-
Amounts receivable on issue of shares	26,467	
Amounts payable on cancellation of shares	-	
		26,467
Dilution adjustment		34
Change in net assets attributable to shareholders from investment activities		(1,602)
Retained distributions on accumulation shares		47
<b>Closing net assets attributable to shareholders</b>		<b>24,946</b>

\* The fund launched on 11 January 2023.

## Balance sheet

as at 31 October 2023

	Note	31/10/23 £000
<b>Assets:</b>		
Investments		24,431
Current assets:		
Debtors	7	35
Cash and bank balances	8	572
<b>Total assets</b>		<b>25,038</b>
<b>Liabilities:</b>		
Deferred tax liability	5c	2
Creditors:		
Distributions payable		72
Other creditors	9	18
<b>Total liabilities</b>		<b>92</b>
<b>Net assets attributable to shareholders</b>		<b>24,946</b>



## Notes to the financial statements for the period 11 January 2023 to 31 October 2023

### 1 Accounting policies

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

### 2 Net capital losses

Net capital losses on investments during the period comprise:

	11/01/23 - 31/10/23 £000
Forward currency contracts	50
Non-derivative securities	(1,675)
Other currency gains	28
Transaction costs	(5)
<b>Net capital losses</b>	<b>(1,602)</b>

### 3 Revenue

	11/01/23 - 31/10/23 £000
Bank interest	7
Overseas dividends	23
Overseas REIT revenue	153
Stock dividends	3
UK REIT revenue - PID	9
UK REIT revenue - non PID	3
<b>Total revenue</b>	<b>198</b>

### 4 Expenses

	11/01/23 - 31/10/23 £000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>	
Annual management charge	47
GAC*	5
	<b>52</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>	
Depositary fees	1
	<b>1</b>
<b>Other expenses:</b>	
Professional fees	2
	<b>2</b>
<b>Total expenses</b>	<b>55</b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £11,052, however, as the GAC charge is lower than the audit fee, the GAC does not fully recompense the ACD for this and certain other expenses charged to the fund.

## Notes to the financial statements (continued)

### 5 Taxation

#### a) Analysis of charge in the period

The tax charge comprises:

	11/01/23 - 31/10/23 £000
<b>Current tax</b>	
Corporation tax	16
Deferred tax (note 5c)	7
Double tax relief	(16)
Double tax relief on deferred tax items (note 5c)	(5)
Overseas withholding tax	24
<b>Total tax (note 5b)</b>	<b>26</b>

#### b) Factors affecting tax charge for period

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

	11/01/23 - 31/10/23 £000
Net revenue before taxation	145
Corporation tax at 20%	29
Effects of:	
Double tax relief	(21)
Overseas dividends	(4)
Overseas withholding tax	24
Stock dividends	(1)
UK dividends	(1)
<b>Tax charge for the period (note 5a)</b>	<b>26</b>

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

	11/01/23 - 31/10/23 £000
Deferred tax charge for period (note 5a)	7
Double tax relief on deferred tax items (note 5a)	(5)
<b>Provision at end of period</b>	<b>2</b>

#### d) Factors that may affect future tax charges

There were no factors that may affect future tax charges at the current period end.

## Notes to the financial statements (continued)

### 6 Distributions

	11/01/23 - 31/10/23 £000
Final income	72
Final accumulation	47
<b>Total distributions</b>	<b>119</b>

Details of the distribution per share are set out in the Distribution table on page 124.

### 7 Debtors

	31/10/23 £000
Accrued revenue	32
Reimbursement of other expenses payment	2
<b>Total debtors</b>	<b>34</b>

### 8 Cash and bank balances

	31/10/23 £000
Cash and bank balances	572
<b>Total cash and bank balances</b>	<b>572</b>

### 9 Other creditors

	31/10/23 £000
Accrued annual management charge	15
Accrued other expenses	3
<b>Total other creditors</b>	<b>18</b>

### 10 Contingent liabilities and commitments

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

### 11 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 115 and 116 and notes 4 and 9 on pages 117 to 119 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

Fundsettle EOC Nominees Limited, as a material shareholder, is a related party holding shares comprising 76.46% of the total net assets of the fund as at the period end.

## Notes to the financial statements (continued)

### 12 Shareholders' funds

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

	31/10/23 %
Class G	0.65
Class I	0.75
Class Z <sup>1</sup>	0.00

<sup>1</sup> 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 104 to 109. The distribution per share class is given in the Distribution table on page 124. All share classes have the same rights on winding up.

#### Shares reconciliation as at 31 October 2023

	Class G accumulation	Class G income	Class I accumulation	Class I income
Opening number of shares	-	-	-	-
Issues during the period	1,252,000	2,988,111	23,357,010	1,253,149
Cancellations during the period	-	-	-	(267)
<b>Closing shares in issue</b>	<b>1,252,000</b>	<b>2,988,111</b>	<b>23,357,010</b>	<b>1,252,882</b>

	Class Z accumulation	Class Z income
Opening number of shares	-	-
Issues during the period	2,000	2,000
Cancellations during the period	-	-
<b>Closing shares in issue</b>	<b>2,000</b>	<b>2,000</b>

### 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 October 2023.

### 2023

The fund had no exposure to derivatives as at 31 October 2023.

## Notes to the financial statements (continued)

### 14 Risk

#### Currency risk

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

	Investment assets £000	Other net assets £000	Total net assets £000
<b>2023</b>			
<b>Currency</b>			
Australian dollar	997	-	997
Canadian dollar	571	3	574
Euro	1,637	1	1,638
Hong Kong dollar	953	-	953
Japanese yen	2,551	12	2,563
Singapore dollar	830	-	830
Swedish krona	167	-	167
UK sterling	1,231	473	1,704
US dollar	15,494	26	15,520
<b>Total</b>	<b>24,431</b>	<b>515</b>	<b>24,946</b>

#### Sensitivity analysis

The net foreign currency assets held by the fund at the period end were £23,241,576. 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 period and the period end net assets by £2,324,158.

#### Interest rate risk

The fund's exposure to interest rate risk is considered insignificant.

#### 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 period.

#### 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
<b>2023</b>				
Deferred tax liability	-	2	-	-
Distribution payable	-	72	-	-
Other creditors	-	18	-	-
<b>Total</b>	<b>-</b>	<b>92</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements (continued)

### 15 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

#### Fair value hierarchy

	31/10/23	
	Assets	Liabilities
	£000	£000
Level 1	24,431	-
Level 2	-	-
Level 3	-	-
	<u>24,431</u>	<u>-</u>

## Notes to the financial statements (continued)

### 16 Direct transaction costs

	<b>Purchases</b> 11/01/23 - 31/10/23 £000	<b>Sales</b> 11/01/23 - 31/10/23 £000
<b>Trades in the period</b>		
Equities	30,219	4,123
<b>Trades in the period before transaction costs</b>	<b>30,219</b>	<b>4,123</b>
<b>Transaction costs</b>		
<b>Commissions</b>		
Equities	16	2
<b>Total commissions</b>	<b>16</b>	<b>2</b>
<b>Taxes</b>		
Equities	9	-
<b>Total taxes</b>	<b>9</b>	<b>-</b>
<b>Other expenses</b>		
Equities	2	-
<b>Total other expenses</b>	<b>2</b>	<b>-</b>
<b>Total transaction costs</b>	<b>27</b>	<b>2</b>
<b>Total net trades in the period after transaction costs</b>	<b>30,246</b>	<b>4,121</b>

	<b>Purchases</b> 11/01/23 - 31/10/23 %	<b>Sales</b> 11/01/23 - 31/10/23 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>		
<b>Commissions</b>		
Equities	0.05	0.05
<b>Taxes</b>		
Equities	0.03	-
<b>Other expenses</b>		
Equities	0.01	-

	<b>11/01/23 - 31/10/23</b> %
<b>Total transaction costs expressed as a percentage of net asset value</b>	
Commissions	0.21
Taxes	0.11
Other expenses	0.02
<b>Total costs</b>	<b>0.34</b>

There were no in specie transfers during the period. There were corporate actions during the period of £716.

There were no direct transaction costs associated with derivatives in the period.

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

The portfolio dealing spread as at 31 October 2023 was 0.20%. The portfolio dealing spread is calculated at a 12 noon valuation point.

### 17 Events after the Balance sheet date

As at 23 January 2024, the NAV of the fund is £27,541,723 which is an increase of 10.40% from the Balance sheet date. The increase in NAV is due to net inflows in the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

## Distribution table for the period 11 January 2023 to 31 October 2023 (in pence per share)

### Final dividend distribution (accounting date 31 October 2023, paid on 29 December 2023)

Group 1: shares purchased prior to 11 January 2023

Group 2: shares purchased on or after 11 January 2023

	Distribution per share	Total distribution per share 29/12/23
<b>Class G accumulation</b>		
Group 1	1.7211	1.7211
Group 2	1.7211	1.7211
<b>Class G income</b>		
Group 1	1.7106	1.7106
Group 2	1.7106	1.7106
<b>Class I accumulation</b>		
Group 1	0.1106	0.1106
Group 2	0.1106	0.1106
<b>Class I income</b>		
Group 1	1.6413	1.6413
Group 2	1.6413	1.6413
<b>Class Z accumulation</b>		
Group 1	2.1735	2.1735
Group 2	2.1735	2.1735
<b>Class Z income</b>		
Group 1	2.1735	2.1735
Group 2	2.1735	2.1735



# Janus Henderson Global Technology Leaders Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Alison Porter, Graeme Clark and Richard Clode

### Investment objective and policy

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

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

The fund invests at least 90% of its assets in a concentrated portfolio of shares (also known as equities) of companies, of any size, which are technology-related or derive profits from technology, in any country. The portfolio may be concentrated in terms of its number of holdings and/or the size of its largest holdings. The fund may also invest in other assets including cash. The Investment Manager may use derivatives (complex financial instruments) to reduce risk or to manage the fund more efficiently.

The fund is actively managed with reference to the MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index, which is broadly representative of the companies in which it may invest, as this forms the basis of the fund's performance target. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

### Strategy

The Investment Manager seeks to identify undervalued growth companies where the scale or persistence of earnings growth is underappreciated by the market. The strategy looks to invest pro-actively in the long term drivers of technology adoptions and disruptions - navigating the hype cycle by focusing on companies with high quality management and strong barriers to entry at a reasonable price (i.e. the companies that are considered by the Investment Manager to be 'leaders').

### Performance summary

#### Cumulative performance

	One year 31 Oct 22 - 31 Oct 23 %	Three years 31 Oct 20 - 31 Oct 23 %	Five years 31 Oct 18 - 31 Oct 23 %	Since inception 8 Oct 84 - 31 Oct 23 %
<b>Class I accumulation (Net)</b>	20.0	20.0	93.8	15,980.9
<b>MSCI ACWI Information Technology Index + MSCI ACWI Communications Services Index</b>	20.0	32.7	97.5	-*
<b>IA Technology and Technology Innovations Sector</b>	14.8	15.2	87.1	5,635.9

Performance/performance target related data will display only when relevant to the fund/share class inception date and the annualised target time period.

#### Discrete performance

	31 Oct 22 - 31 Oct 23 %	31 Oct 21 - 31 Oct 22 %	31 Oct 20 - 31 Oct 21 %	31 Oct 19 - 31 Oct 20 %	31 Oct 18 - 31 Oct 19 %
<b>Class I accumulation (Net)</b>	20.0	(20.5)	25.7	34.3	20.3
<b>MSCI ACWI Information Technology Index + MSCI ACWI Communications Services Index</b>	20.0	(16.6)	32.5	27.6	16.7
<b>IA Technology and Technology Innovations Sector</b>	14.8	(22.5)	29.5	36.2	19.2

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

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

Source: Morningstar

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

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

Benchmark values are as at close of business.

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

### Benchmark usage:

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

Index usage: Target

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

Peer group: IA Technology and Technology Innovations Sector

Peer group usage: Comparator

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

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

## Significant portfolio changes for the year ended 31 October 2023

Largest purchases	£000	Largest sales	£000
Amazon.com	25,558	Apple	31,338
Micron Technology	19,436	ASML	23,318
Advanced Micro Devices	19,426	T-Mobile USA	19,347
Marvell Technology	17,246	Alphabet 'A'	18,262
Lam Research	15,242	Microsoft	14,399
Trip.com ADR	15,069	Booking	13,800
GE HealthCare Technologies	14,740	Adyen	13,786
Alphabet 'A'	14,704	Capgemini	13,323
Arista Networks	12,225	NXP Semiconductors	13,118
Workday 'A'	11,664	Zebra Technologies 'A'	12,354
<b>Total purchases</b>	<b>355,266</b>	<b>Total sales</b>	<b>446,591</b>

### Investment review

The fund returned 20.0% based on Class I accumulation (Net) over the year under review, compared with a return of 20.0% in the MSCI ACWI Information Technology Index + MSCI ACWI Communications Services Index and a return of 14.8% in the IA Technology and Technology Innovations Sector peer group benchmark.

Approaching 2023, a combination of normalising supply chains, reduced earnings expectations, more attractive valuations, particularly for large caps, and excitement around artificial intelligence (AI) reignited interest in the technology sector and led to its strong performance during the reporting year. Nvidia's consistently stellar results provided a further boost. This fuelled the market appetite for technology stocks, with exposure to AI helping semiconductor companies perform particularly strongly. The overall outperformance of technology stocks remained largely concentrated in the so-called mega caps, given the strength of their balance sheets, higher exposure to AI and relatively low earnings expectations entering the reporting year.

The fund's active underweight position in Apple contributed to performance after the company issued guidance that was below market expectations. In addition, Huawei Technologies' surprise development of a new high-end smartphone in China elevated concerns that Apple faced increased competition in one of its major markets. Nvidia was a tailwind to performance thanks to a surge in demand for its graphics processing units (GPUs) that are fundamental to running generative AI models. Its GPUs have also become increasingly important to meet the need for accelerated computing within data centres. Jabil contributed to performance after it outlined how it expected to benefit from higher margin growth from electric vehicles, digital healthcare and AI data centre infrastructure. In addition, the sale of its lower margin mobility business will fund a materially significant share buyback. BE Semiconductor Industries benefited from rising demand for its hybrid bonding technology and increased interest in AI.

Impinj detracted from returns as stocks were drawn down within its retail end market while the ramp-up of large radio frequency identification projects has been slower than expected. Marvell Technology was a headwind to performance as customers across storage, enterprise networking and telecommunication equipment materially reduced inventories. Match was a detractor as the company's guidance for new subscribers in 2023 underwhelmed market expectations. GE HealthCare Technologies weighed on performance following an anti-corruption campaign across healthcare in China, one of the company's key growth markets.

We initiated a number of positions across our key themes, including next-generation infrastructure (Keysight Technologies, Lam Research, Micron Technology and Pure Storage), productivity and automation (Advanced Micro Devices, GE HealthCare Technologies, Veeva Systems and Workday) and internet 3.0 (MercadoLibre, Trip.com and Universal Music). We exited positions in line with the valuation discipline of our strategy or where we saw more attractive risk/reward opportunities elsewhere.

Underappreciated earnings continue to be the most significant driver of returns for the technology sector. We expect that there will be more focus on infrastructure spending to support AI, and a continued push towards electrification, driven by both government support and consumer appeal across all regions. Combined with the significant job cuts witnessed across the technology sector over the latter part of 2022, we think this could drive stronger profitability growth over the remainder of 2023. However, we remain mindful of the ongoing risks of a slowing global economy.

While the economic reopening phase in China has been disappointing in terms of growth, we continue to believe that Chinese internet companies are better positioned for profit margin expansion this year. However, the fund's exposure to China remains modest given the ongoing impact of geopolitical tensions on company share prices. As technology fund managers, we are excited by the potential for generative AI to underpin the next major technology wave, further accelerate digital transformation and generate future investment opportunities. As ever, we remain vigilant of the hype cycle around AI. Following the market falls of 2022, valuations for the sector have moved back to a significant premium to broader equities. We view this as justified for the mega caps given their above-average earnings visibility. However, as economic growth slows, with an unlikely return to extremely low borrowing costs, we continue to see vulnerability among stocks with the weakest balance sheets and most extended expectations and valuations. We continue to invest in companies where we see underappreciated earnings power – underappreciated in terms of strength and sustainability or growth but also in terms of what the valuation might already reflect.

We remain focused on the global technology leaders of today and companies with the potential to be the leaders of tomorrow. We believe the fund remains well positioned to benefit from the next wave of AI, coupled with the next-generation infrastructure it requires and the process automation and new digital experiences (internet 3.0) it will facilitate. Our investment process gravitates towards high-quality technology companies, and we remain consistent in applying our unique approach of navigating the hype cycle, applying valuation discipline, and identifying attractive growth/valuation combinations. We will continue to engage proactively with the companies we hold on their role in being responsible disruptors and generating value for all stakeholders.

## Comparative tables for the year ended 31 October 2023

	Class A accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	2,656.74	3,433.17	2,699.48
Return before operating charges*	622.89	(723.16)	789.89
Operating charges	(52.08)	(53.27)	(56.20)
Return after operating charges*	570.81	(776.43)	733.69
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	3,227.55	2,656.74	3,433.17
* after direct transaction costs of:	0.49	1.43	1.15

### Performance

Return after charges	21.49%	(22.62%)	27.18%
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### Other information

Closing net asset value (£000s)	193,237	198,887	282,842
Closing number of shares	5,987,125	7,486,121	8,238,501
Operating charges	1.73%	1.75%	1.79%
Direct transaction costs	0.02%	0.05%	0.04%

### Prices

Highest share price (pence)	3,399.00	3,627.00	3,466.00
Lowest share price (pence)	2,532.00	2,565.00	2,702.00

	Class E accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	2,701.48	3,473.50	2,717.57
Return before operating charges*	634.86	(733.79)	796.74
Operating charges	(37.93)	(38.23)	(40.81)
Return after operating charges*	596.93	(772.02)	755.93
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	3,298.41	2,701.48	3,473.50
* after direct transaction costs of:	0.50	1.45	1.16

### Performance

Return after charges	22.10%	(22.23%)	27.82%
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### Other information

Closing net asset value (£000s)	98,336	82,612	109,672
Closing number of shares	2,981,314	3,058,019	3,157,397
Operating charges	1.23%	1.24%	1.29%
Direct transaction costs	0.02%	0.05%	0.04%

### Prices

Highest share price (pence)	3,472.00	3,671.00	3,504.00
Lowest share price (pence)	2,577.00	2,607.00	2,720.00

## Comparative tables (continued)

	Class I accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	3,114.86	3,989.41	3,107.53
Return before operating charges*	733.00	(844.33)	912.90
Operating charges	(30.26)	(30.22)	(31.02)
Return after operating charges*	702.74	(874.55)	881.88
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	3,817.60	3,114.86	3,989.41
* after direct transaction costs of:	0.57	1.67	1.33
<b>Performance</b>			
Return after charges	22.56%	(21.92%)	28.38%
<b>Other information</b>			
Closing net asset value (£000s)	732,659	637,055	931,987
Closing number of shares	19,191,638	20,452,083	23,361,533
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.02%	0.05%	0.04%
<b>Prices</b>			
Highest share price (pence)	4,018.00	4,218.00	4,022.00
Lowest share price (pence)	2,973.00	3,006.00	3,111.00

## Comparative tables (continued)

	Class Z accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	566.07	719.33	555.96
Return before operating charges*	88.27	(152.81)	163.83
Operating charges	(0.24)	(0.45)	(0.46)
Return after operating charges*	88.03	(153.26)	163.37
Distributions on accumulation shares	-	(3.62)	(3.25)
Retained distributions on accumulation shares	-	3.62	3.25
Final cancellation	(654.10) <sup>1</sup>	-	-
Closing net asset value per share	-	566.07	719.33
* after direct transaction costs of:	0.10	0.30	0.24
<b>Performance</b>			
Return after charges	15.55% <sup>2</sup>	(21.31%)	29.39%
<b>Other information</b>			
Closing net asset value (£000s)	-	8	11
Closing number of shares	-	1,500	1,500
Operating charges	0.07%	0.07%	0.07%
Direct transaction costs	0.02%	0.05%	0.04%
<b>Prices</b>			
Highest share price (pence)	654.10 <sup>3</sup>	761.20	724.30
Lowest share price (pence)	541.00 <sup>3</sup>	546.10	556.60

<sup>1</sup> Class Z accumulation closed on 18 May 2023.

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

<sup>3</sup> to 18 May 2023.

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

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

### Operating charges

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

### Share class launches and closures

There were no share classes launched during the year.

The following share class closed during the year:

Share class	Closure date
Class Z accumulation	18 May 2023

## Ongoing charge figure

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

	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
<b>Class A accumulation</b>	1.73	1.75 <sup>2</sup>
<b>Class E accumulation</b>	1.23	1.24 <sup>2</sup>
<b>Class I accumulation</b>	0.85	0.85
<b>Class Z accumulation<sup>1</sup></b>	n/a	0.07

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

<sup>1</sup> Class Z accumulation closed on 18 May 2023.

<sup>2</sup> The OCF is a blended rate reflecting the new GAC rate which took effect from 1 January 2022.

## Risk and reward profile

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

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



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

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

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

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

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

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

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

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



## Portfolio statement as at 31 October 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 97.85% (2022: 96.85%)</b>		
	<b>Brazil 0.92% (2022: 0.00%)</b>		
	<b>Consumer Discretionary 0.92% (2022: 0.00%)</b>		
9,179	MercadoLibre	9,387	0.92
	<b>Canada 1.12% (2022: 2.00%)</b>		
	<b>Communication Services 0.00% (2022: 0.81%)</b>		
	<b>Information Technology 1.12% (2022: 1.19%)</b>		
6,990	Constellation Software	11,526	1.12
7,357	Constellation Software (Warrants 31/03/2040) <sup>1</sup>	-	-
		11,526	1.12
	<b>China 5.47% (2022: 3.56%)</b>		
	<b>Communication Services 2.56% (2022: 2.02%)</b>		
861,400	Tencent	26,219	2.56
	<b>Consumer Discretionary 2.91% (2022: 1.54%)</b>		
1,896,460	Alibaba	15,979	1.56
495,135	Trip.com ADR	13,873	1.35
		29,852	2.91
	<b>France 0.00% (2022: 1.41%)</b>		
	<b>Information Technology 0.00% (2022: 1.41%)</b>		
	<b>Germany 1.15% (2022: 1.64%)</b>		
	<b>Information Technology 1.15% (2022: 1.64%)</b>		
493,325	Infineon Technologies	11,791	1.15
	<b>Netherlands 1.52% (2022: 5.00%)</b>		
	<b>Communication Services 0.81% (2022: 0.00%)</b>		
413,260	Universal Music	8,315	0.81
	<b>Information Technology 0.71% (2022: 5.00%)</b>		
85,449	BE Semiconductor Industries	7,237	0.71
	<b>Spain 0.00% (2022: 1.18%)</b>		
	<b>Communication Services 0.00% (2022: 1.18%)</b>		
	<b>Switzerland 0.00% (2022: 1.63%)</b>		
	<b>Information Technology 0.00% (2022: 1.63%)</b>		
	<b>Taiwan 3.28% (2022: 2.87%)</b>		
	<b>Information Technology 3.28% (2022: 2.87%)</b>		
1,816,000	Taiwan Semiconductor Manufacturing	24,362	2.38
129,175	Taiwan Semiconductor Manufacturing ADS	9,193	0.90
		33,555	3.28

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>United States 84.39% (2022: 77.56%)</b>			
<b>Communication Services 15.21% (2022: 13.24%)</b>			
480,558	Alphabet 'A'	49,119	4.79
339,027	Alphabet 'C'	34,999	3.42
125,681	Match	3,582	0.35
210,291	Meta	52,203	5.10
46,720	Netflix	15,851	1.55
		<u>155,754</u>	<u>15.21</u>
<b>Consumer Discretionary 5.33% (2022: 4.54%)</b>			
409,102	Amazon.com	44,850	4.38
136,024	Aptiv	9,780	0.95
		<u>54,630</u>	<u>5.33</u>
<b>Financials 6.27% (2022: 1.01%)</b>			
69,534	Fiserv	6,518	0.64
72,990	MasterCard	22,627	2.21
30,157	S&P Global	8,678	0.85
136,098	Visa	26,357	2.57
		<u>64,180</u>	<u>6.27</u>
<b>Health Care 1.86% (2022: 0.00%)</b>			
187,907	GE HealthCare Technologies	10,309	1.00
55,280	Veeva Systems	8,781	0.86
		<u>19,090</u>	<u>1.86</u>
<b>Industrials 2.80% (2022: 2.53%)</b>			
802,565	Uber Technologies	<u>28,632</u>	<u>2.80</u>
<b>Information Technology 52.92% (2022: 55.22%)</b>			
47,137	Adobe	20,668	2.02
216,825	Advanced Micro Devices	17,600	1.72
111,868	Ambarella	4,147	0.41
67,382	Amdocs	4,449	0.43
278,349	Apple	39,168	3.82
92,472	Arista Networks	15,273	1.49
72,173	CDW	11,912	1.16
362,610	Dropbox 'A'	7,856	0.77
372,234	Flex	7,890	0.77
114,581	Impinj	6,092	0.59
39,496	Intuit	16,096	1.57
109,094	Jabil	11,040	1.08
84,386	Keysight Technologies	8,489	0.83
31,699	Lam Research	15,357	1.50
554,510	Marvell Technology	21,578	2.11
380,488	Micron Technology	20,965	2.05
366,211	Microsoft	102,030	9.96
217,968	Nvidia	73,218	7.15
88,005	Palo Alto Networks	17,619	1.72
228,266	Pure Storage	6,360	0.62
189,968	Qualcomm	17,063	1.67
29,775	Roper Technologies	11,984	1.17

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Information Technology</b> (continued)			
128,187	Salesforce	21,215	2.07
39,149	ServiceNow	18,771	1.83
37,156	Synopsys	14,374	1.40
157,744	TE Connectivity	15,307	1.49
41,877	Universal Display	4,802	0.47
61,424	Workday 'A'	10,717	1.05
		<u>542,040</u>	<u>52.92</u>
<b>Real Estate 0.00% (2022: 1.02%)</b>			
	<b>Investment assets</b>	<u><b>1,002,208</b></u>	<u><b>97.85</b></u>
	Other net assets	<u>22,024</u>	<u>2.15</u>
	<b>Total net assets</b>	<u><b>1,024,232</b></u>	<u><b>100.00</b></u>

<sup>1</sup> Due to rounding to nearest £1,000

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

## Statement of total return for the year ended 31 October 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		203,861		(269,484)
Revenue	3	6,615		8,245	
Expenses	4	(10,566)		(12,023)	
Net expense before taxation		(3,951)		(3,778)	
Taxation	5	(625)		(1,237)	
Net expense after taxation			(4,576)		(5,015)
Total return before distributions			199,285		(274,499)
Distributions	6		-		-
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>199,285</b>		<b>(274,499)</b>

## Statement of change in net assets attributable to shareholders

for the year ended 31 October 2023

		2023		2022	
		£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>			<b>918,562</b>		<b>1,324,512</b>
Amounts receivable on issue of shares		146,249		185,623	
Amounts payable on cancellation of shares		(239,864)		(317,074)	
			(93,615)		(131,451)
Change in net assets attributable to shareholders from investment activities			199,285		(274,499)
Retained distributions on accumulation shares*			-		-
<b>Closing net assets attributable to shareholders</b>			<b>1,024,232</b>		<b>918,562</b>

\* Class Z accumulation made a distribution of nil (2022: £54).

## Balance sheet as at 31 October 2023

	Note	2023 £000	2022 £000
<b>Assets:</b>			
Investments		1,002,208	889,613
Current assets:			
Debtors	7	5,463	243
Cash and bank balances	8	20,650	32,050
<b>Total assets</b>		<b>1,028,321</b>	<b>921,906</b>
<b>Liabilities:</b>			
Creditors:			
Other creditors	9	4,089	3,344
<b>Total liabilities</b>		<b>4,089</b>	<b>3,344</b>
<b>Net assets attributable to shareholders</b>		<b>1,024,232</b>	<b>918,562</b>

## Notes to the financial statements for the year ended 31 October 2023

### 1 Accounting policies

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

### 2 Net capital gains/(losses)

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

	2023 £000	2022 £000
Forward currency contracts	20	(5)
Non-derivative securities	203,956	(269,610)
Other currency (losses)/gains	(112)	134
Transaction costs	(3)	(3)
<b>Net capital gains/(losses)</b>	<b>203,861</b>	<b>(269,484)</b>

### 3 Revenue

	2023 £000	2022 £000
Bank interest	903	232
Overseas dividends	5,712	7,912
Overseas REIT revenue	-	101
<b>Total revenue</b>	<b>6,615</b>	<b>8,245</b>

### 4 Expenses

	2023 £000	2022 £000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	9,194	10,409
GAC*	1,275	1,480
	10,469	11,889
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	47	53
Safe custody fees	46	81
	93	134
<b>Other expenses:</b>		
Professional fees	4	-
	4	-
<b>Total expenses</b>	<b>10,566</b>	<b>12,023</b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £11,051 (2022: £9,956).

## Notes to the financial statements (continued)

### 5 Taxation

#### a) Analysis of charge in the year

The tax charge comprises:

	2023 £000	2022 £000
<b>Current tax</b>		
Overseas withholding tax	625	1,237
<b>Total tax (note 5b)</b>	<b>625</b>	<b>1,237</b>

#### b) Factors affecting tax charge for year

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

	2023 £000	2022 £000
Net expense before taxation	(3,951)	(3,778)
Corporation tax at 20% (2022: 20%)	(790)	(756)
Effects of:		
Double tax relief	-	(3)
Overseas dividends	(1,143)	(1,582)
Overseas withholding tax	625	1,237
Unused management expenses	1,933	2,341
<b>Tax charge for the year (note 5a)</b>	<b>625</b>	<b>1,237</b>

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

#### c) Deferred tax

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

#### d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £32,146,582 (2022: £30,214,040) 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

	2023 £000	2022 £000
Final accumulation*	-	-
<b>Total distributions</b>	<b>-</b>	<b>-</b>
Net expense after taxation	(4,576)	(5,015)
Revenue shortfall	4,576	5,015
<b>Total distributions</b>	<b>-</b>	<b>-</b>

Details of the distribution per share are set out in the Distribution table on page 145.

\* Class Z accumulation made a distribution of nil (2022: £54).

## Notes to the financial statements (continued)

### 7 Debtors

	2023 £000	2022 £000
Accrued revenue	40	118
Amounts receivable for issue of shares	4,329	-
Overseas withholding tax reclaimable	279	125
Sales awaiting settlement	815	-
<b>Total debtors</b>	<b>5,463</b>	<b>243</b>

### 8 Cash and bank balances

	2023 £000	2022 £000
Cash and bank balances	20,650	32,050
<b>Total cash and bank balances</b>	<b>20,650</b>	<b>32,050</b>

### 9 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	815	733
Accrued Depositary's fee	7	11
Accrued other expenses	122	112
Amounts payable for cancellation of shares	3,145	2,488
<b>Total other creditors</b>	<b>4,089</b>	<b>3,344</b>

### 10 Contingent liabilities and commitments

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

### 11 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 136 and 137 and notes 4, 7 and 9 on pages 138 to 140 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

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



## Notes to the financial statements (continued)

### 12 Shareholders' funds

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

	2023 %	2022 %
Class A	1.50	1.50
Class E	1.00	1.00
Class I	0.75	0.75
Class Z <sup>1,2</sup>	n/a	0.00

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

<sup>2</sup> Class Z accumulation closed on 18 May 2023.

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 128 to 130. The distribution per share class is given in the Distribution table on page 145. All share classes have the same rights on winding up.

#### Shares reconciliation as at 31 October 2023

	Class A accumulation	Class E accumulation	Class I accumulation	Class Z accumulation
Opening number of shares	7,486,121	3,058,019	20,452,083	1,500
Issues during the year	603,657	28,180	3,574,591	-
Cancellations during the year	(978,916)	(172,055)	(5,732,381)	(1,500)
Shares converted during the year	(1,123,737)	67,170	897,345	-
<b>Closing shares in issue</b>	<b>5,987,125</b>	<b>2,981,314</b>	<b>19,191,638</b>	<b>-</b>

### 13 Financial derivatives

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

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

There was no collateral pledged or collateral held in respect of forward foreign exchange contracts as at 31 October 2023 (2022: nil).

The fund had cash assets of nil (2022: nil) and cash liabilities of nil (2022: nil) held in margin accounts at derivative clearing houses and brokers as at 31 October 2023.

#### 2023

The fund had no exposure to derivatives as at 31 October 2023.

#### 2022

The fund had no exposure to derivatives as at 31 October 2022.

## Notes to the financial statements (continued)

### 14 Risk

#### Currency risk

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

	Investment assets £000	Other net assets £000	Total net assets £000
<b>2023</b>			
<b>Currency</b>			
Canadian dollar	11,525	-	11,525
Euro	27,344	121	27,465
Hong Kong dollar	42,198	-	42,198
Korean won	-	119	119
Swedish krona	-	8	8
Taiwan dollar	24,362	-	24,362
UK sterling	-	20,896	20,896
US dollar	896,779	880	897,659
<b>Total</b>	<b>1,002,208</b>	<b>22,024</b>	<b>1,024,232</b>
		Other net assets/ (liabilities)	Total net assets
	£000	£000	£000
<b>2022</b>			
<b>Currency</b>			
Canadian dollar	18,351	-	18,351
Euro	73,296	92	73,388
Hong Kong dollar	32,678	-	32,678
Korean won	-	24	24
Swedish krona	-	8	8
Taiwan dollar	18,887	-	18,887
UK sterling	-	28,766	28,766
US dollar	746,401	59	746,460
<b>Total</b>	<b>889,613</b>	<b>28,949</b>	<b>918,562</b>

#### Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £1,003,336,457 (2022: £889,796,650). 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 £100,333,645 (2022: £88,979,655).

#### 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)

### 14 Risk (continued)

#### Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2023</b>				
Other creditors	-	4,089	-	-
<b>Total</b>	<b>-</b>	<b>4,089</b>	<b>-</b>	<b>-</b>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2022</b>				
Other creditors	-	3,344	-	-
<b>Total</b>	<b>-</b>	<b>3,344</b>	<b>-</b>	<b>-</b>

### 15 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

#### Fair value hierarchy

	<b>2023</b>		<b>2022</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	1,002,208	-	889,613	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	<b>1,002,208</b>	<b>-</b>	<b>889,613</b>	<b>-</b>

## Notes to the financial statements (continued)

### 16 Direct transaction costs

	Purchases		Sales	
	2023	2022	2023	2022
	£000	£000	£000	£000
<b>Trades in the year</b>				
Equities	355,203	482,709	446,689	641,500
<b>Trades in the year before transaction costs</b>	<b>355,203</b>	<b>482,709</b>	<b>446,689</b>	<b>641,500</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Equities	47	77	68	138
<b>Total commissions</b>	<b>47</b>	<b>77</b>	<b>68</b>	<b>138</b>
<b>Taxes</b>				
Equities	14	40	25	123
<b>Total taxes</b>	<b>14</b>	<b>40</b>	<b>25</b>	<b>123</b>
<b>Other expenses</b>				
Equities	2	50	5	98
<b>Total other expenses</b>	<b>2</b>	<b>50</b>	<b>5</b>	<b>98</b>
<b>Total transaction costs</b>	<b>63</b>	<b>167</b>	<b>98</b>	<b>359</b>
<b>Total net trades in the year after transaction costs</b>	<b>355,266</b>	<b>482,876</b>	<b>446,591</b>	<b>641,141</b>

	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.01	0.02	0.02	0.02
<b>Taxes</b>				
Equities	-	0.01	0.01	0.02
<b>Other expenses</b>				
Equities	-	0.01	-	0.02
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	0.02	0.02		
Taxes	-	0.01		
Other expenses	-	0.01		
<b>Total costs</b>	<b>0.02</b>	<b>0.04</b>		

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

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

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

The portfolio dealing spread as at 31 October 2023 was 0.04% (2022: 0.05%). The portfolio dealing spread is calculated at a 12 noon valuation point.

### 17 Events after the Balance sheet date

As at 23 January 2024, the NAV of the fund is £1,203,407,768 which is an increase of 17.49% from the Balance sheet date. The increase in NAV is due to net inflows in the fund. The movements are considered to be a non-adjusting post balance sheet event and therefore no adjustments to the financial statements were required as a result.

## Distribution table for the year ended 31 October 2023 (in pence per share)

### Final dividend distribution (accounting date 31 October 2023, paid on 29 December 2023)

Group 1: shares purchased prior to 1 November 2022

Group 2: shares purchased on or after 1 November 2022

	Distribution per share	Total distribution per share 29/12/23	Total distribution per share 30/12/22
<b>Class A accumulation</b>			
Group 1	-	-	-
Group 2	-	-	-
<b>Class E accumulation</b>			
Group 1	-	-	-
Group 2	-	-	-
<b>Class I accumulation</b>			
Group 1	-	-	-
Group 2	-	-	-
<b>Class Z accumulation<sup>1</sup></b>			
Group 1	n/a	n/a	3.6172
Group 2	n/a	n/a	3.6172

<sup>1</sup> Class Z accumulation closed on 18 May 2023.

# Janus Henderson Institutional Overseas Bond Fund

## Authorised Corporate Director's report

### Investment Fund Managers

Helen Anthony and Arjun Bhundari

Please note that from 1 November 2022 and 29 January 2023, Ales Koutny and Andrew Mulliner, respectively, no longer manage this fund. Helen Anthony and Arjun Bhundari now co-manage this fund.

### Investment objective and policy

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

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

The fund invests at least 80% of its assets in overseas (non-UK) bonds of any quality, including high yield (non-investment grade) bonds, issued by governments, public authorities and international organisations. The fund may also hold other assets including bonds of other types from any issuer and cash. The Investment Manager may use derivatives (complex financial instruments) to reduce risk or to manage the fund more efficiently.

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

### Strategy

The Investment Manager seeks to provide a return above that of the benchmark through investments in fixed and floating rate fixed income securities in any part of the world, except the UK. The managers invest primarily in bonds issued by governments, public authorities and international organisations and combine asset allocation views and macroeconomic research to seek out investment opportunities. Fixed income derivative strategies are also used to enhance returns and/or manage risk.

### Performance summary

#### Performance summary

	One year 31 Oct 22 - 31 Oct 23 %	Three years 31 Oct 20 - 31 Oct 23 %	Five years 31 Oct 18 - 31 Oct 23 %	Since inception 18 Mar 00* - 31 Oct 23 %
<b>Class I accumulation (Net)</b>	(7.3)	(18.4)	(5.2)	94.2
<b>JP Morgan Global Government Bond ex UK Index</b>	(5.5)	(18.6)	(6.2)	151.8
<b>IA Global Government Bond Sector**</b>	(2.5)	(16.7)***	(6.0)***	111.5***
<b>Class I accumulation (Gross)</b>	(6.8)	(17.0)	(2.6)	120.7
<b>JP Morgan Global Government Bond ex UK Index + 1%</b>	(4.6)	(16.2)	(1.4)	218.5

Discrete performance	31 Oct 22 - 31 Oct 23 %	31 Oct 21 - 31 Oct 22 %	31 Oct 20 - 31 Oct 21 %	31 Oct 19 - 31 Oct 20 %	31 Oct 18 - 31 Oct 19 %
<b>Class I accumulation (Net)</b>	(7.3)	(3.8)	(8.4)	6.9	8.6
<b>JP Morgan Global Government Bond ex UK Index</b>	(5.5)	(5.0)	(9.4)	6.1	8.7
<b>IA Global Government Bond Sector**</b>	(2.5)	(8.4)	(6.7)***	4.2**	6.6**
<b>Class I accumulation (Gross)</b>	(6.8)	(3.3)	(7.9)	7.5	9.1
<b>JP Morgan Global Government Bond ex UK Index + 1%</b>	(4.6)	(4.0)	(8.5)	7.1	9.8

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

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

\* The fund launched on 25 June 1993, however inception date refers to the date that performance data was available from.

\*\* From 19 April 2021, the fund Peer group benchmark changed from the IA Global Bonds Sector to the IA Global Government Bond Sector. Past performance before 19 April 2021 is shown for the previous Peer group benchmark.

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

Source: Morningstar

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

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

Benchmark values are as at close of business.

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

### Benchmark usage:

Index: JP Morgan Global Government Bond ex UK Index

Index usage: Target

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

Peer group: IA Global Government Bond Sector

Peer group usage: Comparator

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

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

## Significant portfolio changes for the year ended 31 October 2023

Largest purchases	£000	Largest sales/maturities	£000
US Treasury 4.125% 31/01/2025	6,301	Japan (Government of) 0.005% 01/06/2023	8,353
Germany (Federal Republic of) 2.30% 15/02/2033	5,009	China (People's Republic of) 2.68% 21/05/2030	7,130
Japan (Government of) 0.10% 20/06/2029	4,717	Spain (Kingdom of) 5.40% 31/01/2023	6,862
Japan (Government of) 0.01% 20/06/2027	2,322	Japan (Government of) 0.10% 10/03/2029 Index Linked	4,869
Italy (Republic of) 2.50% 01/12/2024	2,173	US Treasury 0.13% 31/03/2023	3,992
Spain (Kingdom of) 1.40% 30/04/2028	1,688	Germany (Federal Republic of) 0.00% 15/08/2029	3,270
US Treasury 2.75% 15/08/2032	1,226	Germany (Federal Republic of) 2.30% 15/02/2033	2,592
Germany (Federal Republic of) 0.00% 15/02/2032	1,116	Italy (Republic of) 0.95% 15/03/2023	2,180
US Treasury 2.00% 15/08/2051	924	Germany (Federal Republic of) 0.00% 15/02/2032	1,347
Japan (Government of) 0.80% 20/03/2046	751		
<b>Total purchases</b>	<b>27,496</b>	<b>Total sales/maturities</b>	<b>40,595</b>

All sales are included.

### Investment review

The fund fell 7.3% (Net), 6.8% (Gross) based on Class I accumulation over the year under review, compared with a fall of 5.5% in the JP Morgan Global Government Bond ex UK Index, a fall of 4.6% in the Target Index + 1% and a fall of 2.5% in the IA Global Government Bond Sector peer group benchmark.

Government bonds delivered negative returns during the reporting year. While much of the year was characterised by falling headline inflation in the US and Europe, government bond yields were volatile and ended up by 88 bps in the US, 66 bps in Germany and 70 bps in Japan. The 10-year Japanese government bond yield hit a decade high (ending at 0.95%), after the BoJ amended its yield curve control policy.

The fund and benchmark are currency unhedged. Sterling rose in value against the US dollar and Japanese yen during the year, which hindered the performance of overseas bonds in sterling terms.

Government bond markets performed well in the first half of the year, as investors anticipated slower interest rate increases from the Fed and ECB. In March, they benefited from the flight to safety after the failure of two US regional banks. However, from there, yields rose steadily as fears of a broader banking crisis subsided and the US economy performed robustly. These gains accelerated towards the end of the year and the 10-year US Treasury yield finished October at 4.9% as the US labour market remained remarkably resilient. Concerns about a global economic slowdown lingered, particularly with regard to the eurozone and China. Beijing lifted COVID-19 restrictions at the end of 2022, although the country's economic recovery underwhelmed investors.

The fund's overweight duration (interest rate sensitivity) position relative to the benchmark was the main detractor.

Early in the year, we took profits on the fund's exposure to Japanese inflation-linked debt. In addition, we closed the currency position that favoured the US dollar over Asian currencies, which proved prescient as the US dollar slumped into year end.

We continued to increase the fund's duration exposure on the expectation that bond yields had peaked and would reconnect to the weak economic growth momentum. Despite inflation continuing to cool and central banks reaching the end of their interest rate hiking cycles, the sharp steepening of the yield curve that occurred in the final three months of the year hurt relative performance. In particular, the fund's overweight allocations to the US and, to a lesser extent, Australia were the main detractors. We moved more duration into Europe (Germany) out of the US, given the growing divergence in economic growth and employment between the regions.

The fund utilises derivatives. During the year, government bond futures were used to implement active positions and manage overall interest rate exposure, while forward foreign exchange contracts were used to implement currency positions.

The last phases of the bond bear market have been driven by higher real yields (not inflation expectations) and have begun to reach levels that are problematic for other asset classes. Lead economic indicators continue to languish at depressed levels while long lead indicators have entered renewed declines from already low levels (with the exception of the yield curve). Economic growth was weak in most developed economies excluding the US. The US saw a seemingly unsustainable third-quarter bounce in GDP expansion and seemed likely to see 'payback' in the form of weaker growth in the fourth quarter. Without a rise in lead indicators, it is difficult to argue for a 'soft landing' economic scenario as the base case, despite the resilience in US data thus far. We continue to position the portfolio with a long duration exposure, given our expectation that bond yields will recouple to the lower economic growth and inflation momentum.



## Comparative tables for the year ended 31 October 2023

	Class 3 accumulation	
	2022	2021
	(pence per share)	(pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	124.27	135.25
Return before operating charges*	(5.49)	(10.69)
Operating charges	(0.18)	(0.29)
Return after operating charges*	(5.67)	(10.98)
Distributions on accumulation shares	(0.52)	(1.53)
Retained distributions on accumulation shares	0.52	1.53
Final cancellation	(118.60) <sup>1</sup>	-
Closing net asset value per share	-	124.27
* after direct transaction costs of:	0.01	-
<b>Performance</b>		
Return after charges	(4.56%)	(8.12%)
<b>Other information</b>		
Closing net asset value (£000s)	-	2
Closing number of shares	-	1,509
Operating charges	0.23%	0.23%
Direct transaction costs	0.00%	0.00%
<b>Prices</b>		
Highest share price (pence)	128.80 <sup>2</sup>	135.80
Lowest share price (pence)	117.40 <sup>2</sup>	122.10

<sup>1</sup> Class 3 accumulation closed on 22 June 2022.

<sup>2</sup> to 22 June 2022.

## Comparative tables (continued)

	Class A income		
	2023	2022	2021
	(pence per share)	(pence per share)	(pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	186.32	195.76	215.69
Return before operating charges*	(12.21)	(7.27)	(17.09)
Operating charges	(1.69)	(1.81)	(1.87)
Return after operating charges*	(13.90)	(9.08)	(18.96)
Distributions on income shares	(1.43)	(0.36)	(0.96)
Closing net asset value per share	170.99	186.32	195.76
* after direct transaction costs of:	0.01	0.01	-

### Performance

Return after charges	(7.46%)	(4.64%)	(8.79%)
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### Other information

Closing net asset value (£000s)	392	599	420
Closing number of shares	229,311	321,231	214,752
Operating charges	0.93%	0.94%	0.94%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	190.60	202.70	216.30
Lowest share price (pence)	169.00	184.40	193.20

	Class E income		
	2023	2022	2021
	(pence per share)	(pence per share)	(pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	186.32	195.78	215.66
Return before operating charges*	(12.19)	(7.29)	(17.07)
Operating charges	(1.23)	(1.33)	(1.39)
Return after operating charges*	(13.42)	(8.62)	(18.46)
Distributions on income shares	(1.89)	(0.84)	(1.42)
Closing net asset value per share	171.01	186.32	195.78
* after direct transaction costs of:	0.01	0.01	-

### Performance

Return after charges	(7.20%)	(4.40%)	(8.56%)
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### Other information

Closing net asset value (£000s)	309	338	384
Closing number of shares	180,477	181,560	195,914
Operating charges	0.68%	0.69%	0.69%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	190.60	202.80	216.30
Lowest share price (pence)	169.00	184.50	193.20

## Comparative tables (continued)

	Class I accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	261.17	272.75	297.92
Return before operating charges*	(17.18)	(10.10)	(23.63)
Operating charges	(1.38)	(1.48)	(1.54)
Return after operating charges*	(18.56)	(11.58)	(25.17)
Distributions on accumulation shares	(3.01)	(1.59)	(2.35)
Retained distributions on accumulation shares	3.01	1.59	2.35
Closing net asset value per share	242.61	261.17	272.75
* after direct transaction costs of:	0.01	0.01	-

### Performance

Return after charges	(7.11%)	(4.25%)	(8.45%)
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### Other information

Closing net asset value (£000s)	40	42	14
Closing number of shares	16,512	16,209	5,106
Operating charges	0.54%	0.55%	0.55%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	267.20	284.00	298.90
Lowest share price (pence)	239.00	257.40	268.40

	Class I income		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	188.46	198.04	218.15
Return before operating charges*	(12.34)	(7.38)	(17.27)
Operating charges	(1.00)	(1.07)	(1.12)
Return after operating charges*	(13.34)	(8.45)	(18.39)
Distributions on income shares	(2.16)	(1.13)	(1.72)
Closing net asset value per share	172.96	188.46	198.04
* after direct transaction costs of:	0.01	0.01	-

### Performance

Return after charges	(7.08%)	(4.27%)	(8.43%)
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### Other information

Closing net asset value (£000s)	814	2,990	942
Closing number of shares	470,878	1,586,439	475,873
Operating charges	0.54%	0.55%	0.55%
Direct transaction costs	0.00%	0.00%	0.00%

### Prices

Highest share price (pence)	192.80	205.20	218.90
Lowest share price (pence)	171.00	186.70	195.40

## Comparative tables (continued)

	Class Z accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	217.63	226.21	245.84
Return before operating charges*	(14.38)	(8.47)	(19.51)
Operating charges	(0.08)	(0.11)	(0.12)
Return after operating charges*	(14.46)	(8.58)	(19.63)
Distributions on accumulation shares	(3.58)	(2.41)	(3.11)
Retained distributions on accumulation shares	3.58	2.41	3.11
Closing net asset value per share	203.17	217.63	226.21
* after direct transaction costs of:	0.01	0.01	-
<b>Performance</b>			
Return after charges	(6.64%)	(3.79%)	(7.99%)
<b>Other information</b>			
Closing net asset value (£000s)	187,637	200,154	236,548
Closing number of shares	92,354,879	91,971,681	104,570,454
Operating charges	0.04%	0.05%	0.05%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices</b>			
Highest share price (pence)	222.70	236.50	246.80
Lowest share price (pence)	199.90	213.90	222.10

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.

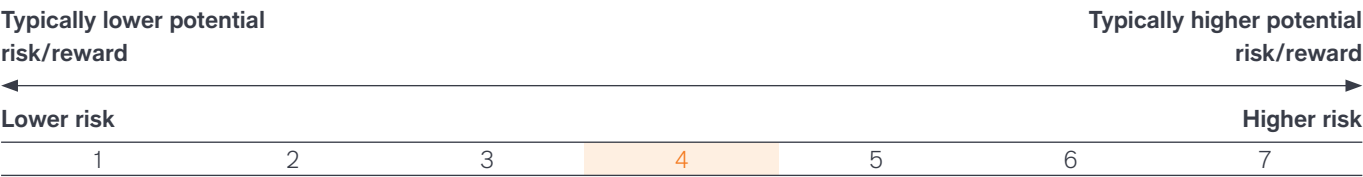
	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
<b>Class A income</b>	0.93	0.94
<b>Class E income</b>	0.68	0.69
<b>Class I accumulation</b>	0.54	0.55
<b>Class I income</b>	0.54	0.55
<b>Class Z accumulation</b>	0.04	0.05

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

## Risk and reward profile

The fund currently has 5 types of share class in issue: A income, E income, I accumulation, I income and Z accumulation.

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



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

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

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

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

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

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

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

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

## Portfolio statement as at 31 October 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Bonds 86.67% (2022: 92.06%)</b>		
	<b>Australia 1.12% (2022: 1.18%)</b>		
	<b>Fixed Rate Bond 1.12% (2022: 1.18%)</b>		
AUD 5,406,000	Australia (Commonwealth of) 1.25% 21/05/2032	2,111	1.12
	<b>Austria 2.17% (2022: 2.00%)</b>		
	<b>Fixed Rate Bond 2.17% (2022: 2.00%)</b>		
EUR 5,764,000	Austria (Republic of) 0.00% 20/02/2030	4,109	2.17
	<b>Belgium 0.57% (2022: 0.57%)</b>		
	<b>Fixed Rate Bond 0.57% (2022: 0.57%)</b>		
EUR 1,862,099	Belgium (Kingdom of) 0.40% 22/06/2040	939	0.50
EUR 231,843	Belgium (Kingdom of) 2.15% 22/06/2066	130	0.07
		1,069	0.57
	<b>Canada 1.17% (2022: 1.17%)</b>		
	<b>Fixed Rate Bond 1.17% (2022: 1.17%)</b>		
CAD 3,473,000	Canada (Government of) 2.00% 01/06/2032	1,752	0.93
CAD 827,000	Canada (Government of) 3.50% 01/12/2045	458	0.24
		2,210	1.17
	<b>China 0.00% (2022: 3.59%)</b>		
	<b>Fixed Rate Bond 0.00% (2022: 3.59%)</b>		
	<b>France 1.41% (2022: 1.45%)</b>		
	<b>Fixed Rate Bond 1.41% (2022: 1.45%)</b>		
EUR 1,595,815	France (Government of) 0.00% 25/11/2030	1,116	0.59
EUR 407,958	France (Government of) 0.50% 25/05/2040	213	0.11
EUR 1,177,070	France (Government of) 0.75% 25/05/2052	472	0.25
EUR 1,000,853	France (Government of) 4.00% 25/04/2060	875	0.46
		2,676	1.41
	<b>Germany 4.49% (2022: 4.77%)</b>		
	<b>Fixed Rate Bond 4.49% (2022: 4.77%)</b>		
EUR 2,926,998	Germany (Federal Republic of) 0.00% 15/02/2032	2,044	1.08
EUR 5,226,567	Germany (Federal Republic of) 0.00% 15/08/2029	3,919	2.07
EUR 2,669,840	Germany (Federal Republic of) 2.30% 15/02/2033	2,238	1.18
EUR 312,821	Germany (Federal Republic of) 4.00% 04/01/2037	302	0.16
		8,503	4.49
	<b>Ireland 2.50% (2022: 2.34%)</b>		
	<b>Fixed Rate Bond 2.50% (2022: 2.34%)</b>		
EUR 6,017,800	Ireland (Republic of) 1.10% 15/05/2029	4,729	2.50
	<b>Italy 12.71% (2022: 11.53%)</b>		
	<b>Fixed Rate Bond 12.71% (2022: 11.53%)</b>		
EUR 13,919,000	Italy (Republic of) 0.00% 29/11/2023	12,088	6.39
EUR 581,000	Italy (Republic of) 1.70% 01/09/2051	261	0.14
EUR 3,096,000	Italy (Republic of) 1.85% 01/07/2025	2,613	1.38
EUR 2,323,000	Italy (Republic of) 2.45% 01/09/2033	1,679	0.89
EUR 2,491,000	Italy (Republic of) 2.50% 01/12/2024	2,141	1.13
EUR 5,801,000	Italy (Republic of) 3.00% 01/08/2029	4,767	2.52

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Fixed Rate Bond (continued)</b>		
EUR 721,000	Italy (Republic of) 3.45% 01/03/2048	487	0.26
		<u>24,036</u>	<u>12.71</u>
	<b>Japan 19.46% (2022: 22.29%)</b>		
	<b>Fixed Rate Bond 19.46% (2022: 22.29%)</b>		
JPY 1,500,000,000	Japan (Government of) 0.01% 01/05/2024	8,167	4.32
JPY 952,900,000	Japan (Government of) 0.01% 20/06/2027	5,131	2.71
JPY 795,500,000	Japan (Government of) 0.10% 20/06/2029	4,231	2.24
JPY 2,138,850,000	Japan (Government of) 0.20% 20/09/2032	10,960	5.79
JPY 38,450,000	Japan (Government of) 0.40% 20/03/2056	135	0.07
JPY 164,850,000	Japan (Government of) 0.80% 20/03/2046	739	0.39
JPY 120,950,000	Japan (Government of) 0.80% 20/03/2047	536	0.28
JPY 370,800,000	Japan (Government of) 0.80% 20/03/2058	1,473	0.78
JPY 770,800,000	Japan (Government of) 1.10% 20/09/2042	3,823	2.02
JPY 331,450,000	Japan (Government of) 1.40% 20/09/2052	1,618	0.86
		<u>36,813</u>	<u>19.46</u>
	<b>Netherlands 0.35% (2022: 0.35%)</b>		
	<b>Fixed Rate Bond 0.35% (2022: 0.35%)</b>		
EUR 1,175,814	Netherlands (Kingdom of) 0.50% 15/01/2040	664	0.35
	<b>Portugal 1.30% (2022: 1.24%)</b>		
	<b>Fixed Rate Bond 1.30% (2022: 1.24%)</b>		
EUR 2,812,816	Portugal (Republic of) 5.65% 15/02/2024	2,463	1.30
	<b>Spain 4.57% (2022: 6.82%)</b>		
	<b>Fixed Rate Bond 4.57% (2022: 6.82%)</b>		
EUR 4,078,000	Spain (Kingdom of) 1.30% 31/10/2026	3,353	1.77
EUR 2,048,000	Spain (Kingdom of) 1.40% 30/04/2028	1,641	0.87
EUR 1,093,000	Spain (Kingdom of) 2.35% 30/07/2033	839	0.44
EUR 1,101,000	Spain (Kingdom of) 4.70% 30/07/2041	1,004	0.53
EUR 2,078,000	Spain (Kingdom of) 4.80% 31/01/2024	1,813	0.96
		<u>8,650</u>	<u>4.57</u>
	<b>Supranational 2.30% (2022: 2.10%)</b>		
	<b>Fixed Rate Bond 2.30% (2022: 2.10%)</b>		
EUR 2,030,000	European Union 0.00% 04/07/2031	1,371	0.73
EUR 4,252,000	European Union 0.00% 04/10/2030	2,965	1.57
		<u>4,336</u>	<u>2.30</u>
	<b>Sweden 1.43% (2022: 1.51%)</b>		
	<b>Fixed Rate Bond 1.43% (2022: 1.51%)</b>		
SEK 40,920,000	Sweden (Kingdom of) 1.75% 11/11/2033	2,709	1.43
SEK 5,000	Sweden (Kingdom of) 2.50% 12/05/2025 <sup>1</sup>	-	-
		<u>2,709</u>	<u>1.43</u>



## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>United States 31.12% (2022: 29.15%)</b>			
<b>Fixed Rate Bond 31.12% (2022: 29.15%)</b>			
USD 9,973,600	US Treasury 0.25% 31/05/2025	7,606	4.02
USD 7,198,100	US Treasury 1.25% 15/05/2050	2,635	1.39
USD 4,442,900	US Treasury 1.375% 15/11/2040	2,075	1.10
USD 2,836,200	US Treasury 2.00% 15/08/2051	1,274	0.67
USD 15,063,200	US Treasury 2.125% 31/05/2026	11,571	6.12
USD 2,196,400	US Treasury 2.25% 15/02/2052	1,051	0.56
USD 16,012,000	US Treasury 2.50% 31/03/2027	12,225	6.46
USD 6,314,800	US Treasury 2.75% 15/08/2032	4,412	2.33
USD 100	US Treasury 3.00% 15/02/2049 <sup>1</sup>	-	-
USD 3,219,600	US Treasury 3.375% 15/02/2044	2,031	1.07
USD 1,573,100	US Treasury 3.375% 15/11/2048	967	0.51
USD 8,135,300	US Treasury 3.875% 15/08/2040	5,722	3.03
USD 7,689,900	US Treasury 4.125% 31/01/2025	6,245	3.30
USD 1,289,200	US Treasury 5.00% 15/05/2037	1,068	0.56
		<u>58,882</u>	<u>31.12</u>
<b>Derivatives (0.39%) (2022: (0.54%))</b>			
<b>Futures (0.89%) (2022: (0.93%))</b>			
59	CBT US 2 Year Note December 2023	(42)	(0.02)
419	CBT US 5 Year Note December 2023	(591)	(0.31)
115	CBT US 10 Year Ultra December 2023	(547)	(0.29)
(21)	EUX Euro Bobl December 2023	20	0.01
31	EUX Euro Buxl 30 Year Bond December 2023	(319)	(0.17)
59	SFE Australia 10 Year Bond December 2023	(203)	(0.11)
		<u>(1,682)</u>	<u>(0.89)</u>
<b>Forward Foreign Exchange Contracts 0.50% (2022: 0.39%)<sup>2</sup></b>			
	Buy AUD 1,618,433 : Sell GBP 831,470 December 2023	14	0.01
	Buy AUD 78,600 : Sell GBP 40,840 December 2023 <sup>1</sup>	-	-
	Buy AUD 72,500 : Sell GBP 38,005 December 2023 <sup>1</sup>	-	-
	Buy CAD 3,314,109 : Sell GBP 1,950,753 December 2023	17	0.01
	Buy DKK 5,307,164 : Sell GBP 614,924 December 2023	6	-
	Buy EUR 63,100 : Sell GBP 54,795 December 2023 <sup>1</sup>	-	-
	Buy EUR 99,300 : Sell GBP 86,053 December 2023	1	-
	Buy EUR 82,000 : Sell GBP 71,023 December 2023 <sup>1</sup>	-	-
	Buy EUR 47,900 : Sell GBP 41,373 December 2023 <sup>1</sup>	-	-
	Buy GBP 62,051 : Sell AUD 119,100 December 2023 <sup>1</sup>	-	-
	Buy GBP 47,709 : Sell AUD 91,200 December 2023 <sup>1</sup>	-	-
	Buy GBP 54,778 : Sell AUD 104,700 December 2023 <sup>1</sup>	-	-
	Buy GBP 52,893 : Sell AUD 100,200 December 2023	1	-
	Buy GBP 43,180 : Sell AUD 81,500 December 2023	1	-
	Buy GBP 838,000 : Sell EUR 959,956 December 2023 <sup>1</sup>	-	-
	Buy GBP 87,908 : Sell EUR 100,786 December 2023 <sup>1</sup>	-	-
	Buy GBP 94,972 : Sell EUR 109,200 December 2023 <sup>1</sup>	-	-
	Buy GBP 55,474 : Sell EUR 63,800 December 2023 <sup>1</sup>	-	-
	Buy GBP 85,719 : Sell EUR 98,600 December 2023 <sup>1</sup>	-	-
	Buy GBP 48,443 : Sell EUR 55,800 December 2023 <sup>1</sup>	-	-
	Buy GBP 43,965 : Sell EUR 50,800 December 2023 <sup>1</sup>	-	-
	Buy GBP 14,604,767 : Sell EUR 16,923,932 December 2023	(162)	(0.09)
	Buy GBP 3,110,481 : Sell JPY 562,126,053 December 2023	30	0.02

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
<b>Forward Foreign Exchange Contracts</b> (continued)			
	Buy GBP 566,000 : Sell JPY 102,218,717 December 2023	6	-
	Buy GBP 2,444,303 : Sell SEK 33,725,240 December 2023	(48)	(0.03)
	Buy GBP 71,718 : Sell USD 89,499 December 2023	(2)	-
	Buy GBP 84,936 : Sell USD 105,900 December 2023	(2)	-
	Buy GBP 164,648 : Sell USD 204,200 December 2023	(4)	-
	Buy GBP 95,910 : Sell USD 118,900 December 2023	(2)	-
	Buy GBP 89,654 : Sell USD 111,000 December 2023	(2)	-
	Buy GBP 275,032 : Sell USD 337,500 December 2023	(3)	-
	Buy GBP 113,518 : Sell USD 138,681 December 2023	(1)	-
	Buy GBP 203,890 : Sell USD 248,800 December 2023	(1)	-
	Buy GBP 97,257 : Sell USD 118,200 December 2023 <sup>1</sup>	-	-
	Buy GBP 542,545 : Sell USD 659,200 December 2023	(1)	-
	Buy GBP 63,880 : Sell USD 77,600 December 2023 <sup>1</sup>	-	-
	Buy GBP 115,006 : Sell USD 139,700 December 2023 <sup>1</sup>	-	-
	Buy GBP 195,597 : Sell USD 237,500 December 2023 <sup>1</sup>	-	-
	Buy GBP 222,970 : Sell USD 270,500 December 2023 <sup>1</sup>	-	-
	Buy GBP 229,027 : Sell USD 277,600 December 2023 <sup>1</sup>	-	-
	Buy GBP 259,187 : Sell USD 313,200 December 2023	1	-
	Buy JPY 359,974,846 : Sell GBP 1,987,552 December 2023	(15)	(0.01)
	Buy JPY 10,742,300 : Sell GBP 60,035 December 2023	(1)	-
	Buy USD 99,800 : Sell GBP 79,925 December 2023	2	-
	Buy USD 50,141,461 : Sell GBP 40,202,948 December 2023	1,105	0.59
	Buy USD 85,100 : Sell GBP 68,545 December 2023	2	-
	Buy USD 321,600 : Sell GBP 261,144 December 2023	4	-
	Buy USD 265,400 : Sell GBP 217,331 December 2023	1	-
	Buy USD 166,500 : Sell GBP 136,367 December 2023	1	-
	Buy USD 178,400 : Sell GBP 146,320 December 2023	1	-
	Buy USD 90,500 : Sell GBP 74,227 December 2023 <sup>1</sup>	-	-
	Buy USD 202,800 : Sell GBP 166,484 December 2023	1	-
	Buy USD 440,850 : Sell GBP 362,452 December 2023	1	-
	Buy USD 314,800 : Sell GBP 259,156 December 2023 <sup>1</sup>	-	-
	Buy USD 102,700 : Sell GBP 84,704 December 2023 <sup>1</sup>	-	-
		951	0.50
<b>Investment assets including investment liabilities</b>		<b>163,229</b>	<b>86.28</b>
	Other net assets	25,963	13.72
<b>Total net assets</b>		<b>189,192</b>	<b>100.00</b>

<sup>1</sup> Due to rounding to nearest £1,000

<sup>2</sup> Not listed on an official stock exchange

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

## Statement of total return for the year ended 31 October 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital losses	2		(16,899)		(10,940)
Revenue	3	3,459		2,589	
Expenses	4	(101)		(117)	
Interest payable and similar charges	5	(4)		(6)	
Net revenue before taxation		3,354		2,466	
Taxation	6	-		(55)	
Net revenue after taxation			3,354		2,411
Total return before distributions			(13,545)		(8,529)
Distributions	7		(3,354)		(2,411)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(16,899)</b>		<b>(10,940)</b>

## Statement of change in net assets attributable to shareholders

for the year ended 31 October 2023

	2023		2022	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>204,123</b>		<b>238,310</b>
Amounts receivable on issue of shares	7,564		3,225	
Amounts payable on cancellation of shares	(8,928)		(28,823)	
		(1,364)		(25,598)
Change in net assets attributable to shareholders from investment activities		(16,899)		(10,940)
Retained distributions on accumulation shares		3,332		2,351
<b>Closing net assets attributable to shareholders</b>		<b>189,192</b>		<b>204,123</b>

## Balance sheet as at 31 October 2023

	Note	2023 £000	2022 £000
<b>Assets:</b>			
Investments		165,175	190,239
Current assets:			
Debtors	8	955	26,053
Cash and bank balances	9	25,099	12,066
<b>Total assets</b>		<b>191,229</b>	<b>228,358</b>
<b>Liabilities:</b>			
Investment liabilities		1,946	3,423
Creditors:			
Amounts held at derivative clearing houses and brokers		37	243
Distributions payable		5	4
Other creditors	10	49	20,565
<b>Total liabilities</b>		<b>2,037</b>	<b>24,235</b>
<b>Net assets attributable to shareholders</b>		<b>189,192</b>	<b>204,123</b>

## Notes to the financial statements for the year ended 31 October 2023

### 1 Accounting policies

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

### 2 Net capital losses

Net capital losses on investments during the year comprise:

	2023 £000	2022 £000
Derivative securities	(3,751)	(6,192)
Forward currency contracts	(2,483)	11,927
Non-derivative securities	(10,794)	(16,859)
Other currency gains	131	187
Transaction costs	(2)	(3)
<b>Net capital losses</b>	<b>(16,899)</b>	<b>(10,940)</b>

### 3 Revenue

	2023 £000	2022 £000
Bank interest	959	53
Derivative revenue	(333)	407
Interest on debt securities	2,767	2,111
Interest on margin	51	5
Stock lending revenue	15	13
<b>Total revenue</b>	<b>3,459</b>	<b>2,589</b>

### 4 Expenses

	2023 £000	2022 £000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	16	13
GAC*	61	69
	<u>77</u>	<u>82</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	16	17
Safe custody fees	8	18
	<u>24</u>	<u>35</u>
<b>Total expenses</b>	<b>101</b>	<b>117</b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £11,051 (2022: £9,956).

### 5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2023 £000	2022 £000
Interest payable	1	3
Interest on margin	3	3
<b>Total interest payable and similar charges</b>	<b>4</b>	<b>6</b>

## Notes to the financial statements (continued)

### 6 Taxation

#### a) Analysis of charge in the year

The tax charge comprises:

	2023 £000	2022 £000
<b>Current tax</b>		
Corporation tax	-	11
Double tax relief	-	(11)
Overseas withholding tax	-	55
<b>Total tax (note 6b)</b>	<b>-</b>	<b>55</b>

#### b) Factors affecting tax charge for year

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

	2023 £000	2022 £000
Net revenue before taxation	3,354	2,466
Corporation tax at 20% (2022: 20%)	671	493
Effects of:		
Double tax relief	-	(11)
Overseas withholding tax	-	55
Revenue being paid as interest distributions	(671)	(482)
<b>Tax charge for the year (note 6a)</b>	<b>-</b>	<b>55</b>

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

#### c) Deferred tax

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

#### d) Factors that may affect future tax charges

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

### 7 Distributions

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

	2023 £000	2022 £000
Interim income	23	10
Interim accumulation	2,398	1,851
Final income	5	4
Final accumulation	934	500
	<b>3,360</b>	<b>2,365</b>
Amounts deducted on cancellation of shares	19	48
Amounts received on issue of shares	(25)	(2)
<b>Total distributions</b>	<b>3,354</b>	<b>2,411</b>

Details of the distribution per share are set out in the Distribution tables on pages 173 to 176.

## Notes to the financial statements (continued)

### 8 Debtors

	2023 £000	2022 £000
Accrued revenue	955	1,178
Amounts receivable for issue of shares	-	40
Sales awaiting settlement	-	24,835
<b>Total debtors</b>	<b>955</b>	<b>26,053</b>

### 9 Cash and bank balances

	2023 £000	2022 £000
Amounts held at derivative clearing houses and brokers	2,719	3,291
Cash and bank balances	22,380	8,505
Cash pledged as collateral	-	270
<b>Total cash and bank balances</b>	<b>25,099</b>	<b>12,066</b>

### 10 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	1	2
Accrued Depositary's fee	2	3
Accrued other expenses	7	9
Amounts payable for cancellation of shares	39	2,065
Purchases awaiting settlement	-	18,486
<b>Total other creditors</b>	<b>49</b>	<b>20,565</b>

### 11 Contingent liabilities and commitments

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

### 12 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 159 and 160 and notes 4, 7, 8 and 10 on pages 161 to 163 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

HSBC Global Custody Nominee (UK) Ltd, as a material shareholder, is a related party holding shares comprising 99.17% of the total net assets of the fund as at the year end (2022: 98.05%).

## Notes to the financial statements (continued)

### 13 Shareholders' funds

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

	2023 %	2022 %
Class A	0.75	0.75
Class E	0.50	0.50
Class I	0.50	0.50
Class Z <sup>1</sup>	0.00	0.00

<sup>1</sup> 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 149 to 152. The distribution per share class is given in the Distribution tables on pages 173 to 176. All share classes have the same rights on winding up.

#### Shares reconciliation as at 31 October 2023

	Class A income	Class E income	Class I accumulation	Class I income
Opening number of shares	321,231	181,560	16,209	1,586,439
Issues during the year	146,930	13,385	34,638	200,762
Cancellations during the year	(235,746)	(17,160)	(34,335)	(1,316,728)
Shares converted during the year	(3,104)	2,692	-	405
<b>Closing shares in issue</b>	<b>229,311</b>	<b>180,477</b>	<b>16,512</b>	<b>470,878</b>

	Class Z accumulation
Opening number of shares	91,971,681
Issues during the year	3,165,769
Cancellations during the year	(2,782,571)
Shares converted during the year	-
<b>Closing shares in issue</b>	<b>92,354,879</b>

### 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 as at 31 October 2023 (2022: £270,000). The fund had cash assets of £2,718,687 (2022: £3,291,139) and cash liabilities of £37,439 (2022: £243,322) held in margin accounts at derivative clearing houses and brokers as at 31 October 2023. These balances are held as collateral on the fund's future contracts.



## Notes to the financial statements (continued)

### 14 Financial derivatives (continued)

#### 2023

As at 31 October 2023 the counterparty exposure calculated using the positive marked-to-market value for each category of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
BNP Paribas	1,189	-	1,189
Morgan Stanley	6	-	6
UBS	-	20	20
	<b>1,195</b>	<b>20</b>	<b>1,215</b>

#### 2022

As at 31 October 2022 the counterparty exposure calculated using the positive marked-to-market value for each category of derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000	Futures £000	Total by counterparty £000
Bank of America	30	-	30
Barclays	4	-	4
BNP Paribas	1,911	-	1,911
Goldman Sachs	106	-	106
HSBC	7	-	7
JPMorgan Chase	1	-	1
Morgan Stanley	41	-	41
UBS	-	243	243
	<b>2,100</b>	<b>243</b>	<b>2,343</b>

### 15 Stock lending

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

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

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by an EU Member State, a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102% to 110% of the value of the stock on loan.

## Notes to the financial statements (continued)

### 15 Stock lending (continued) 2023

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
JPMorgan Chase	6,161	6,867	Equity/Government Bond
	<u>6,161</u>	<u>6,867</u>	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	16	1	15

### 2022

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
JPMorgan Chase	9,772	10,079	Government Bond
	<u>9,772</u>	<u>10,079</u>	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	14	1	13

## Notes to the financial statements (continued)

### 16 Risk

#### Currency risk

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

	Investment assets including (investment liabilities) £000	Other net assets £000	Total net assets/(liabilities) £000
<b>2023</b>			
<b>Currency</b>			
Australian dollar	2,573	312	2,885
Canadian dollar	4,178	24	4,202
Danish krone	621	-	621
Euro	45,168	878	46,046
Japanese yen	35,204	16	35,220
Swedish krona	218	51	269
UK sterling	(22,771)	22,281	(490)
US dollar	98,038	2,401	100,439
<b>Total</b>	<b>163,229</b>	<b>25,963</b>	<b>189,192</b>
	Investment assets including (investment liabilities) £000	Other net assets £000	Total net assets/(liabilities) £000
<b>2022</b>			
<b>Currency</b>			
Australian dollar	3,546	17	3,563
Canadian dollar	4,576	24	4,600
Chinese yuan	(6,048)	87	(5,961)
Danish krone	613	-	613
Euro	45,317	946	46,263
Japanese yen	31,808	6,428	38,236
Norwegian krone	(22)	-	(22)
Polish zloty	(14)	-	(14)
Swedish krona	367	55	422
UK sterling	(6,904)	6,687	(217)
US dollar	113,577	3,063	116,640
<b>Total</b>	<b>186,816</b>	<b>17,307</b>	<b>204,123</b>

## Notes to the financial statements (continued)

### 16 Risk (continued)

#### Interest rate risk

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

	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
<b>2023</b>				
Australian dollar	300	2,111	31	2,442
Canadian dollar	-	2,210	42	2,252
Danish krone	-	-	6	6
Euro	507	61,234	412	62,153
Japanese yen	-	36,813	51	36,864
Swedish krona	-	2,710	51	2,761
UK sterling	22,334	-	-	22,334
US dollar	1,958	58,882	1,577	62,417
<b>Total</b>	<b>25,099</b>	<b>163,960</b>	<b>2,170</b>	<b>191,229</b>
	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
<b>2022</b>				
Australian dollar	-	2,404	65	2,469
Canadian dollar	-	2,386	73	2,459
Chinese yuan	-	7,330	770	8,100
Euro	608	67,704	1,171	69,483
Japanese yen	66	45,481	25,417	70,964
Korean won	-	-	83	83
Norwegian krone	-	-	10	10
Polish zloty	-	-	1	1
Swedish krona	-	3,080	86	3,166
Swiss franc	-	-	40	40
UK sterling	8,729	-	40	8,769
US dollar	2,663	59,511	640	62,814
<b>Total</b>	<b>12,066</b>	<b>187,896</b>	<b>28,396</b>	<b>228,358</b>

## Notes to the financial statements (continued)

### 16 Risk (continued)

#### Interest rate risk (continued)

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
<b>2023</b>				
Australian dollar	3	-	204	207
Euro	20	-	482	502
Japanese yen	-	-	16	16
Swedish krona	-	-	48	48
UK sterling	-	-	53	53
US dollar	15	-	1,196	1,211
<b>Total</b>	<b>38</b>	<b>-</b>	<b>1,999</b>	<b>2,037</b>

	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
<b>2022</b>				
Australian dollar	-	-	164	164
Canadian dollar	-	-	154	154
Chinese yuan	-	-	9	9
Danish krone	-	-	5	5
Euro	243	-	661	904
Indonesian rupiah	-	-	316	316
Japanese yen	-	-	18,509	18,509
Polish zloty	-	-	14	14
Swedish krona	-	-	17	17
Swiss franc	-	-	41	41
UK sterling	-	-	2,084	2,084
US dollar	-	-	2,018	2,018
<b>Total</b>	<b>243</b>	<b>-</b>	<b>23,992</b>	<b>24,235</b>

#### Credit ratings

	Market value £000	Percentage of total net assets %
<b>2023</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	163,960	86.67
<b>Total debt securities</b>	<b>163,960</b>	<b>86.67</b>
Derivatives	(731)	(0.39)
<b>Investment assets including investment liabilities</b>	<b>163,229</b>	<b>86.28</b>
Other net assets	25,963	13.72
<b>Total net assets</b>	<b>189,192</b>	<b>100.00</b>

## Notes to the financial statements (continued)

### 16 Risk (continued)

#### Credit ratings (continued)

	Market value £000	Percentage of total net assets %
<b>2022</b>		
<b>Investments</b>		
Investment grade (AAA - BBB)	187,896	92.06
<b>Total debt securities</b>	<b>187,896</b>	<b>92.06</b>
Derivatives	(1,080)	(0.54)
<b>Investment assets including investment liabilities</b>	<b>186,816</b>	<b>91.52</b>
Other net assets	17,307	8.48
<b>Total net assets</b>	<b>204,123</b>	<b>100.00</b>

#### 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.

#### Sensitivity analysis

The leverage employed by the fund is in the table below:

#### Leverage

	Minimum %	Maximum %	Average %
<b>2023</b>	64.27	292.18	99.52
<b>2022</b>	24.72	92.46	43.68

#### 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
<b>2023</b>				
Amounts held at derivatives clearing houses and brokers	37	-	-	-
Derivative financial liabilities	-	1,946	-	-
Distribution payable	-	5	-	-
Other creditors	-	49	-	-
<b>Total</b>	<b>37</b>	<b>2,000</b>	<b>-</b>	<b>-</b>
<b>2022</b>				
Amounts held at derivatives clearing houses and brokers	243	-	-	-
Derivative financial liabilities	-	3,423	-	-
Distribution payable	-	4	-	-
Other creditors	-	20,565	-	-
<b>Total</b>	<b>243</b>	<b>23,992</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements (continued)

### 17 Fair value disclosure

#### Fair value measurement

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

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

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

#### Fair value hierarchy

	2023		2022	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	137,476*	1,702	148,129*	2,149
Level 2	27,699	244	42,110	1,274
Level 3	-	-	-	-
	<u>165,175</u>	<u>1,946</u>	<u>190,239</u>	<u>3,423</u>

\* Debt securities included in the highest fair value hierarchy level, where their valuation is determined by unadjusted quoted prices from an active market, amount to £137,455,979 as at 31 October 2023 (2022: £147,885,755).

### 18 Direct transaction costs

	Purchases		Sales	
	2023 £000	2022 £000	2023 £000	2022 £000
<b>Trades in the year</b>				
Debt securities	27,496	171,696	40,595	176,252
<b>Trades in the year before transaction costs</b>	<u>27,496</u>	<u>171,696</u>	<u>40,595</u>	<u>176,252</u>
<b>Transaction costs</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
<b>Total commissions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Taxes</b>				
Debt securities	-	-	-	-
<b>Total taxes</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other expenses</b>				
Debt securities	-	-	-	-
<b>Total other expenses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total transaction costs</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total net trades in the year after transaction costs</b>	<u>27,496</u>	<u>171,696</u>	<u>40,595</u>	<u>176,252</u>

## Notes to the financial statements (continued)

### 18 Direct transaction costs (continued)

	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Debt securities	-	-	-	-
<b>Taxes</b>				
Debt securities	-	-	-	-
<b>Other expenses</b>				
Debt securities	-	-	-	-
	<b>2023</b>	<b>2022</b>		
	%	%		
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	-	-		
Taxes	-	-		
Other expenses	-	-		
<b>Total costs</b>	<u>-</u>	<u>-</u>		

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

There were direct transaction costs associated with derivatives in the year of £6,335 (2022: £10,943) which is 0.00% of the average net asset value of the fund (2022: 0.00%).

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

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

The portfolio dealing spread as at 31 October 2023 was 0.09% (2022: 0.11%). 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 October 2023 (in pence per share)

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

Group 1: shares purchased prior to 1 November 2022

Group 2: shares purchased on or after 1 November 2022

	Distribution per share	Equalisation	Total distribution per share 31/03/23	Total distribution per share 31/03/22
<b>Class 3 accumulation<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	0.2259
Group 2	n/a	n/a	n/a	0.2259
<b>Class A income</b>				
Group 1	0.2516	-	0.2516	-
Group 2	0.1744	0.0772	0.2516	-
<b>Class E income</b>				
Group 1	0.3696	-	0.3696	0.1202
Group 2	0.0196	0.3500	0.3696	0.1202
<b>Class I accumulation</b>				
Group 1	0.6138	-	0.6138	0.2758
Group 2	0.2625	0.3513	0.6138	0.2758
<b>Class I income</b>				
Group 1	0.4405	-	0.4405	0.1920
Group 2	0.3187	0.1218	0.4405	0.1920
<b>Class Z accumulation</b>				
Group 1	0.7846	-	0.7846	0.5090
Group 2	0.0493	0.7353	0.7846	0.5090

<sup>1</sup> Class 3 accumulation closed on 22 June 2022.

## Distribution tables (continued)

### Interim interest distribution (accounting date 30 April 2023, paid on 30 June 2023)

Group 1: shares purchased prior to 1 February 2023

Group 2: shares purchased on or after 1 February 2023

	Distribution per share	Equalisation	Total distribution per share 30/06/23	Total distribution per share 30/06/22
<b>Class 3 accumulation<sup>1</sup></b>				
Group 1	n/a	n/a	n/a	0.2949
Group 2	n/a	n/a	n/a	0.2949
<b>Class A income</b>				
Group 1	0.2837	-	0.2837	0.1184
Group 2	0.1220	0.1617	0.2837	0.1184
<b>Class E income</b>				
Group 1	0.4002	-	0.4002	0.2398
Group 2	0.1427	0.2575	0.4002	0.2398
<b>Class I accumulation</b>				
Group 1	0.6455	-	0.6455	0.4408
Group 2	0.6455	-	0.6455	0.4408
<b>Class I income</b>				
Group 1	0.4672	-	0.4672	0.3115
Group 2	0.0913	0.3759	0.4672	0.3115
<b>Class Z accumulation</b>				
Group 1	0.8104	-	0.8104	0.6235
Group 2	0.0493	0.7611	0.8104	0.6235

<sup>1</sup> Class 3 accumulation closed on 22 June 2022.

## Distribution tables (continued)

### Interim interest distribution (accounting date 31 July 2023, paid on 29 September 2023)

Group 1: shares purchased prior to 1 May 2023

Group 2: shares purchased on or after 1 May 2023

	Distribution per share	Equalisation	Total distribution per share 29/09/23	Total distribution per share 30/09/22
<b>Class A income</b>				
Group 1	0.4264	-	0.4264	0.2075
Group 2	0.2237	0.2027	0.4264	0.2075
<b>Class E income</b>				
Group 1	0.5385	-	0.5385	0.3249
Group 2	0.1003	0.4382	0.5385	0.3249
<b>Class I accumulation</b>				
Group 1	0.8452	-	0.8452	0.5629
Group 2	0.7086	0.1366	0.8452	0.5629
<b>Class I income</b>				
Group 1	0.6070	-	0.6070	0.3974
Group 2	0.2934	0.3136	0.6070	0.3974
<b>Class Z accumulation</b>				
Group 1	0.9715	-	0.9715	0.7334
Group 2	0.1155	0.8560	0.9715	0.7334

## Distribution tables (continued)

### Final interest distribution (accounting date 31 October 2023, paid on 29 December 2023)

Group 1: shares purchased prior to 1 August 2023

Group 2: shares purchased on or after 1 August 2023

	Distribution per share	Equalisation	Total distribution per share 29/12/23	Total distribution per share 30/12/22
<b>Class A income</b>				
Group 1	0.4685	-	0.4685	0.0351
Group 2	0.1178	0.3507	0.4685	0.0351
<b>Class E income</b>				
Group 1	0.5771	-	0.5771	0.1545
Group 2	0.3265	0.2506	0.5771	0.1545
<b>Class I accumulation</b>				
Group 1	0.9012	-	0.9012	0.3137
Group 2	0.8334	0.0678	0.9012	0.3137
<b>Class I income</b>				
Group 1	0.6437	-	0.6437	0.2265
Group 2	0.6015	0.0422	0.6437	0.2265
<b>Class Z accumulation</b>				
Group 1	1.0117	-	1.0117	0.5431
Group 2	0.8926	0.1191	1.0117	0.5431

# Janus Henderson Japan Opportunities Fund

## Authorised Corporate Director's report

### Investment Fund Manager

Junichi Inoue

### Investment objective and policy

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

Performance target: To outperform the TOPIX Index by 2% per annum, before the deduction of charges, over any 5 year period.

The fund invests at least 80% of its assets in a concentrated portfolio of shares (also known as equities) of companies, of any size, in any industry in Japan. Companies will be incorporated, headquartered, listed on an exchange in, or deriving significant revenue from, Japan. The portfolio may be concentrated in terms of its number of holdings and/or the size of its largest holdings. The fund may also invest in other assets including cash. The Investment Manager may use derivatives (complex financial instruments) to reduce risk or to manage the fund more efficiently.

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

### Strategy

The Investment Manager seeks to achieve long-term capital appreciation by investing in undervalued, cash-generative and capital-efficient businesses, which can create value for investors. The focus is on stock selection, which is a result of rigorous, fundamental research and a strict valuation discipline, and incorporates strong risk management. The fund is a diversified portfolio of companies across a variety of sectors, which the manager believes has the potential to perform well over time.

### Performance summary

#### Cumulative performance

	One year 31 Oct 22 - 31 Oct 23 %	Three years 31 Oct 20 - 31 Oct 23 %	Five years 31 Oct 18 - 31 Oct 23 %	Since inception 4 Oct 74 - 31 Oct 23 %
<b>Class I accumulation (Net)</b>	12.8	9.8	30.2	6,145.1
<b>TOPIX</b>	11.6	12.9	21.4	7,207.8
<b>IA Japan Sector</b>	7.9	6.2	18.7	6,023.3
<b>Class I accumulation (Gross)</b>	13.8	12.6	35.9	9,434.0
<b>TOPIX + 2%</b>	13.8	19.8	34.0	19,216.0

#### Discrete performance

	31 Oct 22 - 31 Oct 23 %	31 Oct 21 - 31 Oct 22 %	31 Oct 20 - 31 Oct 21 %	31 Oct 19 - 31 Oct 20 %	31 Oct 18 - 31 Oct 19 %
<b>Class I accumulation (Net)</b>	12.8	(12.4)	11.1	10.3	7.6
<b>TOPIX</b>	11.6	(9.6)	11.9	0.4	7.1
<b>IA Japan Sector</b>	7.9	(12.8)	12.9*	4.2	7.3
<b>Class I accumulation (Gross)</b>	13.8	(11.7)	12.1	11.3*	8.5
<b>TOPIX + 2%</b>	13.8	(7.8)	14.1	2.5*	9.2

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

\* Historical performance has been restated.

Source: Morningstar

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

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

## Authorised Corporate Director's report (continued)

### Performance summary (continued)

Benchmark values are as at close of business.

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

#### Benchmark usage:

Index: TOPIX

Index usage: Target

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

Peer group: IA Japan Sector

Peer group usage: Comparator

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

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

## Significant portfolio changes for the year ended 31 October 2023

Largest purchases	£000	Largest sales	£000
Murata Manufacturing	1,276	TDK	1,135
SoftBank 'A'	980	Recruit	728
Toyota Motor	786	Mitsubishi	597
Eisai	778	Kao	545
Canon Marketing Japan	763	Fujifilm	507
Nomura Research Institute	721	Renesas Electronics	486
Persol	717	Astellas Pharma	317
Asahi	603	Inpex	312
Nippon Telegraph & Telephone	538	Persol	292
Sony	507	Z	278
<b>Total purchases</b>	<b>12,526</b>	<b>Total sales</b>	<b>6,649</b>

### Investment review

The fund returned 12.8% (Net), 13.8% (Gross) based on Class I accumulation over the year under review, compared with a return of 11.6% in the TOPIX Index, a return of 13.8% in the Target Index + 2% and a return of 7.9% in the IA Japan Sector peer group benchmark.

Global equity markets made solid gains during the reporting year. The MSCI World Index made a strong start in 2023 as investors expected inflation to peak, although this view had to be modified as pricing pressures remained higher than expected. Risk events such as the failure of US regional banks and persistently high inflation, which resulted in a sell-off in bond markets, impacted equity market sentiment. However, stock markets were resilient despite these events.

In Japan, the BoJ kept to its negative interest rate policy, although it loosened its yield curve control, which sent the 10-year JGB yield from 0.25% to more than 0.90%. As the interest rate gap with other developed economies widened during the year, the yen weakened from ¥127 to ¥151 against the US dollar, and from ¥156 to ¥186 against sterling.

Corporate governance reforms have been a core theme after the Tokyo Stock Exchange highlighted concerns about companies that were trading below book value. Capital allocation improvements under stronger corporate governance could have a big impact as operating cash flows are strong, valuations are low, in our view, and balance sheets are solid. By sector, financials, which have a high profit sensitivity to interest rates, performed well. In terms of style, value continued to perform strongly as investors sought out low price-to-book stocks, given the exchange's initiatives to push listed companies towards reform. The combination of higher interest rates and resilient fundamentals also supported this trend. In contrast, growth-style stocks remained out of favour as valuations still seemed demanding.

After the market correction in autumn last year, we thought that valuations had become too inexpensive and that investors had overreacted to recessionary risks. We accumulated positions in high-quality cyclical growth companies at what we believed were attractive valuations, which paid off during the reporting year. Last year, we also thought that financial stocks had not discounted any chance of monetary policy change and increased weightings in the sector, which also played out well.

At the stock level, the fund's holding in Mitsubishi was the top contributor. The company was highly cash generative thanks to solid commodity prices and an improved shareholder return policy that was attractive to the market. Renesas Electronics gained due to expectations that its profit would be much higher than the market consensus. In contrast, Olympus was the main detractor as the company had to bear additional costs to meet regulatory requirements.

In terms of trading activity, we trimmed a number of positions where the shares had enjoyed a strong run. We re-established a position in Murata Manufacturing as the share price came down to what we viewed as an attractive level, while the de-stocking cycle appeared to be bottoming out. We bought a new position in Canon Marketing Japan as we were positive about improvements in capital allocation. At the time of writing, the number of fund holdings remained at 30.

We like the current market set-up as valuations seem reasonable, in our view, and earnings are expected to grow. We think the governance reforms could increase investment inflows into Japan's equity market.

Despite a strong run during the year, we continue to like the risk/reward balance that Japanese equities offer. Inflation appears to be under control in many major developed markets, and although a slowdown in the global economy remains a key concern, monetary policy can certainly be less restrictive if inflation slows further. The outlook for corporate earnings has improved thanks to a weaker yen and lower input costs, while companies have begun to successfully reset margins through price hikes for the first time in decades.

Due to the strong markets, share price valuations moved from what we considered to be very attractive levels to (still) attractive levels as the market's price-to-earnings (P/E) ratio shifted from 13 times to 14.5 times (for the full year to the end of March 2024). We believe this valuation level can be justified without much earnings-per-share growth. The market does not seem to have been as selective, as the P/E ratio is within a very narrow range for companies operating in similar businesses. To us, this seems like a great opportunity for stock pickers. We think 'buy-and-hold-type' strategies such as ours have an advantage from this point on in the economic cycle.

We are also focused on governance improvements as a key value driver of the portfolio, as we believe it will lead to better capital allocation decisions. We have strong confidence in the stocks we own and will continue to focus on stock picking, which we expect to be a key determinant of fund performance.

## Comparative tables for the year ended 31 October 2023

	Class A accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	389.44	448.90	407.65
Return before operating charges*	52.05	(52.11)	48.90
Operating charges	(7.48)	(7.35)	(7.65)
Return after operating charges*	44.57	(59.46)	41.25
Distributions on accumulation shares	(0.63)	-	-
Retained distributions on accumulation shares	0.63	-	-
Closing net asset value per share	434.01	389.44	448.90
* after direct transaction costs of:	0.02	0.15	0.17

### Performance

Return after charges	11.44%	(13.25%)	10.12%
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### Other information

Closing net asset value (£000s)	2,785	3,348	4,248
Closing number of shares	641,612	859,738	946,352
Operating charges	1.74%	1.74%	1.74%
Direct transaction costs	0.00%	0.04%	0.04%

### Prices

Highest share price (pence)	465.70	478.70	476.10
Lowest share price (pence)	395.10	381.50	406.10

	Class E accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	396.04	454.23	410.44
Return before operating charges*	53.12	(52.88)	49.28
Operating charges	(5.45)	(5.31)	(5.49)
Return after operating charges*	47.67	(58.19)	43.79
Distributions on accumulation shares	(3.24)	(2.14)	(1.57)
Retained distributions on accumulation shares	3.24	2.14	1.57
Closing net asset value per share	443.71	396.04	454.23
* after direct transaction costs of:	0.02	0.15	0.17

### Performance

Return after charges	12.04%	(12.81%)	10.67%
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### Other information

Closing net asset value (£000s)	7,570	7,214	8,606
Closing number of shares	1,706,109	1,821,618	1,894,605
Operating charges	1.24%	1.24%	1.24%
Direct transaction costs	0.00%	0.04%	0.04%

### Prices

Highest share price (pence)	475.70	484.50	481.50
Lowest share price (pence)	401.80	387.30	410.00



## Comparative tables (continued)

	Class I accumulation		
	2023 (pence per share)	2022 (pence per share)	2021 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	453.62	518.28	466.54
Return before operating charges*	60.92	(60.47)	56.11
Operating charges	(4.35)	(4.19)	(4.37)
Return after operating charges*	56.57	(64.66)	51.74
Distributions on accumulation shares	(4.48)	(3.99)	(4.02)
Retained distributions on accumulation shares	4.48	3.99	4.02
Closing net asset value per share	510.19	453.62	518.28
* after direct transaction costs of:	0.02	0.17	0.19
<b>Performance</b>			
Return after charges	12.47%	(12.48%)	11.09%
<b>Other information</b>			
Closing net asset value (£000s)	26,439	17,451	16,457
Closing number of shares	5,182,149	3,846,967	3,175,420
Operating charges	0.86%	0.86%	0.86%
Direct transaction costs	0.00%	0.04%	0.04%
<b>Prices</b>			
Highest share price (pence)	546.70	553.00	549.10
Lowest share price (pence)	460.20	442.90	467.00

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

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

### Operating charges

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

### Share class launches and closures

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

## Ongoing charge figure

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

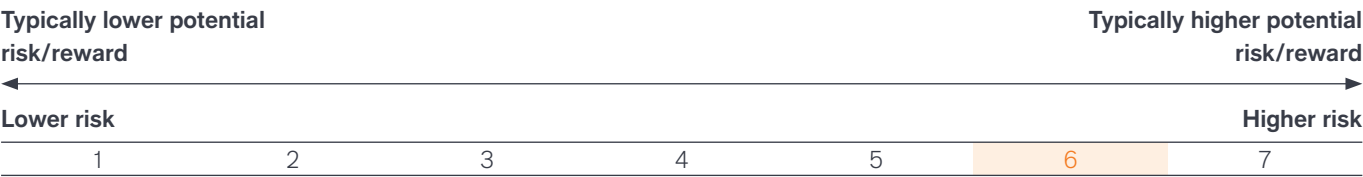
	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
<b>Class A accumulation</b>	1.74	1.74
<b>Class E accumulation</b>	1.24	1.24
<b>Class I accumulation</b>	0.86	0.86

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

Risk and reward profile

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

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



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

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

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

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

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

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

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

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

## Portfolio statement as at 31 October 2023

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Equities 96.82% (2022: 95.98%)</b>		
	<b>Japan 96.82% (2022: 95.98%)</b>		
	<b>Communication Services 5.83% (2022: 3.52%)</b>		
1,312,000	Nippon Telegraph & Telephone	1,262	3.43
26,500	SoftBank 'A'	883	2.40
		<u>2,145</u>	<u>5.83</u>
	<b>Consumer Discretionary 21.57% (2022: 18.44%)</b>		
304,000	Nissan Motor	939	2.55
8,800	Nitori	786	2.13
63,000	Pan Pacific International	996	2.71
33,000	Sony	2,230	6.06
212,000	Toyota Motor	2,986	8.12
		<u>7,937</u>	<u>21.57</u>
	<b>Consumer Staples 8.56% (2022: 9.47%)</b>		
55,000	Asahi	1,626	4.42
51,000	Seven & I	1,523	4.14
		<u>3,149</u>	<u>8.56</u>
	<b>Energy 1.07% (2022: 2.22%)</b>		
33,000	Inpex	392	1.07
	<b>Financials 13.93% (2022: 11.98%)</b>		
103,000	Dai-ichi Life	1,780	4.84
44,000	Sumitomo Mitsui Financial	1,727	4.69
89,000	Tokio Marine	1,619	4.40
		<u>5,126</u>	<u>13.93</u>
	<b>Health Care 11.09% (2022: 15.00%)</b>		
74,000	Astellas Pharma	765	2.08
80,000	Daiichi Sankyo	1,678	4.56
17,000	Eisai	736	2.00
83,000	Olympus	903	2.45
		<u>4,082</u>	<u>11.09</u>
	<b>Industrials 19.61% (2022: 19.98%)</b>		
36,000	Canon Marketing Japan	705	1.92
33,000	Ebara	1,185	3.22
39,500	Hitachi	2,037	5.54
10,100	Kokusai Electric	135	0.37
40,000	Mitsubishi	1,514	4.10
794,000	Persol	967	2.63
1,800	SMC	673	1.83
		<u>7,216</u>	<u>19.61</u>

## Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	<b>Information Technology 10.02% (2022: 10.35%)</b>		
4,400	Disco	625	1.70
5,000	Fujifilm	223	0.61
81,000	Murata Manufacturing	1,088	2.96
38,000	Nomura Research Institute	814	2.21
88,000	Renesas Electronics	934	2.54
		<u>3,684</u>	<u>10.02</u>
	<b>Materials 5.14% (2022: 4.05%)</b>		
78,000	Shin-Etsu Chemical	<u>1,892</u>	<u>5.14</u>
	<b>Real Estate 0.00% (2022: 0.97%)</b>		
	<b>Investment assets</b>	<u><b>35,623</b></u>	<u><b>96.82</b></u>
	Other net assets	<u>1,171</u>	<u>3.18</u>
	<b>Total net assets</b>	<u><b>36,794</b></u>	<u><b>100.00</b></u>

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

## Statement of total return for the year ended 31 October 2023

		2023		2022	
	Note	£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		2,880		(4,021)
Revenue	3	679		554	
Expenses	4	(323)		(308)	
Net revenue before taxation		356		246	
Taxation	5	(65)		(55)	
Net revenue after taxation			291		191
Total return before distributions			3,171		(3,830)
Distributions	6		(291)		(192)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>2,880</b>		<b>(4,022)</b>

## Statement of change in net assets attributable to shareholders

for the year ended 31 October 2023

		2023		2022	
		£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>			<b>28,013</b>		<b>29,311</b>
Amounts receivable on issue of shares		9,476		4,761	
Amounts payable on cancellation of shares		(3,872)		(2,229)	
			5,604		2,532
Dilution adjustment			6		-
Change in net assets attributable to shareholders from investment activities			2,880		(4,022)
Retained distributions on accumulation shares			291		192
<b>Closing net assets attributable to shareholders</b>			<b>36,794</b>		<b>28,013</b>

## Balance sheet

as at 31 October 2023

	Note	2023 £000	2022 £000
<b>Assets:</b>			
Investments		35,623	26,886
Current assets:			
Debtors	7	258	252
Cash and bank balances	8	963	909
<b>Total assets</b>		<b>36,844</b>	<b>28,047</b>
<b>Liabilities:</b>			
Creditors:			
Other creditors	9	50	34
<b>Total liabilities</b>		<b>50</b>	<b>34</b>
<b>Net assets attributable to shareholders</b>		<b>36,794</b>	<b>28,013</b>

## Notes to the financial statements for the year ended 31 October 2023

### 1 Accounting policies

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

### 2 Net capital gains/(losses)

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

	2023 £000	2022 £000
Forward currency contracts	1	(8)
Non-derivative securities	2,860	(4,017)
Other currency gains	20	5
Transaction costs	(1)	(1)
<b>Net capital gains/(losses)</b>	<b>2,880</b>	<b>(4,021)</b>

### 3 Revenue

	2023 £000	2022 £000
Bank interest	25	5
Overseas dividends	651	546
Stock lending revenue	3	3
<b>Total revenue</b>	<b>679</b>	<b>554</b>

### 4 Expenses

	2023 £000	2022 £000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
Annual management charge	276	262
GAC*	42	41
	<u>318</u>	<u>303</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	3	3
Safe custody fees	2	2
	<u>5</u>	<u>5</u>
<b>Total expenses</b>	<b>323</b>	<b>308</b>

Irrecoverable VAT is included in the above expenses where relevant.

\* The current audit fee, which is levied through the GAC, is £11,051 (2022: £9,956).



## Notes to the financial statements (continued)

### 5 Taxation

#### a) Analysis of charge in the year

The tax charge comprises:

	2023 £000	2022 £000
<b>Current tax</b>		
Overseas withholding tax	65	55
<b>Total tax (note 5b)</b>	<b>65</b>	<b>55</b>

#### b) Factors affecting tax charge for year

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

	2023 £000	2022 £000
Net revenue before taxation	356	246
Corporation tax at 20% (2022: 20%)	71	49
Effects of:		
Overseas dividends	(130)	(109)
Overseas withholding tax	65	55
Unused management expenses	59	60
<b>Tax charge for the year (note 5a)</b>	<b>65</b>	<b>55</b>

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

#### c) Deferred tax

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

#### d) Factors that may affect future tax charges

At the year end, after claiming relief against revenue taxable on receipt, there is a potential deferred tax asset of £3,094,028 (2022: £3,035,158) 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

	2023 £000	2022 £000
Final accumulation	291	192
<b>Total distributions</b>	<b>291</b>	<b>192</b>
Net revenue after taxation	291	191
Revenue shortfall	-	1
<b>Total distributions</b>	<b>291</b>	<b>192</b>

Details of the distribution per share are set out in the Distribution table on page 195.

## Notes to the financial statements (continued)

### 7 Debtors

	2023 £000	2022 £000
Accrued revenue	224	199
Amounts receivable for issue of shares	34	53
<b>Total debtors</b>	<b>258</b>	<b>252</b>

### 8 Cash and bank balances

	2023 £000	2022 £000
Cash and bank balances	963	909
<b>Total cash and bank balances</b>	<b>963</b>	<b>909</b>

### 9 Other creditors

	2023 £000	2022 £000
Accrued annual management charge	26	22
Accrued other expenses	4	4
Amounts payable for cancellation of shares	20	8
<b>Total other creditors</b>	<b>50</b>	<b>34</b>

### 10 Contingent liabilities and commitments

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

### 11 Related party transactions

JHFMUKL as ACD to the fund is deemed to be a related party in respect of their dealings with the fund. All transactions and balances associated with the ACD are disclosed within the 'Statement of total return', the 'Statement of change in net assets attributable to shareholders' and the 'Balance sheet' on pages 186 and 187 and notes 4, 7 and 9 on pages 188 to 190 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

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

### 12 Shareholders' funds

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

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 180 to 181. The distribution per share class is given in the Distribution table on page 195. All share classes have the same rights on winding up.

## Notes to the financial statements (continued)

### 12 Shareholders' funds (continued)

Shares reconciliation as at 31 October 2023

	Class A accumulation	Class E accumulation	Class I accumulation
Opening number of shares	859,738	1,821,618	3,846,967
Issues during the year	31,208	25,594	1,764,444
Cancellations during the year	(98,481)	(149,598)	(551,021)
Shares converted during the year	(150,853)	8,495	121,759
<b>Closing shares in issue</b>	<b>641,612</b>	<b>1,706,109</b>	<b>5,182,149</b>

### 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 October 2023 (2022: nil).

#### 2023

The fund had no exposure to derivatives as at 31 October 2023.

#### 2022

The fund had no exposure to derivatives as at 31 October 2022.

### 14 Stock lending

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

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

Eligible collateral types for stock lending and borrowing transactions are approved by the Investment Manager and may consist of (i) cash, (ii) securities issued or guaranteed by an EU Member State, a Member State of the OECD or by their local authorities or supranational institutions and organisations with regional, EU and world-wide scope or by Hong Kong or Singapore, generally subject to a minimum long term credit rating of at least A- by one or more major rating agency or (iii) equities. Collateral should be highly liquid and traded on a regulated market. Collateral is subject to a haircut on a sliding scale based on the combination of the underlying instrument being lent versus the asset being received as collateral. The value of collateral required will range from 102% to 110% of the value of the stock on loan.

#### 2023

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of America	1,229	1,345	Government Bond
JPMorgan Chase	2,179	2,684	Equity
	<b>3,408</b>	<b>4,029</b>	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	3	.*	3

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

## Notes to the financial statements (continued)

### 14 Stock lending (continued) 2022

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of America	327	380	Government Bond
Bank of Nova Scotia	5	6	Equity
Morgan Stanley	209	228	Government Bond
UBS	765	872	Equity/Government Bond
	<b>1,306</b>	<b>1,486</b>	

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	3	-*	3

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

### 15 Risk

#### Currency risk

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

	Investment assets £000	Other net assets £000	Total net assets £000
<b>2023</b>			
<b>Currency</b>			
Japanese yen	35,623	224	35,847
UK sterling	-	947	947
<b>Total</b>	<b>35,623</b>	<b>1,171</b>	<b>36,794</b>

	Investment assets £000	Other net assets £000	Total net assets £000
<b>2022</b>			
<b>Currency</b>			
Japanese yen	26,886	198	27,084
UK sterling	-	929	929
<b>Total</b>	<b>26,886</b>	<b>1,127</b>	<b>28,013</b>

#### Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £35,846,502 (2022: £27,084,354). 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 £3,584,650 (2022: £2,708,435).

#### Interest rate risk

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

## Notes to the financial statements (continued)

### 15 Risk (continued)

#### Other market price risk

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

#### Leverage

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

#### Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2023</b>				
Other creditors	-	50	-	-
<b>Total</b>	<u>-</u>	<u>50</u>	<u>-</u>	<u>-</u>
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
<b>2022</b>				
Other creditors	-	34	-	-
<b>Total</b>	<u>-</u>	<u>34</u>	<u>-</u>	<u>-</u>

### 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

	<b>2023</b>		<b>2022</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	35,623	-	26,886	-
Level 2	-	-	-	-
Level 3	-	-	-	-
	<u>35,623</u>	<u>-</u>	<u>26,886</u>	<u>-</u>

## Notes to the financial statements (continued)

### 17 Direct transaction costs

	Purchases		Sales	
	2023	2022	2023	2022
	£000	£000	£000	£000
<b>Trades in the year</b>				
Equities	12,521	10,943	6,652	8,615
<b>Trades in the year before transaction costs</b>	<b>12,521</b>	<b>10,943</b>	<b>6,652</b>	<b>8,615</b>
<b>Transaction costs</b>				
<b>Commissions</b>				
Equities	5	6	3	5
<b>Total commissions</b>	<b>5</b>	<b>6</b>	<b>3</b>	<b>5</b>
<b>Taxes</b>				
Equities	-	-	-	-
<b>Total taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other expenses</b>				
Equities	-	-	-	-
<b>Total other expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>5</b>	<b>6</b>	<b>3</b>	<b>5</b>
<b>Total net trades in the year after transaction costs</b>	<b>12,526</b>	<b>10,949</b>	<b>6,649</b>	<b>8,610</b>

	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.04	0.05	0.05	0.06
<b>Taxes</b>				
Equities	-	-	-	-
<b>Other expenses</b>				
Equities	-	-	-	-
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions	0.03	0.04		
Taxes	-	-		
Other expenses	-	-		
<b>Total costs</b>	<b>0.03</b>	<b>0.04</b>		

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

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

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

The portfolio dealing spread as at 31 October 2023 was 0.20% (2022: 0.22%). 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 October 2023 (in pence per share)

### Final dividend distribution (accounting date 31 October 2023, paid on 29 December 2023)

Group 1: shares purchased prior to 1 November 2022

Group 2: shares purchased on or after 1 November 2022

	Distribution per share	Total distribution per share 29/12/23	Total distribution per share 30/12/22
<b>Class A accumulation</b>			
Group 1	0.6324	0.6324	-
Group 2	0.6324	0.6324	-
<b>Class E accumulation</b>			
Group 1	3.2412	3.2412	2.1399
Group 2	3.2412	3.2412	2.1399
<b>Class I accumulation</b>			
Group 1	4.4768	4.4768	3.9889
Group 2	4.4768	4.4768	3.9889

## Appendix - additional information (unaudited)

### Securities financing transactions

The funds engage in securities financing transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, as amended by the Transparency of Securities Financing Transactions and Reuse (Amendment) (EUR Exit) Regulations 2019, SFTs include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation (EU) 2015/2365, as amended by the Transparency of Securities Financing Transactions and Reuse (Amendment) (EU Exit) Regulations 2019, the funds' involvement in and exposures related to securities lending for the year ended 31 October 2023 are detailed below.

### Global data

The table lists the amount of securities on loan as a proportion of total lendable assets and the funds' AUM as at 31 October 2023:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson Institutional Overseas Bond Fund	6,161	3.76	3.26
Janus Henderson Japan Opportunities Fund	3,408	9.57	9.26

### Concentration data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for each fund as at 31 October 2023:

Issuer	Market value of collateral received £000	Issuer	Market value of collateral received £000
<b>Janus Henderson Institutional Overseas Bond Fund</b>		<b>Janus Henderson Japan Opportunities Fund</b>	
US Treasury	2,261	Government of Japan	1,345
Government of France	1,621	Microsoft	134
Government of Belgium	418	Alibaba Group	131
Government of Germany	327	HSBC	94
Government of Austria	107	Apple	76
Microsoft	100	Zillow Group	65
Alibaba Group	98	Bank of America	50
Republic of Finland	94	Home Depot	49
HSBC	70	HP	49
Apple	56	Hershey	49

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for each fund as at 31 October 2023:

Counterparty	Market value of securities on loan £000	Settlement basis	Counterparty	Market value of securities on loan £000	Settlement basis
<b>Janus Henderson Institutional Overseas Bond Fund</b>			<b>Janus Henderson Japan Opportunities Fund</b>		
JPMorgan Chase	6,161	Triparty	JPMorgan Chase	2,179	Triparty
	<u>6,161</u>		Bank of America	1,229	Triparty
				<u>3,408</u>	

All counterparties have been included.



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

### Aggregate transaction data

The following tables provides an analysis of the collateral received by each fund in respect of each type of SFTs as at 31 October 2023:

Counterparty	Counterparty country of origin	Type	Quality	Collateral currency	Settlement basis	Custodian	Market value of collateral received £000
<b>Janus Henderson Institutional Overseas Bond Fund</b>							
JPMorgan Chase	United States	Equity	Main market listing	AUD	Triparty	JPMorgan Chase	8
JPMorgan Chase	United States	Equity	Main market listing	CAD	Triparty	JPMorgan Chase	1
JPMorgan Chase	United States	Equity	Main market listing	DKK	Triparty	JPMorgan Chase	44
JPMorgan Chase	United States	Equity	Main market listing	EUR	Triparty	JPMorgan Chase	127
JPMorgan Chase	United States	Equity	Main market listing	GBP	Triparty	JPMorgan Chase	197
JPMorgan Chase	United States	Equity	Main market listing	HKD	Triparty	JPMorgan Chase	131
JPMorgan Chase	United States	Equity	Main market listing	JPY	Triparty	JPMorgan Chase	90
JPMorgan Chase	United States	Equity	Main market listing	SEK	Triparty	JPMorgan Chase	53
JPMorgan Chase	United States	Equity	Main market listing	SGD	Triparty	JPMorgan Chase	2
JPMorgan Chase	United States	Equity	Main market listing	USD	Triparty	JPMorgan Chase	1,350
JPMorgan Chase	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan Chase	2,585
JPMorgan Chase	United States	Government Bond	Investment grade	GBP	Triparty	JPMorgan Chase	18
JPMorgan Chase	United States	Government Bond	Investment grade	USD	Triparty	JPMorgan Chase	2,261
							<b>6,867</b>
<b>Janus Henderson Japan Opportunities Fund</b>							
Bank of America	United States	Government Bond	Investment grade	JPY	Triparty	JPMorgan Chase	1,345
JPMorgan Chase	United States	Equity	Main market listing	AUD	Triparty	JPMorgan Chase	11
JPMorgan Chase	United States	Equity	Main market listing	CAD	Triparty	JPMorgan Chase	1
JPMorgan Chase	United States	Equity	Main market listing	DKK	Triparty	JPMorgan Chase	59
JPMorgan Chase	United States	Equity	Main market listing	EUR	Triparty	JPMorgan Chase	171
JPMorgan Chase	United States	Equity	Main market listing	GBP	Triparty	JPMorgan Chase	264
JPMorgan Chase	United States	Equity	Main market listing	HKD	Triparty	JPMorgan Chase	176
JPMorgan Chase	United States	Equity	Main market listing	JPY	Triparty	JPMorgan Chase	120
JPMorgan Chase	United States	Equity	Main market listing	SEK	Triparty	JPMorgan Chase	71
JPMorgan Chase	United States	Equity	Main market listing	SGD	Triparty	JPMorgan Chase	3
JPMorgan Chase	United States	Equity	Main market listing	USD	Triparty	JPMorgan Chase	1,808
							<b>4,029</b>

All collateral is held in segregated accounts.

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

### Re-use of collateral

Cash collateral may be reinvested during the loan transaction to generate additional returns for the benefit of the fund, however there was no collateral reinvested during the year.

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

### Securities financing transactions (continued)

#### Aggregate transaction data (continued)

#### Return and cost on securities lending activities

The following table details the funds' return and costs for each type of SFTs for the year ended 31 October 2023:

Fund	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000	% return retained by the securities lending agent	% return retained by the fund
Janus Henderson Asia Pacific Capital Growth Fund	68	5	63	8	92
Janus Henderson Institutional Overseas Bond Fund	16	1	15	8	92
Janus Henderson Japan Opportunities Fund	3	-*	3	8	92

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

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

### Remuneration policy

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

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

Janus Henderson Global Funds is managed by JHFMUKL, which is a subsidiary of Janus Henderson Group plc.

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

Further information on the Janus Henderson Group plc's Remuneration policy is available in the annual report as at 31 December 2022.

	Headcount (1)	Total Remuneration (£000s) (2,3)
<b>Janus Henderson Asia Pacific Capital Growth Fund</b>	2,131	241
<b>of which</b>		
Fixed Remuneration	2,131	123
Variable Remuneration	2,118	118
<b>Janus Henderson Asia Pacific Capital Growth Fund Remuneration Code Staff</b>	44	30
<b>of which</b>		
Senior Management (4)	25	16
Other Code Staff (5)	19	14
<b>Janus Henderson Global High Yield Bond Fund</b>	2,131	23
<b>of which</b>		
Fixed Remuneration	2,131	12
Variable Remuneration	2,118	11
<b>Janus Henderson Global High Yield Bond Fund Remuneration Code Staff</b>	44	3
<b>of which</b>		
Senior Management (4)	25	2
Other Code Staff (5)	19	1
<b>Janus Henderson Global Life Sciences Equity Fund</b>	2,131	2
<b>of which</b>		
Fixed Remuneration	2,131	1
Variable Remuneration	2,118	1
<b>Janus Henderson Global Life Sciences Equity Fund Remuneration Code Staff</b>	44	-
<b>of which</b>		
Senior Management (4)	25	-
Other Code Staff (5)	19	-
<b>Janus Henderson Global Property Equities Fund</b>	2,131	12
<b>of which</b>		
Fixed Remuneration	2,131	6
Variable Remuneration	2,118	6
<b>Janus Henderson Global Property Equities Fund Remuneration Code Staff</b>	44	2
<b>of which</b>		
Senior Management (4)	25	1
Other Code Staff (5)	19	1

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

### Remuneration policy (continued)

	Headcount (1)	Total Remuneration (£000s) (2,3)
<b>Janus Henderson Global Technology Leaders Fund</b>	2,131	1,731
<b>of which</b>		
Fixed Remuneration	2,131	885
Variable Remuneration	2,118	846
<b>Janus Henderson Global Technology Leaders Fund Remuneration Code Staff</b>	44	214
<b>of which</b>		
Senior Management (4)	25	116
Other Code Staff (5)	19	98
<b>Janus Henderson Institutional Overseas Bond Fund</b>	2,131	346
<b>of which</b>		
Fixed Remuneration	2,131	177
Variable Remuneration	2,118	169
<b>Janus Henderson Institutional Overseas Bond Fund Remuneration Code Staff</b>	44	43
<b>of which</b>		
Senior Management (4)	25	23
Other Code Staff (5)	19	20
<b>Janus Henderson Japan Opportunities Fund</b>	2,131	54
<b>of which</b>		
Fixed Remuneration	2,131	28
Variable Remuneration	2,118	26
<b>Janus Henderson Japan Opportunities Fund Remuneration Code Staff</b>	44	7
<b>of which</b>		
Senior Management (4)	25	4
Other Code Staff (5)	19	3

1. This is the actual number of employees who are fully or partly involved in the activities of Janus Henderson Global Funds – no attempt has been made to apportion the time spent specifically in support of Janus Henderson Global Funds, as this data is not captured as part of the Company's normal processes.
2. Please note that due to the employment structure and resourcing of the Janus Henderson Group plc, the staff indicated in this table may provide services to other companies in the Janus Henderson Group plc.
3. The remuneration disclosed is only in respect of the provision of services to Janus Henderson Global Funds for the year, rather than the total remuneration for the year – for this purpose, remuneration has been apportioned between the provision of services to Janus Henderson Global Funds and to other entities in the Janus Henderson Group plc, in respect of fixed pay and annual/long term incentive bonuses, as follows:
  - where fixed pay is directly attributable to Janus Henderson Global Funds (for example, fees for JHFMUKL Board members), 100% of those fees;
  - pro-rated using the average AUM of Janus Henderson Global Funds (as a proportion of the aggregate average AUM of Janus Henderson Group plc) as a proxy.
4. Senior Management includes the Janus Henderson Executive Committee and other Group Board members and the Board of JHFMUKL.
5. Other Code Staff includes all JHFMUKL Code Staff.
6. Please note that rounding off of values could lead to a mismatch of individual numbers and their sum.

## Further information

### Shareholder enquiries

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

For all enquiries please telephone at local rate: **0800 832 832**

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

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

## Important Information

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

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