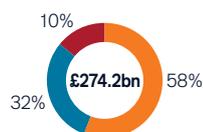


ANNUAL REPORT & ACCOUNTS

For the year ended 31 March 2022

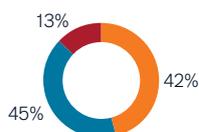
Who are Janus Henderson Investors?

Global Strength



Assets under management

■ North America ■ EMEA & LatAm ■ Asia Pacific



Over **340** investment professionals



More than **2,000** employees



25 Offices worldwide



4,000 company engagements by our investment teams in 2021

Source: Janus Henderson Investors, Staff and assets under management (AUM) data as at 31 March 2022. AUM data excludes Exchange-Traded Note (ETN) assets.

Who we are

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

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

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

Why Janus Henderson Investors

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

Active because active matters

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

Global strength to deliver local solutions

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

Empowering clients through Knowledge Shared

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

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Authorised Corporate Director's (ACD) report for the year ended 31 March 2022

We are pleased to present the Annual Report and Accounts for Janus Henderson Sustainable/Responsible Funds (the 'Company') for the year ended 31 March 2022.

Authorised status

The Company is an open-ended investment company (OEIC) with variable capital incorporated in England and Wales under registered number IC15 and authorised by the Financial Conduct Authority (FCA) with effect from 14 October 1998. It is a United Kingdom Undertakings for Collective Investment in Transferrable Securities (UK UCITS) scheme structured as an umbrella company, comprising of four sub-funds ('funds') complying with chapter 5 of the Collective Investment Schemes Sourcebook (COLL). The operation of the Company is governed by the OEIC regulations, COLL, its Instrument of Incorporation and Prospectus.

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

Segregation of assets

The assets of each fund will be treated as separate from those of every other fund and will be invested in accordance with the investment objective and investment policy applicable to that fund. The funds are segregated portfolios of assets and, accordingly, the assets of a fund belong exclusively to that fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other fund and shall not be available for any such purpose.

Other information

The Janus Henderson Sustainable Future Technologies Fund launched on 3 August 2021.

The following legal entity name changes took place during the year:

Henderson Global Investors Limited to Janus Henderson Investors UK Limited on 15 March 2022.

Henderson Investment Funds Limited to Janus Henderson Fund Management UK Limited on 22 March 2022.

Value assessment

The board of Janus Henderson Fund Management UK Limited (JHFMUKL) present the value assessment report for the period to 31 December 2021, made available on our website www.janushenderson.com. Access by this link (<https://www.janushenderson.com/en-gb/investor/notice/value-assessment-report>).

The FCA, the UK's financial services regulator, requires all fund management groups to perform a detailed assessment of whether funds are providing value to investors, and publish an annual statement summarising the outcome of this process, known as the value assessment. Our report is published by JHFMUKL, the Board of the ACD (the body responsible for an investment fund) and summarises the period to 31 December 2021.

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.

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 each fund can be accessed via the following links:

Janus Henderson Global Responsible Managed Fund <https://www.janushenderson.com/download/document/134392>

Janus Henderson Global Sustainable Equity Fund <https://www.janushenderson.com/download/document/130007>

Janus Henderson UK Responsible Income Fund <https://www.janushenderson.com/download/document/130006>

The report for the Janus Henderson Sustainable Future Technologies Fund will be available from 11 July 2022.

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

COVID-19

The outbreak of the novel coronavirus ('COVID-19') and subsequent global pandemic began impacting financial markets and economies during the first quarter of 2020. The worldwide spread of the virus led to uncertainty on an unprecedented scale. The impact of COVID-19 has been taken into account in the measurement of the assets and liabilities in the primary statements for the year to 31 March 2022.

Russia/Ukraine conflict

With the escalation of events between Russia and Ukraine, Janus Henderson continues to monitor the situation very closely. Teams from across Janus Henderson have been collaborating in recent weeks to prepare for the current events and to ensure any potential disruption to our normal course of business for clients is kept to a minimum. We have well established and tested business continuity and crisis management processes in place, which cover a large number of disruptive scenarios, including cyber threats and market events. Janus Henderson has limited exposure to assets based in the countries involved, however, we have been modelling potential scenarios to inform our investment decisions, as we continue to monitor the situation. The sub-funds did not have any direct exposure to Russia or Ukraine at 31 March 2022.

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.



G Foggin
(Director)

28 June 2022

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

Service providers

	Name	Address	Regulator
Authorised Corporate Director	<p>Janus Henderson Fund Management UK Limited Member of The Investment Association</p> <p>The ultimate holding company is Janus Henderson Group plc</p>	<p>Registered Office: 201 Bishopsgate London EC2M 3AE Registered in England No 2678531 Enquiries – 0800 832 832</p>	Authorised and regulated by the Financial Conduct Authority
Directors of the ACD	<p>R Chaudhuri A Crooke (to 31.03.22) G Foggin G Fogo S Hillenbrand H J de Sausmarez P Shea* F Smith* * Independent</p>		
Investment Manager	<p>Janus Henderson Investors UK Limited The ultimate holding company is Janus Henderson Group plc</p>	<p>201 Bishopsgate London EC2M 3AE</p>	Authorised and regulated by the Financial Conduct Authority
Shareholder Administrator	<p>SS&C Financial Services International Limited and SS&C Financial Services Europe Limited</p>	<p>SS&C House St Nicholas Lane Basildon Essex SS15 5FS</p>	Authorised and regulated by the Financial Conduct Authority
Depository	<p>NatWest Trustee and Depository Services Limited The ultimate holding company is the Royal Bank of Scotland Group plc</p>	<p>250 Bishopsgate London EC2M 4AA</p>	Authorised and regulated by the Prudential Regulation Authority and regulated by the Financial Conduct Authority
Independent Auditors	<p>PricewaterhouseCoopers LLP</p>	<p>141 Bothwell Street Glasgow G2 7EQ</p>	Institute of Chartered Accountants in England and Wales
Legal Adviser	<p>Eversheds Sutherland (International) LLP</p>	<p>One Wood Street London EC2V 7WS</p>	The Law Society

Global equity markets rose during the year to 31 March 2022, MSCI World Index +15.9% in sterling and +10.6% in US dollar terms, helped by the US Federal Reserve's (Fed) resolve to subdue inflation and some signs of progress in talks to end the Russia/Ukraine conflict. The roll-out of COVID-19 vaccines, positive earnings momentum and relief that the impact of the Omicron variant of COVID-19 would probably not be as bad as initially feared also provided support. News of Russia's invasion of Ukraine, worries about inflation, which prompted some major central banks to turn increasingly hawkish, and the emergence and spread of new COVID-19 strains, including Delta and Omicron, weighed on sentiment during the year.

In the UK, the FTSE All Share Index gained 13.0% in sterling terms, buoyed by hopes of eventual peace in Ukraine, despite the continued fighting, some favourable corporate results and loosened lockdown restrictions in the spring and summer of 2021. The market sold off towards the end of November as it was announced that the Omicron strain had been detected, although the subsequent moderation in these worries allowed investors to shrug off concerns about record high COVID-19 infections in the UK. Anxiety about inflation – the annual rate hit a 30-year high of 6.2% in February 2022, up from 1.5% in April 2021 – unsettled investors and prompted the Bank of England to announce three interest rate hikes, taking the benchmark rate from 0.1% to 0.75%. The UK economy expanded by 7.4% – an 80-year high – in 2021, after shrinking 9.3% in 2020, but remained marginally smaller than its pre-pandemic size.

European stocks moved higher, FTSE World Europe ex UK Index +6.5% in sterling and +6.0% in euro terms, on cautious optimism about the Russia/Ukraine peace talks, some strong corporate results and receding worries about the Omicron variant. Concerns about the escalating tensions between the West and Russia – and the wider impact on the region – and the discovery of Omicron, coupled with the return of some COVID-19 restrictions towards the end of 2021, hurt sentiment during the year. Rising prices – the eurozone annual inflation rate hit a record 7.5% in February 2022, up from 1.6% in April 2021 – added further pressure. The European Central Bank left interest rates unchanged, although it started to turn hawkish towards the end of the reporting year as it sped up plans to exit its asset-purchasing programme and sharply upgraded its inflation expectations for 2022. Eurozone GDP grew by a record 5.3% in 2021, rebounding from a 6.4% contraction in the previous year.

US stocks, as measured by the S&P 500 Index, increased by 21.2% in sterling and 15.7% in US dollar terms. The index hit a series of record highs in 2021, on optimism about new economic stimulus measures, generally strong corporate results and easing worries about Omicron and Delta. The rising tensions with Russia, the emergence of Omicron and soaring prices – annual inflation reached a near 40-year high of 7.9% in February, up from 4.2% in April – created volatility. The Fed's willingness to tackle inflation – it raised interest rates for the first time in more than three years in March, by 25 basis points to 0.5% – and some optimism about the negotiations to end the fighting in Ukraine helped equities rally in the final month of the reporting year. US GDP rebounded to 5.7% growth in 2021, recovering from a 3.4% contraction in 2020. The US dollar strengthened, helped by monetary policy tightening and its appeal as a safe-haven currency as the Ukraine crisis escalated.

In Japan, the TOPIX dropped 2.7% in sterling, but rose 2.0% in yen terms as a result of the pound's strength. Optimism about further government stimulus measures, following the resignation of Prime Minister Yoshihide Suga, boosted equities in September, after they had largely trended sideways for the first five months of the period. In November, the government – led by Fumio Kishida after he won a snap general election – announced a huge new spending package, which supported the market. Worries about Omicron and the heightened geopolitical uncertainty pressured shares thereafter, although investors took advantage of the share price weakness, which helped the market rally in the final weeks of the reporting year. The economy rebounded in the fourth quarter, growing by an annualised 4.6%, following a 2.8% contraction in the third quarter. The core inflation rate – which excludes fresh food prices – rose year on year in September, for the first time in 18 months, and continued to register increases in the following months. The Bank of Japan retained its ultra-loose monetary policy stance, which helped push the yen to a seven-year low against the US dollar in March.

In Asia, the MSCI AC Asia Pacific ex Japan Index fell by 6.3% in sterling and 10.6% in US dollar terms, led by declines in China and worries about geopolitical tensions. Chinese equities slumped as COVID-19 outbreaks in the country, a cooling economy, the property sector's debt problems, electricity rationing and a regulatory crackdown weighed on sentiment. South Korean shares declined amid anxiety about the pandemic and as growing expectations of quicker interest rate rises in the US hammered technology stocks in particular. Rallying technology shares and solid corporate results spurred gains in Taiwan. Australian shares strengthened as they benefited from commodity price rises, which outweighed worries about faster monetary policy tightening in the US and potential interest rate hikes domestically.

In emerging markets, the MSCI Emerging Markets Index declined by 6.8% in sterling and 11.1% in US dollar terms, on concerns about monetary tightening, the conflict in Ukraine and the pandemic. India's market moved sharply higher as easing COVID-19 restrictions helped GDP rebound, and economic optimism propelled the benchmark S&P BSE Sensex Index to record highs in 2021. Brazilian shares rose strongly as the benefits of commodity price gains outweighed growing discontent over the leadership of President Jair Bolsonaro. Russian equities plummeted as the invasion of Ukraine got underway, prompting Moscow to shut the country's stock market for a month. In March, Russia was excluded from MSCI's emerging market indices, with the index provider saying Western sanctions had made stocks "uninvestable" in the country. South African equities advanced strongly, helped by commodity price rises and relief about the weaker-than-expected health impact of Omicron.

Market review (continued)

Within fixed income, the JPM Global Government Bond Index was unchanged in sterling but decreased 4.6% in US dollar terms. Yields on core government bond markets – including the US, UK, Germany and Japan – rose sharply (prices fell, reflecting their inverse relationship) as investors became increasingly concerned about surging inflation and monetary policy tightening. In the US, the yield on benchmark 10-year Treasuries finished the reporting year above 2.3% – having reached a near three-year high in late March – up from just below 1.7% a year earlier. Towards the end of March, part of the Treasury yield curve inverted – the two-year bond yield moved above that of 10-year notes – a possible sign of an impending recession. German 10-year bund yields moved into positive territory in late January – the first time since May 2019 – and largely remained there until the end of the reporting year. In corporate debt markets, companies issued about US\$5.5trn in bonds in 2021, down by less than 3% from the previous year, as they continued to take advantage of historically low borrowing costs. However, the turmoil created by the conflict in Ukraine slowed issuance in the first quarter of 2022.

In commodity markets, oil prices increased sharply over the year, with US benchmark West Texas Intermediate (WTI) up by about 70%. Geopolitical tensions fuelled anxiety about possible supply disruptions and helped lift WTI to a 14-year high on 7 March, although prices subsequently retreated as a major producer backed a supply increase, and as the US announced plans for a significant release from its oil reserves. Spot gold prices rose strongly – they came close to a record high on 8 March – as the conflict in Ukraine boosted its appeal as a safe-haven investment. Copper prices rallied as worries about supplies, because of the geopolitical uncertainty, helped it hit record highs in early March.

Statement of Authorised Corporate Director's (ACD) responsibilities

for the year ended 31 March 2022

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

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

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

Statement of Depositary's responsibilities and report of the Depositary to the shareholders of Janus Henderson Sustainable/Responsible Funds ('the Company')

for the year ended 31 March 2022

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 is 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
28 June 2022

Independent Auditors' report to the shareholders of Janus Henderson Sustainable/Responsible Funds

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Janus Henderson Sustainable/Responsible 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 March 2022 and of the net revenue/expenses and the net capital gains/losses 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 April 2021 to 31 March 2022 for all sub-funds except Janus Henderson Sustainable Future Technologies Fund with a period of 3 August 2021 to 31 March 2022) then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Janus Henderson Sustainable/Responsible Funds is an Open Ended Investment Company ('OEIC') with four 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 March 2022; the Statements of total return and the Statements of change in net assets attributable to shareholders for the period then ended; the Distribution tables; and the Aggregated notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Reporting on other information

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

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

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.

Independent Auditors' report to the shareholders of Janus Henderson Sustainable/Responsible Funds (continued)

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's 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 any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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

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

Use of this report

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

Independent Auditors' report to the shareholders of Janus Henderson Sustainable/ Responsible 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.

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

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
28 June 2022

1 Accounting policies

(a) Basis of preparation

The financial statements of Janus Henderson Sustainable/Responsible 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 have been prepared on a going concern basis.

(b) Basis of valuation of investments

The valuation of listed investments has been at fair value, which is generally deemed to be bid market price, excluding any accrued interest in the case of debt securities, at close of business on the last working day of the accounting year (31 March 2022) in accordance with the provisions of the scheme particulars.

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

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

Bank interest is recognised on an accruals basis.

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

Dividends received from US REITs are allocated between revenue and capital for distribution purposes. The split is based on the year end tax reporting data issued by the US REIT with the revenue element being subject to UK corporation tax. Where the split of revenue and capital has not been announced at the accounting date then the income is treated as an ordinary dividend until such time as this is known.

Distributions from offshore funds on accumulation shares are recognised as revenue and added to the bookcost of the holding when they are declared.

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

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

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

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

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

(d) Treatment of expenses (including ACD expenses)

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

1 Accounting policies (continued)

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

Annual Management Charge

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

The investment objective of Janus Henderson UK Responsible Income Fund concentrates on the generation of income with prospects of 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 and safe custody fees have been replaced by a single ad valorem charge, the General Administration Charge (GAC). The ACD believes that this creates more efficiency around the charging process than more traditional methods. The GAC is calculated as a percentage of the scheme property and the amount each share class in each fund will pay will depend on the costs attributable to each share class based on whether the class is a 'Retail' class or an 'Institutional' class. The GAC accrues on a daily basis and is payable to the ACD by each share class monthly.

Allocation of revenue and expenses to multiple share classes

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

(e) Exchange rates

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

(f) Taxation

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

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

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

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

(g) Cash flow statement

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

(h) Hedged share classes

The following hedged share classes are available within the fund:

- Class A Euro (hedged) accumulation and Class I Euro (hedged) accumulation on Janus Henderson Global Sustainable Equity Fund.

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

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

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

1 Accounting policies (continued)

(i) Treatment of derivatives

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

Forward foreign currency contracts

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

Forward foreign currency contracts on hedged share classes

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

The gains or losses from the hedge are calculated on a daily basis, and are allocated to both capital and revenue of the share class based upon the relationship of the prior day capital/revenue split, with the revenue element impacting upon that class's potential distributable revenue.

(j) Dilution adjustment

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

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

2 Distribution policy

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

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

Marginal tax relief is not taken into account when determining the amount available for distribution on 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 funds make biannual distributions (31 May and 30 November) to shareholders with the exception of the Janus Henderson Sustainable Technology Fund which makes an annual distribution (31 May).

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

Equalisation

Income equalisation applies to Janus Henderson UK Responsible Income Fund only.

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

3 Risk

In pursuing their investment objectives 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. The funds may also enter into derivatives and forward transactions for the purpose of efficient portfolio management only.

The risk management policy and process for the funds are 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 is documented within the ACD's Risk Management Policy and Process document, which outlines for each main risk category the controls and risk measures in place, including stress tests for assessing sensitivity to the most relevant risks. This risk framework includes setting of limits and monitoring against those limits.

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.

The funds may be unable to invest in certain sectors and companies due to ethical screening that they undertake. This may mean that they are more sensitive to price swings than other funds.

There can be no assurance that any appreciation in the value of investments will occur. There is no certainty that the investment objective of the funds will actually be achieved and no warranty or representation is given to this effect.

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 include: fraudulent securities; lack of liquidity; currency fluctuations; settlement and custody risks; investment and remittance restrictions; and accounting, auditing and financial reporting requirements.

Where the investment objective of a fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the AMC may be charged against capital instead of against income. This treatment of the AMC will increase the amount of income (which may be taxable) available for distribution to shareholders in the fund concerned but may constrain capital growth.

The funds may use derivatives for the purposes of hedging and efficient portfolio management only, it is not expected that the use of derivatives for these purposes will alter the risk profile of the funds.

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 revenue are 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. The ACD regularly reviews currency risk.

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

3 Risk (continued)

(a) Market risk (continued)

Hedged share classes on Janus Henderson Global Sustainable Equity Fund

The hedged share class allows the ACD to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in those classes (the 'Reference Currency') and sterling which is the base currency of the fund.

Any benefits or losses of the hedging transactions should accrue to shareholders in the hedged share class, to income and capital as relevant. The ACD will review the relevant hedging positions on a regular basis. The currency transactions will not cause the hedged class to be leveraged. The value of the share class to be hedged will be made up of both capital and income elements and the ACD intends to hedge between 95-105% of the value of the hedged share class. Adjustments to any hedge to keep within this target range will only be made when the required adjustment is material. As such the hedged share classes will not be completely protected from all currency fluctuations.

Hedging transactions may be entered into if the euro is declining or increasing in value relative to sterling. Where such hedging is undertaken it may substantially protect investors in the class against a decrease in the value of sterling relative to the euro but it may also preclude investors from benefiting from an increase in the value of sterling. The gains or losses from the hedge are calculated on a daily basis, and are allocated to both the capital and revenue of the share class based upon the relationship of the prior day capital/revenue split, with the revenue element impacting upon that class's potential distributable revenue.

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.

From time to time Janus Henderson Global Responsible Managed Fund may hold sub-investment grade bonds. Such bonds have a lower credit rating than investment grade bonds and carry a higher degree of risk.

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

Other market price risk

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

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

The Russia/Ukraine conflict is 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.

3 Risk (continued)

(a) Market risk (continued)

Global exposure

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. Sensitivity analysis of funds using the commitment approach 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.

In these calculations all positions in the relevant investment portfolio are taken into consideration including those undertaken for efficient portfolio management purposes. VaR is calculated daily 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 either sensitivity analysis or global exposure and for which there is no suitable reference portfolio absolute monthly VaR calculated on all the positions in a fund's investment portfolio is not to exceed a regulatory maximum limit of 20%.

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

(b) Credit and counterparty risk

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

In order to manage credit risk 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 Counterparty Risk Committee are used for derivative transactions. The continuing creditworthiness of counterparties is monitored on a daily basis.

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

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

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

(c) Operational risk

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

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

Aggregated notes to the financial statements (continued)

3 Risk (continued)

(d) Liquidity risk

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

The funds are generally able to realise cash quickly to meet their liabilities. The main liquidity requirements of the funds includes 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 maturity analysis of each fund's financial liabilities.

4 Cross holdings

As at 31 March 2022 there were no sub-fund cross holdings within Janus Henderson Sustainable/Responsible Funds (2021: nil).

Janus Henderson Global Responsible Managed Fund

Authorised Corporate Director's report

Investment Fund Managers

Hamish Chamberlayne, Philip Payne and Andrew Jones

Investment objective and policy

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

The fund invests in shares (also known as equities) and bonds of companies and issuers, in any industry, in any country, and will normally have significant allocations to the UK as well as other countries.

The fund will invest in companies that are responsibly run, giving due consideration to environmental, social and governance issues. The fund will avoid investing in companies that the Investment Manager considers to potentially have a negative impact on the development of a sustainable global economy. The fund may also invest in other assets including Collective Investment Schemes (CIS) (including those managed by Janus Henderson) and cash. The Investment Manager may use derivatives (complex financial instruments) to reduce risk or to manage the fund more efficiently.

The fund is managed with reference to the IA Mixed Investment 40–85% Shares sector average, which is based on a peer group of broadly similar funds. The Investment Manager has a high degree of freedom to choose individual investments for the fund and to vary allocations between asset types.

Strategy

The Investment Manager looks to construct a differentiated and well diversified global portfolio of company shares and fixed income securities (bonds), based on the belief that superior returns can be generated by companies that are providing solutions to environmental and social challenges. These companies should have attractive financial attributes such as persistent revenue growth and durable cash flows, as well as exhibiting strong management of environmental, social and corporate governance risks. Companies will typically be strategically aligned with themes such as climate change, resource constraints, growing populations, and ageing populations. The fund avoids investing in fossil fuels and companies that stand to be disrupted by the transition to a low-carbon economy.

Performance summary

Cumulative performance

	One year 31 Mar 21 - 31 Mar 22	Three years 31 Mar 19 - 31 Mar 22	Five years 31 Mar 17 - 31 Mar 22	Since inception 13 Apr 00 - 31 Mar 22
	%	%	%	%
Class I accumulation (Net)	7.1	42.0	57.9	218.2
IA Mixed Investment 40-85% Shares	5.3	22.9	30.3	169.4

Discrete performance

	31 Mar 21 - 31 Mar 22	31 Mar 20 - 31 Mar 21	31 Mar 19 - 31 Mar 20	31 Mar 18 - 31 Mar 19	31 Mar 17 - 31 Mar 18
	%	%	%	%	%
Class I accumulation (Net)	7.1	29.3	2.5	7.3	3.6
IA Mixed Investment 40-85% Shares	5.3	26.5	(7.7)	4.4	1.6

Source: Morningstar

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

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

Benchmark usage:

Peer group: IA Mixed Investment 40-85% Shares

Peer group usage: Comparator

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

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

Authorised Corporate Director's report (continued)

Significant portfolio changes for the year ended 31 March 2022

Largest purchases	£000	Largest sales/maturities	£000
ICON	4,330	Lam Research	2,987
UK Treasury 0.125% 31/01/2024	3,095	Avery Dennison	2,906
Wabtec	3,017	Adobe	2,759
UK Treasury 0.625% 22/10/2050	2,934	US Treasury 1.125% 31/03/2022	2,695
Advanced Drainage Systems	2,671	Wm Morrison Supermarkets 4.75% 04/07/2029	2,185
US Treasury 1.375% 15/08/2050	2,615	Physicians Realty Trust REIT	1,782
Autodesk	2,581	Tesla	1,660
US Treasury 1.25% 15/08/2031	2,512	Humana	1,631
Home Depot	2,260	Compass	1,590
UK Treasury 1.50% 22/07/2026	2,219	Getlink	1,251
Total purchases	118,823	Total sales/maturities	63,369

Investment review

The fund returned 71% based on Class I accumulation (Net) over the year under review, compared with a return of 5.3% in the IA Mixed Investment 40-85% Shares peer group benchmark.

Several themes drove markets over the reporting year. Initially, the pandemic remained the key issue, with lockdowns a major feature of the global economic landscape and governments providing support via monetary and fiscal stimulus. However, as economies gradually reopened, the world's supply chains were tested in the face of demand spikes, shipping bottlenecks and factory closures. This had a significant inflationary impact, prompting more aggressive action from central banks and rises in interest rates, with increased expectations of further policy action during 2022. Other factors, such as a crisis in the Chinese property market and the country's 'zero-COVID-19' policy, also had an impact. Just as the cautious shoots of economic recovery from the pandemic appeared to be taking hold, the Russian invasion of Ukraine thrust the world into another bout of uncertainty, leading to extreme price rises in commodities and exacerbating inflationary pressures.

There was some progress on the transition to a low-carbon global economy. G7 countries committed to emission reduction targets at a summit in June, with the objective of reaching net zero emissions by 2050. The highlights of the United Nations Climate Change Conference included a greater ambition on emission reductions, an agreement that countries will revisit their nationally determined contributions annually, rather than every five years, and greater clarity on carbon offsetting.

Against this backdrop the MSCI World Total Return Index gained 16.2% in sterling terms during the year while the FTSE All Share Index rose 13.0%. Fixed Income markets had a more challenging time given inflation, with the US 10-year Treasury yield rising to 2.34% from 1.74% and credit spreads widening.

The fund's overweight exposure to equities and its underweight allocation to bonds benefited performance. However, this was offset by disappointing stock selection, with both the global and UK equity holdings underperforming their respective indices. The overweight positions in information technology and financials were detrimental to performance, while the strength of energy stocks detracted from returns given that the fund's responsible investment approach means it does not own these shares. The fund's avoidance criteria also prohibits holdings in mining stocks, and the strong performances of Rio Tinto, BHP, Glencore and Anglo American were unhelpful.

At the stock level, the largest detractors were Apple, given the absence of exposure, laser manufacturer IPG Photonics and design software company Autodesk. IPG Photonics reported good results, although it was hampered by a more conservative outlook, which led to earnings downgrades, and the Russia/Ukraine tensions. However, we continued to appreciate its products, which are used in electric vehicles, renewable energy and semiconductors. Autodesk's shares were impacted by a rotation away from growth stocks, despite the company announcing good results. We remained confident in its products and services, which are helping its clients create more resilient and sustainable infrastructure.

Some of the largest contributors to returns were Evoqua Water Technologies, Nvidia and AON. Evoqua Water Technologies, a leading provider of technologies for water treatment and purification, had a series of good results. The company was also well positioned to benefit from a US infrastructure bill that is due to allocate US\$55bn to water infrastructure. Shares of Nvidia, a graphics processing unit designer, rose by more than 100%, driven by robust results and growing evidence of the company's technological lead. It has successfully positioned itself as the platform for next-generation computing, with its products vital in enabling access to artificial intelligence and improving computing energy efficiency. AON, a global provider of risk management and insurance, benefited from strong results and the termination of its takeover of Willis Towers Watson. AON has a vital role to play in helping clients address emerging risks, such as climate change and cyber threats, through its ability to provide big data analytics.

The fund's equities position was increased slightly during the year, in part due to market movements but also as attractive opportunities arose due to market volatility. Conversely, the fund's fixed income exposure declined to 14.4% as we saw limited opportunities to add value in the asset class given the low yields on offer and expectations that credit spreads would widen as central banks tightened liquidity.

Markets have faced an unusual set of circumstances, with the Russia/Ukraine conflict and central bank activity combining with the lingering impact of the pandemic to create high levels of uncertainty. The effect of renewed inflationary pressures on global economic growth seems likely to lead to downgrades, with both business and consumer confidence impacted as costs rise. A prolonged period of market volatility is likely. However, this will provide opportunities to identify attractively valued companies with robust growth and free-cash-flow characteristics that we think are well positioned to navigate the more challenging economic environment.

Many of the companies held in the fund are still reporting strong operating results, while these improving fundamentals are not yet reflected in share prices and valuations. We believe the current backdrop will inevitably incentivise investment in productivity, substitution, efficiency and clean technology, which should precipitate greater demand for the goods and services offered by a number of the fund's holdings. We remain confident in our longer-term outlook that digitisation, electrification and decarbonisation will be a key driver of global economic growth.

Comparative tables for the year ended 31 March 2022

	Class A accumulation		
	2022	2021	2020
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	259.63	200.34	199.89
Return before operating charges*	17.92	63.49	4.13
Operating charges	(4.79)	(4.20)	(3.68)
Return after operating charges*	13.13	59.29	0.45
Distributions on accumulation shares	(0.26)	(0.36)	(1.61)
Retained distributions on accumulation shares	0.26	0.36	1.61
Closing net asset value per share	272.76	259.63	200.34
* after direct transaction costs of:	0.11	0.18	0.12
Performance			
Return after charges	5.06%	29.59%	0.23%
Other information			
Closing net asset value (£000s)	9,676	6,217	4,437
Closing number of shares	3,547,511	2,394,619	2,214,731
Operating charges	1.73%	1.73%	1.70%
Direct transaction costs	0.04%	0.07%	0.05%
Prices			
Highest share price (pence)	295.20	268.70	240.10
Lowest share price (pence)	255.10	193.60	188.50
	Class E accumulation		
	2022	2021	08/07/19 - 31/03/20
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	261.47	200.93	217.65 ¹
Return before operating charges*	17.98	63.54	(14.78)
Operating charges	(3.44)	(3.00)	(1.94)
Return after operating charges*	14.54	60.54	(16.72)
Distributions on accumulation shares	(1.29)	(1.68)	(2.17)
Retained distributions on accumulation shares	1.29	1.68	2.17
Closing net asset value per share	276.01	261.47	200.93
* after direct transaction costs of:	0.12	0.18	0.12
Performance			
Return after charges	5.56%	30.13%	(7.68%)
Other information			
Closing net asset value (£000s)	2,123	1,639	1,034
Closing number of shares	769,023	626,946	514,862
Operating charges	1.23%	1.23%	1.20%
Direct transaction costs	0.04%	0.07%	0.05%
Prices			
Highest share price (pence)	298.20	270.30	240.70
Lowest share price (pence)	258.00	194.20	189.10

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

Comparative tables (continued)

	Class I accumulation		
	2022 (pence per share)	2021 (pence per share)	2020 (pence per share)
Change in net assets per share			
Opening net asset value per share	297.51	227.90	225.82
Return before operating charges*	20.39	72.00	4.15
Operating charges	(2.71)	(2.39)	(2.07)
Return after operating charges*	17.68	69.61	2.08
Distributions on accumulation shares	(2.61)	(2.64)	(3.46)
Retained distributions on accumulation shares	2.61	2.64	3.46
Closing net asset value per share	315.19	297.51	227.90
* after direct transaction costs of:	0.13	0.21	0.13
Performance			
Return after charges	5.94%	30.54%	0.92%
Other information			
Closing net asset value (£000s)	272,630	203,735	105,155
Closing number of shares	86,497,964	68,480,423	46,141,416
Operating charges	0.85%	0.86%	0.84%
Direct transaction costs	0.04%	0.07%	0.05%
Prices			
Highest share price (pence)	340.20	307.30	272.90
Lowest share price (pence)	294.60	220.20	214.40
	Class Z accumulation		
	2022 (pence per share)	2021 (pence per share)	2020 (pence per share)
Change in net assets per share			
Opening net asset value per share	478.97	364.58	358.94
Return before operating charges*	32.41	114.74	5.88
Operating charges	(0.36)	(0.35)	(0.24)
Return after operating charges*	32.05	114.39	5.64
Distributions on accumulation shares	(8.17)	(7.49)	(8.21)
Retained distributions on accumulation shares	8.17	7.49	8.21
Closing net asset value per share	511.02	478.97	364.58
* after direct transaction costs of:	0.21	0.33	0.21
Performance			
Return after charges	6.69%	31.38%	1.57%
Other information			
Closing net asset value (£000s)	163,882	162,021	128,360
Closing number of shares	32,069,652	33,826,907	35,207,772
Operating charges	0.07%	0.08%	0.06%
Direct transaction costs	0.04%	0.07%	0.05%
Prices			
Highest share price (pence)	550.40	494.20	436.20
Lowest share price (pence)	477.20	352.30	342.90

Comparative tables (continued)

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

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

Operating charges

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

Share class launches and closures

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

Ongoing charge figure

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

	2022	2021
	%	%
Class A accumulation	1.73	1.73 ¹
Class E accumulation	1.23	1.23 ¹
Class I accumulation	0.85	0.86 ¹
Class Z accumulation	0.07	0.08 ¹

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

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

Risk and reward profile

The fund currently has 4 types of share class in issue: A accumulation, E accumulation, I accumulation and Z accumulation.

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



The share classes appear at 5 out of 7. Share classes in higher categories have shown greater and/or more frequent variations in Net Asset Value in the past five years than those in lower categories. The lowest category does not mean risk free.

The Synthetic Risk and Reward Indicator (SRRRI) 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 SRRRI level. The SRRRI is an indicator and may not accurately reflect future volatility and market conditions.

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

The 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 ratings during the year.

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

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

Portfolio statement as at 31 March 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 78.73% (2021: 76.60%)		
	Australia 0.15% (2021: 0.24%)		
	Health Care 0.15% (2021: 0.24%)		
297,600	Nanosonics	670	0.15
	Canada 3.45% (2021: 2.88%)		
	Financials 1.47% (2021: 1.23%)		
58,856	Intact Financial	6,608	1.47
	Utilities 1.98% (2021: 1.65%)		
184,155	Borex 'A'	4,529	1.01
362,197	Innergex Renewable Energy	4,363	0.97
		<u>8,892</u>	<u>1.98</u>
	China 0.24% (2021: 0.42%)		
	Technology 0.24% (2021: 0.42%)		
1,477,182	Linklogis	1,054	0.24
	France 1.04% (2021: 1.45%)		
	Industrials 1.04% (2021: 1.17%)		
63,600	Legrand	4,643	1.04
	Telecommunications 0.00% (2021: 0.28%)		
	Germany 1.33% (2021: 1.96%)		
	Consumer Discretionary 0.63% (2021: 0.90%)		
15,700	Adidas	2,815	0.63
	Industrials 0.70% (2021: 1.06%)		
53,300	Knorr-Bremse	3,152	0.70
	Hong Kong 1.05% (2021: 1.32%)		
	Financials 1.05% (2021: 1.32%)		
590,007	AIA	4,718	1.05
	Ireland 1.49% (2021: 0.48%)		
	Health Care 1.02% (2021: 0.00%)		
24,900	ICON	4,595	1.02
	Industrials 0.47% (2021: 0.48%)		
61,580	Smurfit Kappa	2,101	0.47
	Japan 4.62% (2021: 4.64%)		
	Consumer Discretionary 2.26% (2021: 2.36%)		
15,600	Nintendo	6,019	1.34
23,264	Shimano	4,099	0.92
		<u>10,118</u>	<u>2.26</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Industrials 0.90% (2021: 0.70%)		
152,100	Shimadzu	4,031	0.90
	Technology 1.46% (2021: 1.58%)		
75,000	Murata Manufacturing	3,808	0.85
44,700	Nidec	2,727	0.61
		<u>6,535</u>	<u>1.46</u>
	Netherlands 1.81% (2021: 1.95%)		
	Consumer Discretionary 0.84% (2021: 0.74%)		
45,882	Wolters Kluwer	3,744	0.84
	Technology 0.97% (2021: 1.21%)		
8,400	ASML	4,330	0.97
	Switzerland 1.19% (2021: 1.28%)		
	Information Technology 1.19% (2021: 1.28%)		
53,700	TE Connectivity	5,342	1.19
	Taiwan 1.64% (2021: 1.68%)		
	Technology 1.64% (2021: 1.68%)		
464,000	Taiwan Semiconductor Manufacturing	7,331	1.64
	United Kingdom 24.91% (2021: 23.74%)		
	Basic Materials 0.37% (2021: 0.57%)		
88,367	Johnson Matthey	1,660	0.37
	Consumer Discretionary 4.20% (2021: 4.16%)		
263,967	Informa	1,589	0.35
2,128,971	ITV	1,744	0.39
725,129	Kingfisher	1,852	0.41
697,230	National Express	1,623	0.36
15,324	Next	925	0.21
255,892	Pearson	1,921	0.43
51,149	Persimmon	1,100	0.26
173,521	RELX	4,133	0.92
417,458	RM	605	0.13
716,316	Taylor Wimpey	936	0.21
83,830	Whitbread	2,394	0.53
		<u>18,822</u>	<u>4.20</u>
	Consumer Staples 0.52% (2021: 0.83%)		
150,605	Britvic	1,215	0.27
444,271	J Sainsbury	1,123	0.25
		<u>2,338</u>	<u>0.52</u>
	Financials 7.82% (2021: 7.69%)		
579,148	abrdn	1,245	0.28
242,335	Ashmore	563	0.13
675,718	Aviva	3,053	0.68
1,011,564	Direct Line Insurance	2,783	0.62

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Financials (continued)		
227,695	Greencoat UK Wind	346	0.08
131,040	Intermediate Capital	2,340	0.52
632,420	Jupiter Fund Management	1,304	0.29
3,309,850	Lloyds Bank	1,557	0.35
39,569	London Stock Exchange	3,151	0.70
658,743	Low Carbon Accelerator ¹	-	-
1,252,169	M&G	2,770	0.62
959,216	NatWest	2,071	0.46
306,801	Paragon Banking	1,534	0.34
423,160	Phoenix	2,598	0.58
188,764	Prudential	2,140	0.48
137,696	Schroder Non-Voting Shares	2,622	0.58
91,463	St James's Place	1,325	0.30
263,126	3i	3,652	0.81
		<u>35,054</u>	<u>7.82</u>
	Health Care 3.66% (2021: 2.97%)		
77,817	AstraZeneca	7,884	1.76
952,621	ConvaTec	2,054	0.46
216,345	GlaxoSmithKline	3,564	0.80
236,428	Smith & Nephew	2,884	0.64
		<u>16,386</u>	<u>3.66</u>
	Industrials 2.02% (2021: 2.04%)		
597,646	DS Smith	1,924	0.43
159,687	Electrocomponents	1,731	0.38
131,281	Euromoney Institutional Investor	1,297	0.29
48,442	Experian	1,430	0.32
65,763	Oxford Instruments	1,384	0.31
49,970	Spectris	1,297	0.29
		<u>9,063</u>	<u>2.02</u>
	Real Estate 0.91% (2021: 0.80%)		
1,468,489	Assura	982	0.22
96,427	Ethical Property ²	66	0.02
384,413	Land Securities	3,020	0.67
		<u>4,068</u>	<u>0.91</u>
	Technology 1.01% (2021: 0.91%)		
751,786	Moneysupermarket.com	1,428	0.32
444,491	Sage	3,117	0.69
		<u>4,545</u>	<u>1.01</u>
	Telecommunications 1.52% (2021: 1.44%)		
1,509,867	BT	2,750	0.61
3,260,473	Vodafone	4,071	0.91
		<u>6,821</u>	<u>1.52</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Utilities 2.88% (2021: 2.76%)			
349,235	National Grid	4,094	0.91
101,016	Pennon	1,086	0.24
60,504	Severn Trent	1,861	0.42
224,419	SSE	3,924	0.87
173,767	United Utilities	1,953	0.44
		<u>12,918</u>	<u>2.88</u>
United States 37.00% (2021: 35.41%)			
Basic Materials 0.00% (2021: 0.61%)			
Consumer Discretionary 1.99% (2021: 1.89%)			
46,400	Aptiv	4,220	0.94
243,200	Enova Systems ¹	-	-
9,800	Home Depot	2,228	0.50
24,200	Nike 'B'	2,474	0.55
		<u>8,922</u>	<u>1.99</u>
Consumer Staples 0.27% (2021: 0.34%)			
15,918	McCormick Non-Voting Shares	1,207	0.27
Financials 5.49% (2021: 4.33%)			
33,800	AON	8,359	1.86
44,000	Marsh & McLennan	5,695	1.27
55,922	Progressive	4,843	1.08
58,200	Walker & Dunlop	5,717	1.28
		<u>24,614</u>	<u>5.49</u>
Health Care 2.16% (2021: 2.77%)			
42,800	Accolade	570	0.13
80,000	Encompass Health	4,322	0.96
14,516	Humana	4,802	1.07
		<u>9,694</u>	<u>2.16</u>
Industrials 5.85% (2021: 4.29%)			
27,400	Advanced Drainage Systems	2,472	0.55
14,300	Bill.com	2,466	0.55
17,828	Ferguson	1,851	0.41
17,246	MasterCard	4,682	1.04
43,000	Schneider Electric	5,529	1.23
79,272	Wabtec	5,787	1.29
53,591	Xylem	3,471	0.78
		<u>26,258</u>	<u>5.85</u>
Real Estate 2.36% (2021: 2.46%)			
26,200	Crown Castle International	3,674	0.82
6,600	Equinix	3,718	0.83
26,000	Prologis	3,189	0.71
		<u>10,581</u>	<u>2.36</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Technology 15.59% (2021: 16.16%)			
10,100	Adobe	3,494	0.78
19,832	Atlassian	4,426	0.99
42,837	Autodesk	6,969	1.55
47,854	Avalara	3,618	0.81
30,700	Cadence Design Systems	3,835	0.85
39,000	IPG Photonics	3,249	0.72
12,700	Lam Research	5,181	1.16
77,000	Microchip Technology	4,390	0.98
69,800	Microsoft	16,332	3.64
47,800	Nvidia	9,902	2.21
32,430	Texas Instruments	4,514	1.01
43,600	Zendesk	3,984	0.89
		<u>69,894</u>	<u>15.59</u>
Utilities 2.10% (2021: 1.28%)			
263,225	Evoqua Water Technologies	<u>9,392</u>	<u>2.10</u>
Bonds 14.41% (2021: 16.30%)			
Belgium 0.07% (2021: 0.07%)			
Fixed Rate Bond 0.07% (2021: 0.07%)			
EUR 400,000	VGP 2.25% 17/01/2030	<u>303</u>	<u>0.07</u>
Canada 0.13% (2021: 0.16%)			
Fixed Rate Bond 0.13% (2021: 0.16%)			
CAD 1,000,000	Canada (Government of) 1.50% 01/06/2026	<u>587</u>	<u>0.13</u>
Czech Republic 0.00% (2021: 0.05%)			
Fixed Rate Bond 0.00% (2021: 0.05%)			
Denmark 0.23% (2021: 0.23%)			
Fixed Rate Bond 0.20% (2021: 0.19%)			
EUR 490,000	Danfoss Finance I 0.125% 28/04/2026	393	0.09
GBP 500,000	Orsted 2.50% 16/05/2033	489	0.11
		<u>882</u>	<u>0.20</u>
Variable Rate Bond 0.03% (2021: 0.04%)			
GBP 150,000	Orsted 2.50% 18/02/2067	<u>129</u>	<u>0.03</u>
France 0.42% (2021: 0.37%)			
Fixed Rate Bond 0.28% (2021: 0.28%)			
GBP 400,000	BNP Paribas 1.25% 13/07/2031	339	0.07
USD 400,000	BPCE 5.15% 21/07/2024	313	0.07
EUR 770,000	HIME 0.125% 16/09/2025	624	0.14
		<u>1,276</u>	<u>0.28</u>
Variable Rate Bond 0.14% (2021: 0.09%)			
EUR 800,000	BPCE 1.50% 13/01/2042	<u>632</u>	<u>0.14</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Germany 0.00% (2021: 0.41%)		
	Fixed Rate Bond 0.00% (2021: 0.41%)		
	Hong Kong 0.09% (2021: 0.00%)		
	Variable Rate Bond 0.09% (2021: 0.00%)		
EUR 500,000	AIA 0.88% 09/09/2033	382	0.09
	Italy 0.09% (2021: 0.29%)		
	Fixed Rate Bond 0.09% (2021: 0.29%)		
EUR 530,000	Intesa Sanpaolo 0.75% 16/03/2028	417	0.09
	Luxembourg 0.06% (2021: 0.15%)		
	Fixed Rate Bond 0.06% (2021: 0.15%)		
EUR 340,000	P3 1.625% 26/01/2029	263	0.06
	Netherlands 0.21% (2021: 0.43%)		
	Fixed Rate Bond 0.13% (2021: 0.23%)		
EUR 700,000	Cooperatieve Rabobank 0.25% 30/10/2026	567	0.13
	Variable Rate Bond 0.08% (2021: 0.20%)		
GBP 400,000	ING FRN 07/12/2028	358	0.08
	Norway 0.00% (2021: 0.05%)		
	Fixed Rate Bond 0.00% (2021: 0.05%)		
	Sweden 0.08% (2021: 0.23%)		
	Fixed Rate Bond 0.00% (2021: 0.10%)		
	Variable Rate Bond 0.08% (2021: 0.13%)		
EUR 500,000	Heimstaden Bostad 2.625% Perpetual	356	0.08
	Switzerland 0.00% (2021: 0.28%)		
	Fixed Rate Bond 0.00% (2021: 0.25%)		
	Variable Rate Bond 0.00% (2021: 0.03%)		
	United Kingdom 7.79% (2021: 8.11%)		
	Asset Backed 0.00% (2021: 0.06%)		
	Fixed Rate Bond 7.51% (2021: 7.69%)		
GBP 200,000	Accent Capital 2.625% 18/07/2049	186	0.04
GBP 200,000	Affordable Housing Finance 2.893% 11/08/2043	220	0.05
GBP 160,000	Affordable Housing Finance 3.80% 20/05/2042	199	0.04
GBP 300,000	Anglian Water Services Financing 1.625% 10/08/2025	293	0.07
GBP 170,000	Assura Financing 1.50% 15/09/2030	154	0.03
GBP 200,000	Assura Financing 3.00% 19/07/2028	204	0.05
GBP 300,000	Bazalgette Finance 2.375% 29/11/2027	299	0.07
GBP 230,000	Bazalgette Finance 2.75% 10/03/2034	227	0.05
GBP 100,000	Blend Funding 'A' 3.459% 21/09/2047	108	0.02
GBP 420,000	Blend Funding 'B' 3.459% 21/09/2047	450	0.10

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Fixed Rate Bond (continued)		
GBP 600,000	Canary Wharf 2.625% 23/04/2025	580	0.13
GBP 230,000	Co-operative 5.125% 17/05/2024	230	0.05
GBP 1,050,000	Coventry Building Society 1.50% 23/01/2023	1,045	0.23
GBP 200,000	Direct Line Insurance 4.00% 05/06/2032	197	0.04
GBP 380,000	Dwr Cymru Financing 1.625% 31/03/2026	369	0.08
USD 426,000	Experian Finance 2.75% 08/03/2030	307	0.07
GBP 150,000	Experian Finance 3.25% 07/04/2032	154	0.03
GBP 600,000	GlaxoSmithKline Capital 1.25% 12/10/2028	561	0.13
GBP 290,000	GlaxoSmithKline Capital 1.625% 12/05/2035	254	0.06
GBP 700,000	Grainger 3.00% 03/07/2030	661	0.15
GBP 160,000	Lloyds Bank 1.50% 23/06/2023	159	0.04
GBP 200,000	Lloyds Bank 5.125% 07/03/2025	217	0.05
GBP 200,000	Lloyds Bank 7.5% 15/04/2024	220	0.05
GBP 590,000	London Stock Exchange 1.625% 06/04/2030	549	0.12
GBP 290,000	Motability Operations 1.50% 20/01/2041	234	0.05
GBP 490,000	Motability Operations 4.375% Perpetual	439	0.10
EUR 600,000	National Grid Electricity Transmission 0.19% 20/01/2025	496	0.11
GBP 850,000	Nationwide Building Society 1.00% 24/01/2023	843	0.19
USD 500,000	Nationwide Building Society 2.00% 27/01/2023	379	0.08
GBP 300,000	Onward Pensions Trustee 2.125% 25/03/2053	255	0.06
GBP 300,000	Optivo Finance 2.857% 07/10/2035	299	0.07
GBP 300,000	Paradigm 2.25% 20/05/2051	264	0.06
GBP 220,000	Peabody Capital No 2 2.75% 02/03/2034	216	0.05
GBP 450,000	Places For People Treasury 2.50% 26/01/2036	419	0.09
GBP 590,000	Platform HG Financing 1.926% 15/09/2041	506	0.11
GBP 800,000	PRS Finance 1.50% 24/08/2034	732	0.16
GBP 200,000	PRS Finance 2.00% 23/01/2029	199	0.04
GBP 610,000	Sage 2.875% 08/02/2034	589	0.13
GBP 560,000	Severn Trent Utilities Finance 2.00% 02/06/2040	476	0.11
GBP 180,000	Severn Trent Utilities Finance 2.625% 22/02/2033	176	0.04
GBP 730,000	Stonewater 1.625% 10/09/2036	626	0.14
GBP 500,000	Thames Water Utilities Finance 3.50% 25/02/2028	517	0.12
GBP 200,000	THFC Funding No.3 5.20% 11/10/2043	268	0.06
GBP 700,000	UK Treasury 0.125% 31/01/2023	694	0.15
GBP 3,125,000	UK Treasury 0.125% 31/01/2024	3,053	0.68
GBP 3,630,000	UK Treasury 0.625% 22/10/2050	2,713	0.61
GBP 1,115,000	UK Treasury 1.25% 22/10/2041	1,008	0.22
GBP 2,125,000	UK Treasury 1.50% 22/07/2026	2,134	0.48
GBP 1,890,000	UK Treasury 1.50% 22/07/2047	1,771	0.40
GBP 960,000	UK Treasury 1.625% 22/10/2028	971	0.22
GBP 215,000	UK Treasury 1.75% 07/09/2037	213	0.05
GBP 943,000	UK Treasury 4.25% 07/12/2040	1,306	0.29
GBP 695,000	UK Treasury 4.25% 07/12/2046	1,029	0.23
GBP 750,000	UK Treasury 5.00% 07/03/2025	826	0.18
GBP 940,000	United Utilities Water Finance 0.875% 28/10/2029	837	0.19
GBP 340,000	University College London 1.625% 04/06/2061	272	0.06
GBP 300,000	Wellcome Trust Finance 1.50% 14/07/2071	226	0.05
GBP 300,000	Whitbread 2.375% 31/05/2027	284	0.06
GBP 570,000	Yorkshire Water Finance 1.75% 26/11/2026	553	0.12
		<u>33,666</u>	<u>7.51</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Variable Rate Bond 0.28% (2021: 0.36%)			
USD 350,000	Nationwide Building Society 4.125% 18/10/2032	262	0.06
GBP 600,000	NatWest 2.875% 19/09/2026	595	0.13
GBP 210,000	NatWest 3.619% 29/03/2029	212	0.04
GBP 200,000	Vodafone 4.875% 03/10/2078	202	0.05
		1,271	0.28
United States 5.24% (2021: 5.17%)			
Fixed Rate Bond 5.01% (2021: 5.17%)			
USD 900,000	Agilent Technologies 2.30% 12/03/2031	618	0.14
USD 450,000	Amgen 3.00% 22/02/2029	336	0.07
USD 500,000	Bank of America 4.45% 03/03/2026	393	0.09
EUR 1,000,000	Boston Scientific 0.625% 01/12/2027	795	0.18
USD 450,000	Broadcom 3.469% 15/04/2034	317	0.07
USD 700,000	Centene 2.45% 15/07/2028	486	0.11
USD 157,000	Centene 2.625% 01/08/2031	106	0.02
USD 786,000	Equinix 2.625% 18/11/2024	589	0.13
USD 1,000,000	Global Payments 1.2% 01/03/2026	699	0.16
USD 400,000	Hasbro 3.90% 19/11/2029	305	0.07
USD 380,000	Hasbro 5.1% 15/05/2044	310	0.07
USD 930,000	HCA 2.375% 15/07/2031	630	0.14
USD 700,000	JPMorgan Chase 2.95% 01/10/2026	528	0.12
USD 850,000	Marvell Technology 2.95% 15/04/2031	597	0.13
USD 608,000	McCormick 1.85% 15/02/2031	402	0.09
USD 1,040,000	Microsoft 3.45% 08/08/2036	822	0.18
USD 300,000	MSCI 3.625% 01/11/2031	214	0.05
EUR 700,000	Netflix 3.625% 15/05/2027	632	0.14
USD 3,100,000	US Treasury 1.25% 15/08/2031	2,141	0.48
USD 5,600,000	US Treasury 1.375% 15/08/2050	3,281	0.73
USD 1,320,000	US Treasury 2.375% 15/11/2049	981	0.22
USD 3,600,000	US Treasury 2.375% 29/02/2024	2,739	0.61
USD 3,280,000	US Treasury 2.50% 31/03/2023	2,510	0.56
USD 1,278,000	US Treasury 2.75% 15/08/2047	1,006	0.22
USD 1,000,000	Verizon Communications 1.45% 20/03/2026	715	0.16
USD 459,000	Verizon Communications 3.55% 22/03/2051	328	0.07
		22,480	5.01
Variable Rate Bond 0.23% (2021: 0.30%)			
USD 439,000	Bank of America 3.419% 20/12/2028	331	0.07
EUR 300,000	JPMorgan Chase 1.001% 25/07/2031	237	0.05
USD 700,000	JPMorgan Chase 2.956% 13/05/2031	498	0.11
		1,066	0.23
Investment assets		417,551	93.14
Other net assets		30,760	6.86
Total net assets		448,311	100.00

Portfolio statement (continued)

¹ Suspended or delisted securities

² Manually priced securities

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

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

Statement of total return for the year ended 31 March 2022

	Note	2022		2021	
		£000	£000	£000	£000
Income					
Net capital gains	2		16,873		73,521
Revenue	3	7,545		6,031	
Expenses	4	(2,448)		(1,585)	
Interest payable and similar charges	5	(2)		(4)	
Net revenue before taxation		5,095		4,442	
Taxation	6	(284)		(253)	
Net revenue after taxation			4,811		4,189
Total return before distributions			21,684		77,710
Distributions	7		(4,824)		(4,192)
Change in net assets attributable to shareholders from investment activities			16,860		73,518

Statement of change in net assets attributable to shareholders for the year ended 31 March 2022

	2022		2021	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		373,612		238,986
Amounts receivable on issue of shares	90,305		75,957	
Amounts payable on cancellation of shares	(37,290)		(19,041)	
		53,015		56,916
Change in net assets attributable to shareholders from investment activities		16,860		73,518
Retained distributions on accumulation shares		4,824		4,192
Closing net assets attributable to shareholders		448,311		373,612

Balance sheet as at 31 March 2022

	Note	2022 £000	2021 £000
Assets:			
Investments		417,551	347,085
Current assets:			
Debtors	8	3,977	5,238
Cash and bank balances	9	27,214	25,305
Total assets		448,742	377,628
Liabilities:			
Deferred tax liability	6c	-	3
Creditors:			
Other creditors	10	431	4,013
Total liabilities		431	4,016
Net assets attributable to shareholders		448,311	373,612

Notes to the financial statements for the year ended 31 March 2022

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2022	2021
	£000	£000
Forward currency contracts	4	(12)
Non-derivative securities	16,801	73,582
Other currency gains/(losses)	71	(44)
Transaction costs	(3)	(5)
Net capital gains	16,873	73,521

3 Revenue

	2022	2021
	£000	£000
Bank interest	5	1
Interest on debt securities	1,163	1,294
Overseas dividends	2,240	1,952
Overseas REIT revenue	165	282
UK dividends	3,825	2,439
UK REIT revenue - PID	125	45
UK REIT revenue - non PID	22	18
Total revenue	7,545	6,031

4 Expenses

	2022	2021
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	2,043	1,289
GAC*	353	247
	<u>2,396</u>	<u>1,536</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	28	25
Safe custody fees	20	14
	<u>48</u>	<u>39</u>
Other expenses:		
Professional fees	4	10
	<u>4</u>	<u>10</u>
Total expenses	2,448	1,585

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £9,393 (2021: £8,861).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2022	2021
	£000	£000
Interest payable	2	4
Total interest payable and similar charges	<u>2</u>	<u>4</u>

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2022	2021
	£000	£000
Current tax		
Corporation tax	-	5
Deferred tax (note 6c)	(3)	(2)
Double tax relief	-	(5)
Overseas withholding tax	287	255
Total tax (note 6b)	<u>284</u>	<u>253</u>

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% (2021: 20%). The differences are explained below:

	2022	2021
	£000	£000
Net revenue before taxation	<u>5,095</u>	<u>4,442</u>
Corporation tax at 20% (2021: 20%)	1,019	888
Effects of:		
Double tax relief	(3)	(8)
Overseas withholding tax	287	255
Overseas dividends	(448)	(391)
UK dividends*	(769)	(491)
Unused management expenses	198	-
Tax charge for the year (note 6a)	<u>284</u>	<u>253</u>

* As an OEIC this item is not subject to corporation tax.

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

Notes to the financial statements (continued)

6 Taxation (continued)

c) Deferred tax

	2022	2021
	£000	£000
Provision at start of year	3	5
Deferred tax charge for year (note 6a)	(3)	(2)
Provision at end of year	-	3

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 £197,777 (2021: nil) 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.

7 Distributions

	2022	2021
	£000	£000
Interim accumulation	2,805	2,247
Final accumulation	2,019	1,945
Total distributions	4,824	4,192
Net revenue after taxation	4,811	4,189
Revenue shortfall	13	3
Total distributions	4,824	4,192

Details of the distribution per share are set out in the Distribution tables on page 48.

8 Debtors

	2022	2021
	£000	£000
Accrued revenue	1,457	969
Amounts receivable for issue of shares	2,429	1,947
Corporation tax recoverable	6	6
Currency transactions awaiting settlement	-	738
Income tax recoverable	-	20
Overseas withholding tax reclaimable	85	31
Sales awaiting settlement	-	1,527
Total debtors	3,977	5,238

9 Cash and bank balances

	2022	2021
	£000	£000
Cash and bank balances	27,214	25,305
Total cash and bank balances	27,214	25,305

Notes to the financial statements (continued)

10 Other creditors

	2022	2021
	£000	£000
Accrued annual management charge	179	135
Accrued Depository's fee	6	3
Accrued other expenses	34	28
Amounts payable for cancellation of shares	13	3
Currency transactions awaiting settlement	-	738
Purchases awaiting settlement	199	3,106
Total other creditors	431	4,013

11 Contingent assets, liabilities and commitments

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

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

12 Related party transactions

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 40 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

There were no material shareholders at the year end (2021: nil).

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:

	2022	2021
	%	%
Class A	1.50	1.50
Class E	1.00	1.00
Class I	0.75	0.75
Class Z ¹	0.00	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 21 to 23. The distribution per share class is given in the Distribution tables on page 48. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation as at 31 March 2022

	Class A accumulation	Class E accumulation	Class I accumulation	Class Z accumulation
Opening number of shares	2,394,619	626,946	68,480,423	33,826,907
Issues during the year	4,755,360	182,655	23,881,663	-
Cancellations during the year	(3,498,299)	(57,314)	(5,940,084)	(1,757,255)
Shares converted during the year	(104,169)	16,736	75,962	-
Closing shares in issue	3,547,511	769,023	86,497,964	32,069,652

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 March 2022 (2021: nil).

2022

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

2021

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

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
2022			
Currency			
Australian dollar	670	-	670
Canadian dollar	16,088	67	16,155
Euro	30,309	107	30,416
Hong Kong dollar	5,772	-	5,772
Japanese yen	20,683	165	20,848
Norwegian krone	-	8	8
Taiwan dollar	7,331	27	7,358
UK sterling	150,436	30,131	180,567
US dollar	186,262	255	186,517
Total	417,551	30,760	448,311

Notes to the financial statements (continued)

15 Risk (continued)

Currency risk (continued)

	Investment assets	Other net assets/ (liabilities)	Total net assets
	£000	£000	£000
2021			
Currency			
Australian dollar	887	-	887
Canadian dollar	11,341	46	11,387
Euro	31,600	650	32,250
Hong Kong dollar	6,515	(1,599)	4,916
Japanese yen	17,348	150	17,498
Norwegian krone	-	8	8
Taiwan dollar	6,292	24	6,316
UK sterling	126,051	26,770	152,821
US dollar	147,051	478	147,529
Total	347,085	26,527	373,612

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £267,743,830 (2021: £220,791,259). 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 £26,774,383 (2021: £22,079,126).

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	Fixed rate financial assets	Non-interest bearing assets	Total
	£000	£000	£000	£000
2022				
Australian dollar	-	-	670	670
Canadian dollar	30	587	15,537	16,154
Euro	1,607	4,489	24,320	30,416
Hong Kong dollar	-	-	5,772	5,772
Japanese yen	16	-	20,832	20,848
Norwegian krone	-	-	8	8
Taiwan dollar	-	-	7,358	7,358
UK sterling	28,595	33,313	119,090	180,998
US dollar	1,160	22,053	163,305	186,518
Total	31,408	60,442	356,892	448,742

Notes to the financial statements (continued)

15 Risk (continued)

Interest rate risk (continued)

2021	Floating rate financial assets £000	Fixed rate financial assets £000	Non-interest bearing assets £000	Total £000
Australian dollar	-	-	887	887
Canadian dollar	21	591	10,775	11,387
Euro	660	6,995	24,809	32,464
Hong Kong dollar	-	-	6,515	6,515
Japanese yen	37	-	17,462	17,499
Norwegian krone	-	-	8	8
Taiwan dollar	-	-	6,316	6,316
UK sterling	25,269	31,894	97,370	154,533
US dollar	380	20,350	127,289	148,019
Total	26,367	59,830	291,431	377,628

2022	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
UK sterling	-	-	431	431
Total	-	-	431	431

2021	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Non-interest bearing liabilities £000	Total £000
Euro	-	-	213	213
Taiwan dollar	-	-	1,598	1,598
UK sterling	-	-	1,680	1,680
US dollar	-	-	525	525
Total	-	-	4,016	4,016

Credit ratings

2022	Market value £000	Percentage of total net assets %
Investments		
Investment grade (AAA - BBB)	63,504	14.16
Below investment grade (BB and below)	1,132	0.25
Total debt securities	64,636	14.41
Equities	352,915	78.73
Investment assets including investment liabilities	417,551	93.14
Other net assets	30,760	6.86
Total net assets	448,311	100.00

Notes to the financial statements (continued)

15 Risk (continued)

Credit ratings (continued)

	Market value	Percentage of total net assets
	£000	%
2021		
Investments		
Investment grade (AAA - BBB)	55,222	14.19
Below investment grade (BB and below)	1,721	0.46
Unrated	3,948	1.65
Total debt securities	60,891	16.30
Equities	286,194	76.60
Investment assets including investment liabilities	347,085	92.90
Other net assets	26,527	7.10
Total net assets	373,612	100.00

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
2022				
Other creditors	-	431	-	-
Total	-	431	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2021				
Deferred tax liability	-	-	3	-
Other creditors	-	4,013	-	-
Total	-	4,013	3	-

Notes to the financial statements (continued)

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

	2022		2021	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	381,813*	-	302,808*	-
Level 2	35,672	-	44,188	-
Level 3	66	-	89	-
	<u>417,551</u>	<u>-</u>	<u>347,085</u>	<u>-</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 £28,964,340 as at 31 March 2022 (2021: £16,703,077).

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Investment Manager, at its discretion, may permit an alternative method of valuation to be used if they consider that it better reflects value and is in accordance with good accounting practice. The EPC of the Investment Manager supports the ACD in determining or approving unquoted prices. Where deemed necessary, the EPC will seek ratification of decisions from the Janus Henderson Investment Performance and Risk Committee. The EPC meets on a monthly basis and consists of representatives from various parts of the Investment Manager who act as an independent party, segregated from the fund management function, to review and approve fair value pricing decisions and pricing models on a regular basis. The asset included within level 3 is an illiquid security which has been valued by the EPC at their best estimate of fair value. The Ethical Property holding has been valued using last traded price on the Bulletin Board of Ethex website. The price used has been affirmed against the most relevant price available subsequent to the year end, to confirm that it is an appropriate valuation. The ACD has assessed trading volumes for this asset and considers it reasonable that the market price used for this asset could be achieved.

Notes to the financial statements (continued)

17 Direct transaction costs

	Purchases		Sales	
	2022 £000	2021 £000	2022 £000	2021 £000
Trades in the year				
Debt securities	44,855	39,945	37,419	36,484
Equities	73,810	89,037	25,955	51,970
Trades in the year before transaction costs	118,665	128,982	63,374	88,454
Transaction costs				
Commissions				
Debt securities	-	-	-	-
Equities	16	23	5	9
Total commissions	16	23	5	9
Taxes				
Debt securities	-	-	-	-
Equities	137	202	-	-
Total taxes	137	202	-	-
Other expenses				
Debt securities	-	-	-	-
Equities	5	4	-	1
Total other expenses	5	4	-	1
Total transaction costs	158	229	5	10
Total net trades in the year after transaction costs	118,823	129,211	63,369	88,444

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Debt securities	-	-	-	-
Equities	0.02	0.03	0.02	0.02
Taxes				
Debt securities	-	-	-	-
Equities	0.19	0.23	-	-
Other expenses				
Debt securities	-	-	-	-
Equities	0.01	-	-	-

	2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.01	0.01
Taxes	0.03	0.06
Other expenses	-	-
Total costs	0.04	0.07

There were no in specie transfers during the year (2021: nil). There were corporate actions during the year of £1,643,889 (2021: £279,707).

There were direct transaction costs associated with derivatives in the year of nil (2021: nil).

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 March 2022 was 0.13% (2021: 0.16%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

Subsequent to the fund's year end, as a result of the Russia/Ukraine conflict the fund could be affected by fluctuations in global stock markets, inflation and adverse investor sentiment. As at 24 June 2022, which was the latest valuation available at the time of signing, the Net Asset Value of the fund is £420,827,619 which is a decrease of 6.13% from the Balance sheet date. The market movements are considered to be a non-adjusting post Balance sheet event and therefore no adjustments to the financial statements were required as a result.

Distribution tables for the year ended 31 March 2022 (in pence per share)

Interim dividend distribution (accounting date 30 September 2021, paid on 30 November 2021)

Group 1: shares purchased prior to 1 April 2021
Group 2: shares purchased on or after 1 April 2021

	Distribution per share	Total distribution per share 30/11/21	Total distribution per share 30/11/20
Class A accumulation			
Group 1	0.2638	0.2638	0.3582
Group 2	0.2638	0.2638	0.3582
Class E accumulation			
Group 1	0.9111	0.9111	1.0588
Group 2	0.9111	0.9111	1.0588
Class I accumulation			
Group 1	1.5918	1.5918	1.5200
Group 2	1.5918	1.5918	1.5200
Class Z accumulation			
Group 1	4.6219	4.6219	4.0070
Group 2	4.6219	4.6219	4.0070

Final dividend distribution (accounting date 31 March 2022, paid on 31 May 2022)

Group 1: shares purchased prior to 1 October 2021
Group 2: shares purchased on or after 1 October 2021

	Distribution per share	Total distribution per share 31/05/22	Total distribution per share 28/05/21
Class A accumulation			
Group 1	-	-	-
Group 2	-	-	-
Class E accumulation			
Group 1	0.3766	0.3766	0.6227
Group 2	0.3766	0.3766	0.6227
Class I accumulation			
Group 1	1.0145	1.0145	1.1160
Group 2	1.0145	1.0145	1.1160
Class Z accumulation			
Group 1	3.5497	3.5497	3.4782
Group 2	3.5497	3.5497	3.4782

Janus Henderson Global Sustainable Equity Fund

Authorised Corporate Director's report

Investment Fund Managers

Hamish Chamberlayne and Aaron Scully

Investment objective and policy

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

The fund invests at least 80% of its assets in shares (also known as equities) of companies, of any size, in any industry, in any country. The fund will invest in companies whose products and services are considered by the Investment Manager as contributing to positive environmental or social change and thereby have an impact on the development of a sustainable global economy. The fund will avoid investing in companies that the Investment Manager considers to potentially have a negative impact on the development of a sustainable global economy.

The fund may also invest in other assets including CIS (including those managed by Janus Henderson) 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 MSCI World Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the fund's performance. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

Strategy

The Investment Manager looks to construct a differentiated and well diversified global portfolio of companies, based on the belief that superior returns can be generated by companies that are providing solutions to environmental and social challenges. These companies should have attractive financial attributes such as persistent revenue growth and durable cash flows, as well as exhibiting strong management of environmental, social and corporate governance risks. Companies will typically be strategically aligned with themes such as climate change, resource constraints, growing populations, and ageing populations. The fund avoids investing in fossil fuels and companies that stand to be disrupted by the transition to a low-carbon economy.

Performance summary

Cumulative performance

	One year	Three years	Five years	Since inception
	31 Mar 21 -	31 Mar 19 -	31 Mar 17 -	1 Aug 91 -
	31 Mar 22	31 Mar 22	31 Mar 22	31 Mar 22
	%	%	%	%
Class I accumulation (Net)	11.0	71.6	102.9	1,378.6
MSCI World Index	15.9	52.7	75.0	1,440.9
IA Global Sector	8.1	42.4	59.3	922.3

Discrete performance

	31 Mar 21 -	31 Mar 20 -	31 Mar 19 -	31 Mar 18 -	31 Mar 17 -
	31 Mar 22	31 Mar 21	31 Mar 20	31 Mar 19	31 Mar 18
	%	%	%	%	%
Class I accumulation (Net)	11.0	44.2	7.2	9.0	8.5
MSCI World Index	15.9	39.1	(5.3)	12.5	1.9
IA Global Sector	8.1	40.6	(6.3)	8.7	2.9

Source: Morningstar

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

Benchmark values are as at close of business.

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

Authorised Corporate Director's report (continued)

Performance summary (continued)

Benchmark usage:

Index: MSCI World Index

Index usage: Comparator

Index description: The MSCI World Index is a measure of the combined performance of large and medium sized companies from developed stock markets around the world. It provides a useful comparison against which the fund's performance can be assessed over time.

Peer group: IA Global Sector

Peer group usage: Comparator

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

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

Significant portfolio changes for the year ended 31 March 2022

Largest purchases	£000	Largest sales	£000
ICON	34,535	Lam Research	22,577
Wabtec	24,954	Avery Dennison	22,002
Autodesk	24,888	Adobe	21,513
Advanced Drainage Systems	21,042	Humana	15,090
Prologis	17,557	Physicians Realty Trust REIT	13,548
IPG Photonics	17,019	Tesla	9,961
Home Depot	16,545	Getlink	8,851
Nvidia	15,586	Cadence Design Systems	8,183
Nidec	13,128	Orange	6,550
Legrand	11,912	ASML	5,633
Total purchases	422,891	Total sales	145,225

Investment review

The fund returned 11.0% based on Class I accumulation (Net) over the year under review, compared with a return of 15.9% in the MSCI World Index and a return of 8.1% in the IA Global Sector peer group benchmark.

Several themes drove markets, creating volatility during the reporting year. COVID-19 lockdowns were a major feature of the economic landscape, favouring companies that benefited from the enforced change in consumer behaviour. Governments sought to support economies via monetary and fiscal stimulus, with an understanding that interest rates would stay 'lower for longer'. However, supply chain disruptions had a significant inflationary impact, forcing central banks to raise interest rates, with further increases expected throughout 2022. To further compound volatility, the conflict between Russia and Ukraine thrust the world into another bout of uncertainty, forcing extreme price rises in commodities, which Russia supplies to much of the world.

In sustainability-related news, all G7 countries have committed to deep emission-reduction targets in the coming decade, with the objective of reaching net-zero carbon by 2050. The 26th United Nations Climate Change Conference took place in November, when highlights included greater ambition on emission reductions from China and India, an agreement that all countries will revisit their nationally determined contributions annually and greater clarity on carbon offsetting.

The fund's overweight exposure to information technology hurt performance, as did the lack of exposure to energy, given our exclusionary approach to the sector. The holdings in insurance and machinery were beneficial, though this was dragged down by the overweight position in software. At the stock level, the largest contributors to performance were Evoqua Water Technology, Nvidia and AON.

Water technology company, Evoqua Water Technology announced strong results in each quarter, which fed into consistent share price gains. The company has seen demand growth because of the increased emphasis on sustainability from large corporations and the impact of climate change on the water cycle. Evoqua Water Technology is exposed to several trends around the circular economy and water reuse. In addition, it was well placed to benefit from the new US infrastructure bill, with US\$55bn expected to be allocated to water infrastructure over the next five years.

Graphics processing unit designer Nvidia saw its shares rise by more than 100%, thanks to strong results and buying by investors who reacted positively to evidence of the company's technological lead. As companies begin to digitise their operations sustainably, Nvidia has positioned itself as the platform for next-generation computing. Its products have enabled its customers to access high-performance computing, while keeping energy efficiency considerations at the core.

AON, a global provider of risk management and insurance, posted strong earnings. The shares also benefited from the company's decision to terminate its takeover of Willis Towers Watson. AON has developed an impressive sustainability case and there was a meaningfully positive impact as it mitigated emerging risks such as climate change and cyber threats for its clients. It has played a vital role in helping clients to address emerging risks through its ability to provide big-data analytics.

Relative detractors were Apple (to which we have no exposure), IPG Photonics, Autodesk and Knorr-Bremse.

Laser manufacturer IPG Photonics weighed on performance. Good earnings were hampered by a weakened outlook and the Russia/Ukraine tensions. IPG Photonics's products have a range of end-market applications, including electric vehicles, medical technology and semiconductors, while they transform manufacturing processes.

Design software company Autodesk's share price performance was damaged by the rotation from growth to value, despite first-quarter revenue growth and profitability that were above expectations. We considered this a short-term trend. Autodesk has driven digitisation across the construction and engineering industries, enabling architects and engineers, and helping manufacturers to create more resilient and sustainable infrastructure.

Rail and truck components provider Knorr-Bremse declined early in the first half of 2021 after the market was underwhelmed by a proposed acquisition of German company Hella. Investors took a negative view of the proposed deal's strategic merits, and management soon confirmed it was no longer considering the deal. The company also struggled with underwhelming earnings and governance changes, with a new chairman and CEO coming in. As a world leader in critical components and systems, we took the view that Knorr-Bremse remained vital in driving electrification, urbanisation, and safety and efficiency regulation.

Much of the trading activity involved additions or reductions to existing holdings, to take advantage of attractive opportunities following share price moves. We initiated a position in Advanced Drainage Systems, a leading thermoplastic corrugated pipe manufacturer in the US, and a holding in Ireland-domiciled ICON, a clinical research organisation. We sold the remainder of the position in Tesla after a sharp rise in the company's valuation. Other disposals included Getlink and Physicians Realty Trust REIT.

Over recent months, we have seen a rotation by investors away from growth into value stocks and, in our view, current conditions favour immediate beneficiaries of inflationary pressures, which remain high. This backdrop has been detrimental to fund performance at the start of 2022. However, while these are short-term negatives for the strategy, we believe these themes will only reinforce many of the sustainability trends on which the fund is focused, such as resilience, reshoring and re-localisation. Our approach is about investing for the long term rather than speculating over short-term market moves. We continue to seek companies that are aligned with sustainable development and are working to play a role in transforming the global economy.

Comparative tables for the year ended 31 March 2022

	Class A income		
	2022	2021	2020
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	459.22	314.65	303.79
Return before operating charges*	44.67	151.75	16.59
Operating charges	(8.64)	(7.18)	(5.67)
Return after operating charges*	36.03	144.57	10.92
Distributions on income shares	-	-	(0.06)
Closing net asset value per share	495.25	459.22	314.65
* after direct transaction costs of:	0.09	0.09	0.09
Performance			
Return after charges	7.85%	45.95%	3.59%
Other information			
Closing net asset value (£000s)	159,229	151,805	104,970
Closing number of shares	32,151,323	33,056,981	33,361,196
Operating charges	1.73%	1.73%	1.69%
Direct transaction costs	0.02%	0.02%	0.03%
Prices			
Highest share price (pence)	552.30	482.20	385.60
Lowest share price (pence)	450.50	299.80	290.70
		Class E income	
	2022	2021	08/07/19 - 31/03/20
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	462.41	315.44	339.17 ¹
Return before operating charges*	44.98	152.41	(20.29)
Operating charges	(6.21)	(5.17)	(2.99)
Return after operating charges*	38.77	147.24	(23.28)
Distributions on income shares	-	(0.27)	(0.45)
Closing net asset value per share	501.18	462.41	315.44
* after direct transaction costs of:	0.09	0.09	0.09
Performance			
Return after charges	8.39%	46.68%	(6.86%)
Other information			
Closing net asset value (£000s)	55,236	49,212	26,715
Closing number of shares	11,021,118	10,642,606	8,469,415
Operating charges	1.23%	1.23%	1.19%
Direct transaction costs	0.02%	0.02%	0.03%
Prices			
Highest share price (pence)	558.10	485.00	386.30
Lowest share price (pence)	453.90	300.60	291.30

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

Comparative tables (continued)

	Class G accumulation 21/02/22 - 31/03/22 (pence per share)
Change in net assets per share	
Opening net asset value per share	100.00 ²
Return before operating charges*	5.42
Operating charges	(0.08)
Return after operating charges*	5.34
Distributions on accumulation shares	(0.08)
Retained distributions on accumulation shares	0.08
Closing net asset value per share	105.34
* after direct transaction costs of:	0.02
Performance	
Return after charges	5.34% ³
Other information	
Closing net asset value (£000s)	58
Closing number of shares	55,525
Operating charges	0.75%
Direct transaction costs	0.02%
Prices	
Highest share price (pence)	107.80
Lowest share price (pence)	97.03

² Class G accumulation launched on 21 February 2022 and this is the first published price.

³ Return after charges relates to the period 21 February 2022 to 31 March 2022. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire year under review.

Comparative tables (continued)

	Class G income		
	2022 (pence per share)	2021 (pence per share)	2020 (pence per share)
Change in net assets per share			
Opening net asset value per share	494.33	336.78	323.38
Return before operating charges*	48.12	162.71	17.55
Operating charges	(4.05)	(3.31)	(2.66)
Return after operating charges*	44.07	159.40	14.89
Distributions on income shares	(1.30)	(1.85)	(1.49)
Closing net asset value per share	537.10	494.33	336.78
* after direct transaction costs of:	0.09	0.10	0.09
Performance			
Return after charges	8.92%	47.33%	4.60%
Other information			
Closing net asset value (£000s)	32,492	24,199	14,219
Closing number of shares	6,049,582	4,895,194	4,222,078
Operating charges	0.75%	0.74%	0.73%
Direct transaction costs	0.02%	0.02%	0.03%
Prices			
Highest share price (pence)	597.50	518.50	413.10
Lowest share price (pence)	485.50	320.70	311.70
	Class I accumulation		
	2022 (pence per share)	2021 (pence per share)	2020 (pence per share)
Change in net assets per share			
Opening net asset value per share	519.18	352.62	337.46
Return before operating charges*	50.52	170.59	18.32
Operating charges	(4.83)	(4.03)	(3.16)
Return after operating charges*	45.69	166.56	15.16
Distributions on accumulation shares	(0.80)	(1.32)	(1.97)
Retained distributions on accumulation shares	0.80	1.32	1.97
Closing net asset value per share	564.87	519.18	352.62
* after direct transaction costs of:	0.10	0.10	0.10
Performance			
Return after charges	8.80%	47.23%	4.49%
Other information			
Closing net asset value (£000s)	1,093,119	749,627	320,105
Closing number of shares	193,518,298	144,385,624	90,778,483
Operating charges	0.85%	0.85%	0.84%
Direct transaction costs	0.02%	0.02%	0.03%
Prices			
Highest share price (pence)	628.30	544.10	431.70
Lowest share price (pence)	509.80	336.00	325.70

Comparative tables (continued)

	Class I income		
	2022 (pence per share)	2021 (pence per share)	2020 (pence per share)
Change in net assets per share			
Opening net asset value per share	493.98	336.55	323.99
Return before operating charges*	48.06	162.61	17.69
Operating charges	(4.59)	(3.79)	(3.02)
Return after operating charges*	43.47	158.82	14.67
Distributions on income shares	(0.75)	(1.39)	(2.11)
Closing net asset value per share	536.69	493.98	336.55
* after direct transaction costs of:	0.09	0.10	0.09
Performance			
Return after charges	8.80%	47.19%	4.53%
Other information			
Closing net asset value (£000s)	406,906	334,416	207,271
Closing number of shares	75,817,116	67,698,534	61,586,737
Operating charges	0.85%	0.85%	0.84%
Direct transaction costs	0.02%	0.02%	0.03%
Prices			
Highest share price (pence)	596.90	518.00	412.60
Lowest share price (pence)	485.10	320.50	311.30
	Class Z accumulation		
	2022 (pence per share)	2021 (pence per share)	2020 (pence per share)
Change in net assets per share			
Opening net asset value per share	723.78	487.77	463.21
Return before operating charges*	70.40	236.46	24.87
Operating charges	(0.56)	(0.45)	(0.31)
Return after operating charges*	69.84	236.01	24.56
Distributions on accumulation shares	(7.47)	(7.19)	(7.15)
Retained distributions on accumulation shares	7.47	7.19	7.15
Closing net asset value per share	793.62	723.78	487.77
* after direct transaction costs of:	0.14	0.14	0.13
Performance			
Return after charges	9.65%	48.39%	5.30%
Other information			
Closing net asset value (£000s)	164,164	160,051	114,021
Closing number of shares	20,685,308	22,113,142	23,375,876
Operating charges	0.07%	0.07%	0.06%
Direct transaction costs	0.02%	0.02%	0.03%
Prices			
Highest share price (pence)	880.60	757.20	596.70
Lowest share price (pence)	711.40	464.80	450.40

Comparative tables (continued)

	Class A Euro (hedged) accumulation		
	2022 (pence per share)	2021 (pence per share)	2020 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,361.52	979.81	932.44
Return before operating charges*	106.15	401.76	65.16
Operating charges	(25.43)	(20.05)	(17.79)
Return after operating charges*	80.72	381.71	47.37
Distributions on accumulation shares	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	1,442.24	1,361.52	979.81
* after direct transaction costs of:	0.26	0.26	0.27

Performance

Return after charges (Share class base currency)	5.93%	38.96%	5.08%
Return after charges (Share class currency hedged)	6.78%	44.35%	2.32%

Other information

Closing net asset value (£000s)	1,265	2,194	25,780
Closing number of shares	87,741	161,102	2,631,079
Operating charges	1.73%	1.72%	1.69%
Direct transaction costs	0.02%	0.02%	0.03%

Prices

Highest share price (Euro cents)	1,910.00	1,682.00	1,355.00
Lowest share price (Euro cents)	1,566.00	1,055.00	1,022.00

	Class A Euro accumulation		
	2022 (pence per share)	2021 (pence per share)	2020 (pence per share)
Change in net assets per share			
Opening net asset value per share	40,879.56	28,013.86	27,042.30
Return before operating charges*	3,973.58	13,492.26	1,481.30
Operating charges	(768.63)	(626.56)	(509.74)
Return after operating charges*	3,204.95	12,865.70	971.56
Distributions on accumulation shares	-	-	(5.31)
Retained distributions on accumulation shares	-	-	5.31
Closing net asset value per share	44,084.51	40,879.56	28,013.86
* after direct transaction costs of:	7.77	8.01	7.79

Performance

Return after charges	7.84%	45.93%	3.59%
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Other information

Closing net asset value (£000s)	2,634	4,301	5,635
Closing number of shares	5,976	10,522	20,116
Operating charges	1.73%	1.73%	1.69%
Direct transaction costs	0.02%	0.02%	0.03%

Prices

Highest share price (Euro cents)	58,340.00	48,840.00	40,930.00
Lowest share price (Euro cents)	46,590.00	30,420.00	27,870.00

Comparative tables (continued)

	Class I Euro (hedged) accumulation		
	2022 (pence per share)	2021 (pence per share)	2020 (pence per share)
Change in net assets per share			
Opening net asset value per share	2,958.38	2,109.24	1,990.57
Return before operating charges*	228.96	872.25	136.85
Operating charges	(26.17)	(23.11)	(18.18)
Return after operating charges*	202.79	849.14	118.67
Distributions on accumulation shares	(1.64)	(8.17)	(10.28)
Retained distributions on accumulation shares	1.64	8.17	10.28
Closing net asset value per share	3,161.17	2,958.38	2,109.24
* after direct transaction costs of:	0.56	0.62	0.58
Performance			
Return after charges (Share class base currency)	6.85%	40.26%	5.96%
Return after charges (Share class currency hedged)	7.71%	45.70%	3.18%
Other information			
Closing net asset value (£000s)	1,543	8,944	5,839
Closing number of shares	48,800	302,338	276,829
Operating charges	0.82%	0.82%	0.81%
Direct transaction costs	0.02%	0.02%	0.03%
Prices			
Highest share price (Euro cents)	4,175.38	3,646.94	2,913.77
Lowest share price (Euro cents)	3,403.97	2,270.11	2,200.16

Comparative tables (continued)

	Class I Euro accumulation 2020 (pence per share)
Change in net assets per share	
Opening net asset value per share	195.42
Return before operating charges*	18.95
Operating charges	(1.72)
Return after operating charges*	17.23
Distributions on accumulation shares	(0.93)
Retained distributions on accumulation shares	0.93
Final cancellation	(212.65) ⁴
Closing net asset value per share	-
* after direct transaction costs of:	0.05
Performance	
Return after charges	8.82%
Other information	
Closing net asset value (£000s)	-
Closing number of shares	-
Operating charges	0.81%
Direct transaction costs	0.03%
Prices	
Highest share price (Euro cents)	249.70
Lowest share price (Euro cents)	223.00

⁴ Class I Euro accumulation closed on 17 October 2019.

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 class launched during the year:

Share class	Launch date
Class G accumulation	21 February 2022

There were no share classes closed during the year.

Hedged share classes

Class A Euro (hedged) accumulation and Class I Euro (hedged) accumulation are hedged share classes. Hedged share classes allow the ACD to use currency hedging transactions to reduce the effect of fluctuations in the rate of exchange between the currency of shares in those classes and sterling which is the base currency of the fund.

Ongoing charge figure

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

	2022	2021	Estimated OCF from 21 February 2022¹
	%	%	%
Class A income	1.73	1.73 ²	n/a
Class E income	1.23	1.23 ²	n/a
Class G accumulation	0.75 ³	n/a	0.75
Class G income	0.75	0.74 ²	n/a
Class I accumulation	0.85	0.85 ²	n/a
Class I income	0.85	0.85 ²	n/a
Class Z accumulation	0.07	0.07 ²	n/a
Class A Euro (hedged) accumulation	1.73	1.72 ²	n/a
Class A Euro accumulation	1.73	1.73 ²	n/a
Class I Euro (hedged) accumulation	0.82	0.82 ²	n/a

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

¹ The estimated ongoing charge based on the annual fee rates from 21 February 2022.

² The OCF is a blended rate reflecting new GAC rates which took effect from 5 May 2020.

³ Class G accumulation launched on 21 February 2022 therefore there is no prior year comparative.

Risk and reward profile

The fund currently has 10 types of share classes in issue: A income, E income, G accumulation, G income, I accumulation, I income, Z accumulation, A Euro (hedged) accumulation, A Euro accumulation, I Euro (hedged) 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 SRRRI 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 SRRRI level. The SRRRI is an indicator and may not accurately reflect future volatility and market conditions.

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

The 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 ratings during the year.

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

* Class G income was launched on 16 February 2018, Class A Euro (hedged) accumulation was launched on 26 October 2018, Class E income was launched on 8 July 2019 and Class G accumulation was launched on 21 February 2022. As these share classes do not have a five year history, a synthetic history has been created for G income, A Euro (hedged) accumulation and G accumulation using the fund's relevant sector average and for E income using the A income share class, respectively.

Portfolio statement as at 31 March 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 96.12% (2021: 97.00%)		
	Australia 0.27% (2021: 0.44%)		
	Health Care 0.27% (2021: 0.44%)		
2,262,200	Nanosonics	5,096	0.27
	Canada 6.30% (2021: 5.20%)		
	Financials 2.72% (2021: 2.25%)		
464,143	Intact Financial	52,112	2.72
	Utilities 3.58% (2021: 2.95%)		
1,431,934	Boralex 'A'	35,219	1.84
2,770,635	Innergex Renewable Energy	33,374	1.74
		<u>68,593</u>	<u>3.58</u>
	China 0.39% (2021: 0.81%)		
	Information Technology 0.39% (2021: 0.81%)		
10,381,611	Linklogis	7,410	0.39
	France 1.84% (2021: 4.88%)		
	Communication Services 0.00% (2021: 0.46%)		
	Industrials 1.84% (2021: 4.42%)		
482,400	Legrand	35,213	1.84
	Germany 2.28% (2021: 3.53%)		
	Consumer Discretionary 1.11% (2021: 1.66%)		
118,500	Adidas	21,250	1.11
	Industrials 1.17% (2021: 1.87%)		
381,300	Knorr-Bremse	22,549	1.17
	Hong Kong 1.78% (2021: 2.32%)		
	Financials 1.78% (2021: 2.32%)		
4,271,900	AIA	34,159	1.78
	Ireland 1.89% (2021: 0.00%)		
	Health Care 1.89% (2021: 0.00%)		
196,530	ICON	36,264	1.89
	Japan 8.18% (2021: 8.98%)		
	Communication Services 2.41% (2021: 2.47%)		
119,900	Nintendo	46,262	2.41
	Consumer Discretionary 1.59% (2021: 1.86%)		
173,500	Shimano	30,567	1.59
	Industrials 1.12% (2021: 1.18%)		
350,900	Nidec	21,404	1.12

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Information Technology 3.06% (2021: 3.47%)		
550,000	Murata Manufacturing	27,925	1.45
1,161,400	Shimadzu	30,778	1.61
		<u>58,703</u>	<u>3.06</u>
	Netherlands 3.24% (2021: 3.52%)		
	Industrials 1.46% (2021: 1.34%)		
342,600	Wolters Kluwer	27,956	1.46
	Information Technology 1.78% (2021: 2.18%)		
66,400	ASML	34,228	1.78
	Switzerland 2.05% (2021: 0.00%)		
	Information Technology 2.05% (2021: 0.00%)		
394,766	TE Connectivity	39,274	2.05
	Taiwan 2.94% (2021: 2.94%)		
	Information Technology 2.94% (2021: 2.94%)		
3,566,700	Taiwan Semiconductor Manufacturing	56,350	2.94
	United Kingdom 2.90% (2021: 3.07%)		
	Materials 1.17% (2021: 1.36%)		
6,942,200	DS Smith	22,347	1.17
	Utilities 1.73% (2021: 1.71%)		
1,894,200	SSE	33,120	1.73
	United States 62.06% (2021: 61.31%)		
	Consumer Discretionary 3.43% (2021: 3.59%)		
345,057	Aptiv	31,383	1.64
71,128	Home Depot	16,169	0.84
178,673	Nike 'B'	18,263	0.95
		<u>65,815</u>	<u>3.43</u>
	Consumer Staples 0.50% (2021: 0.65%)		
126,907	McCormick Non-Voting Shares	9,619	0.50
	Financials 9.68% (2021: 7.91%)		
244,936	AON	60,577	3.16
338,887	Marsh & McLennan	43,864	2.29
447,425	Progressive	38,746	2.02
430,682	Walker & Dunlop	42,308	2.21
		<u>185,495</u>	<u>9.68</u>
	Health Care 3.47% (2021: 4.90%)		
281,804	Accolade	3,754	0.20
581,867	Encompass Health	31,435	1.64
94,710	Humana	31,333	1.63
		<u>66,522</u>	<u>3.47</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Industrials 10.65% (2021: 4.71%)			
216,193	Advanced Drainage Systems	19,508	1.02
1,893,576	Evoqua Water Technologies	67,566	3.53
337,800	Schneider Electric	43,436	2.27
633,834	Wabtec	46,272	2.41
419,867	Xylem	27,192	1.42
		<u>203,974</u>	<u>10.65</u>
Information Technology 30.21% (2021: 34.03%)			
79,130	Adobe	27,371	1.43
145,279	Atlassian	32,421	1.69
335,612	Autodesk	54,599	2.85
374,920	Avalara	28,350	1.48
109,250	Bill.com	18,841	0.98
232,245	Cadence Design Systems	29,009	1.51
283,008	IPG Photonics	23,578	1.23
92,396	Lam Research	37,695	1.97
129,686	MasterCard	35,205	1.84
587,485	Microchip Technology	33,496	1.75
505,121	Microsoft	118,192	6.16
356,143	Nvidia	73,774	3.85
262,141	Texas Instruments	36,488	1.90
328,454	Zendesk	30,010	1.57
		<u>579,029</u>	<u>30.21</u>
Materials 0.00% (2021: 1.16%)			
Real Estate 4.12% (2021: 4.36%)			
189,207	Crown Castle International	26,537	1.39
48,004	Equinix	27,039	1.41
206,964	Prologis	25,383	1.32
		<u>78,959</u>	<u>4.12</u>
Derivatives 0.00% (2021: (0.01%))			
Forward Foreign Exchange Contracts 0.00% (2021: 0.00%)¹			
	Buy EUR 2,935 : Sell GBP 2,482 April 2022 ²	-	-
	Buy EUR 22 : Sell GBP 18 April 2022 ²	-	-
	Buy EUR 25 : Sell GBP 21 April 2022 ²	-	-
	Buy GBP 12 : Sell EUR 14 April 2022 ²	-	-
	Buy GBP 3 : Sell EUR 4 April 2022 ²	-	-
		<u>-</u>	<u>-</u>
Forward Foreign Exchange Contracts (Hedged share classes) 0.00% (2021: (0.01%))¹			
	Buy EUR 1,443,717 : Sell GBP 1,216,472 April 2022	5	-
	Buy EUR 1,733,208 : Sell GBP 1,460,396 April 2022	5	-
	Buy EUR 12 : Sell GBP 10 April 2022 ²	-	-
	Buy EUR 14 : Sell GBP 12 April 2022 ²	-	-
	Buy EUR 14 : Sell GBP 12 April 2022 ²	-	-
	Buy EUR 15,330 : Sell GBP 12,879 April 2022 ²	-	-
	Buy EUR 18,451 : Sell GBP 15,502 April 2022 ²	-	-

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Forward Foreign Exchange Contracts (continued)			
	Buy EUR 18,691 : Sell GBP 15,663 April 2022 ²	-	-
	Buy EUR 20,353 : Sell GBP 17,220 April 2022 ²	-	-
	Buy EUR 20,878 : Sell GBP 17,402 April 2022	1	-
	Buy EUR 21 : Sell GBP 17 April 2022 ²	-	-
	Buy EUR 21 : Sell GBP 18 April 2022 ²	-	-
	Buy EUR 22,369 : Sell GBP 18,976 April 2022 ²	-	-
	Buy EUR 22,579 : Sell GBP 18,920 April 2022 ²	-	-
	Buy EUR 24,996 : Sell GBP 21,148 April 2022 ²	-	-
	Buy EUR 25,118 : Sell GBP 20,936 April 2022 ²	-	-
	Buy EUR 27,313 : Sell GBP 23,170 April 2022 ²	-	-
	Buy EUR 34,379 : Sell GBP 28,892 April 2022 ²	-	-
	Buy EUR 36,232 : Sell GBP 30,637 April 2022 ²	-	-
	Buy EUR 4 : Sell GBP 3 April 2022 ²	-	-
	Buy EUR 41,319 : Sell GBP 34,725 April 2022 ²	-	-
	Buy EUR 43,547 : Sell GBP 36,823 April 2022 ²	-	-
	Buy GBP 13 : Sell EUR 15 April 2022 ²	-	-
	Buy GBP 13 : Sell EUR 16 April 2022 ²	-	-
	Buy GBP 15,494 : Sell EUR 18,392 April 2022 ²	-	-
	Buy GBP 16 : Sell EUR 19 April 2022 ²	-	-
	Buy GBP 16,215 : Sell EUR 19,290 April 2022 ²	-	-
	Buy GBP 16,670 : Sell EUR 19,954 April 2022 ²	-	-
	Buy GBP 18,456 : Sell EUR 21,908 April 2022 ²	-	-
	Buy GBP 18,505 : Sell EUR 22,149 April 2022 ²	-	-
	Buy GBP 19 : Sell EUR 22 April 2022 ²	-	-
	Buy GBP 19,433 : Sell EUR 23,117 April 2022 ²	-	-
	Buy GBP 19,907 : Sell EUR 23,828 April 2022	(1)	-
	Buy GBP 21 : Sell EUR 25 April 2022 ²	-	-
	Buy GBP 31 : Sell EUR 37 April 2022 ²	-	-
	Buy GBP 31 : Sell EUR 37 April 2022 ²	-	-
		10	-
	Investment assets including investment liabilities	1,842,280	96.12
	Other net assets	74,366	3.88
	Total net assets	1,916,646	100.00

¹ Not listed on an official stock exchange

² Due to rounding to nearest £1,000

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

Statement of total return for the year ended 31 March 2022

	Note	2022		2021	
		£000	£000	£000	£000
Income					
Net capital gains	2		124,528		407,127
Revenue	3	19,759		15,560	
Expenses	4	(15,449)		(10,464)	
Interest payable and similar charges	5	-		(1)	
Net revenue before taxation		4,310		5,095	
Taxation	6	(2,117)		(1,659)	
Net revenue after taxation			2,193		3,436
Total return before distributions			126,721		410,563
Distributions	7		(3,571)		(4,300)
Change in net assets attributable to shareholders from investment activities			123,150		406,263

Statement of change in net assets attributable to shareholders for the year ended 31 March 2022

	2022		2021	
	£000	£000	£000	£000
Opening net assets attributable to shareholders		1,484,749		824,555
Amounts receivable on issue of shares	428,321		384,836	
Amounts payable on cancellation of shares	(122,509)		(134,218)	
		305,812		250,618
Dilution adjustment		-		29
Change in net assets attributable to shareholders from investment activities		123,150		406,263
Retained distributions on accumulation shares		2,935		3,283
Unclaimed distributions		-		1
Closing net assets attributable to shareholders		1,916,646		1,484,749

Balance sheet as at 31 March 2022

	Note	2022 £000	2021 £000
Assets:			
Investments		1,842,281	1,440,185
Current assets:			
Debtors	8	8,996	12,141
Cash and bank balances	9	76,082	47,132
Total assets		1,927,359	1,499,458
Liabilities:			
Investment liabilities		1	109
Creditors:			
Distributions payable		21	246
Other creditors	10	10,691	14,354
Total liabilities		10,713	14,709
Net assets attributable to shareholders		1,916,646	1,484,749

Notes to the financial statements for the year ended 31 March 2022

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2022	2021
	£000	£000
Forward currency contracts	4	(96)
Forward currency contracts on hedged share classes	104	(331)
Non-derivative securities	124,423	407,629
Other currency gains/(losses)	1	(68)
Transaction costs	(4)	(7)
Net capital gains	124,528	407,127

3 Revenue

	2022	2021
	£000	£000
Bank interest	41	5
Hedged income on forward currency contracts	-	1
Overseas dividends	15,951	12,923
Overseas REIT revenue	1,189	1,299
UK dividends	2,578	1,332
Total revenue	19,759	15,560

4 Expenses

	2022	2021
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	13,443	9,090
GAC*	1,833	1,257
	<u>15,276</u>	<u>10,347</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	74	58
Safe custody fees	99	59
	<u>173</u>	<u>117</u>
Total expenses	15,449	10,464

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £12,249 (2021: £11,556).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2022 £000	2021 £000
Interest payable	-	1
Total interest payable and similar charges	<u>-</u>	<u>1</u>

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2022 £000	2021 £000
Current tax		
Overseas withholding tax	2,117	1,659
Total tax (note 6b)	<u>2,117</u>	<u>1,659</u>

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% (2021: 20%). The differences are explained below:

	2022 £000	2021 £000
Net revenue before taxation	4,310	5,095
Corporation tax at 20% (2021: 20%)	862	1,019
Effects of:		
Double tax relief	(41)	(22)
Overseas withholding tax	2,117	1,659
Overseas dividends	(3,190)	(2,584)
UK dividends*	(516)	(266)
Unused management expenses	2,885	1,853
Tax charge for the year (note 6a)	<u>2,117</u>	<u>1,659</u>

* As an OEIC this item is not subject to corporation tax.

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2021: 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 £13,179,398 (2021: £10,295,053) 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

	2022	2021
	£000	£000
Interim income	615	771
Interim accumulation	2,203	2,070
Final income	21	246
Final accumulation	732	1,213
	<u>3,571</u>	<u>4,300</u>
Total distributions	<u>3,571</u>	<u>4,300</u>

Net revenue after taxation	2,193	3,436
Revenue shortfall	1,378	864
Total distributions	<u>3,571</u>	<u>4,300</u>

Details of the distribution per share are set out in the Distribution tables on pages 76 to 77.

8 Debtors

	2022	2021
	£000	£000
Accrued revenue	1,900	1,601
Amounts receivable for issue of shares	6,504	10,323
Overseas withholding tax reclaimable	592	217
	<u>8,996</u>	<u>12,141</u>
Total debtors	<u>8,996</u>	<u>12,141</u>

9 Cash and bank balances

	2022	2021
	£000	£000
Cash and bank balances	76,082	47,132
Total cash and bank balances	<u>76,082</u>	<u>47,132</u>

10 Other creditors

	2022	2021
	£000	£000
Accrued annual management charge	1,181	922
Accrued Depositary's fee	14	6
Accrued other expenses	176	134
Amounts payable for cancellation of shares	4,965	1,168
Purchases awaiting settlement	4,355	12,124
	<u>10,691</u>	<u>14,354</u>
Total other creditors	<u>10,691</u>	<u>14,354</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 65 and 66 and notes 4, 8 and 10 on pages 67 to 69 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 (2021: nil).

13 Shareholders' funds

The fund currently has 8 share classes available: Class A (Retail), Class A Euro hedged (Retail), Class A Euro (Retail), Class E (Retail), Class G (Institutional), Class I (Institutional), Class I Euro hedged (Institutional) and Class Z (Institutional). The annual management charge on each share class is as follows:

	2022 %	2021 %
Class A	1.50	1.50
Class E	1.00	1.00
Class G	0.675	0.675
Class I	0.75	0.75
Class Z ¹	0.00	0.00
Class A Euro (hedged)	1.50	1.50
Class A Euro	1.50	1.50
Class I Euro (hedged)	0.75	0.75

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 52 to 58. The distribution per share class is given in the Distribution tables on pages 76 to 77. All share classes have the same rights on winding up.

Shares reconciliation as at 31 March 2022

	Class A income	Class E income	Class G accumulation	Class G income
Opening number of shares	33,056,981	10,642,606	-	4,895,194
Issues during the year	5,038,644	276,284	55,525	1,720,336
Cancellations during the year	(5,003,318)	(594,512)	-	(562,168)
Shares converted during the year	(940,984)	696,740	-	(3,780)
Closing shares in issue	32,151,323	11,021,118	55,525	6,049,582
	Class I accumulation	Class I income	Class Z accumulation	Class A Euro (hedged) accumulation
Opening number of shares	144,385,624	67,698,534	22,113,142	161,102
Issues during the year	55,103,962	14,061,548	193,638	7,465
Cancellations during the year	(6,060,026)	(6,152,821)	(1,567,953)	(80,826)
Shares converted during the year	88,738	209,855	(53,519)	-
Closing shares in issue	193,518,298	75,817,116	20,685,308	87,741

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation as at 31 March 2022 (continued)

	Class A Euro accumulation	Class I Euro (hedged) accumulation
Opening number of shares	10,522	302,338
Issues during the year	1,485	18,227
Cancellations during the year	(6,031)	(271,765)
Shares converted during the year	-	-
Closing shares in issue	5,976	48,800

14 Financial derivatives

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

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

There was no collateral pledged or collateral held in respect of forward foreign exchange contracts as at 31 March 2022 (2021: nil). The fund had cash assets of nil (2021: nil) and cash liabilities of nil (2021: nil) held in margin accounts at derivative clearing houses and brokers at 31 March 2022.

2022

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

Counterparty	Forward foreign exchange contracts £000
JPMorgan Chase	11
	11

2021

At 31 March 2021 the counterparty exposure calculated using the positive marked-to-market value for the derivatives held, which is considered to be at risk of repayment to the fund by the counterparty, was as follows:

Counterparty	Forward foreign exchange contracts £000
JPMorgan Chase	4
	4

Notes to the financial statements (continued)

14 Financial derivatives (continued)

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

2022

At 31 March 2022 the underlying exposure to each counterparty, calculated on a notional basis using the market values for each derivative instrument held, was as follows:

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	2
JPMorgan Chase	3,127
	<hr/> 3,129 <hr/>

2021

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

Counterparty	Forward foreign exchange contracts £000
BNP Paribas	3
JPMorgan Chase	12,326
	<hr/> 12,329 <hr/>

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:

2022 Currency	Investment assets including (investment liabilities) £000	Other net assets/ (liabilities) £000	Total net assets/ (liabilities) £000
Australian dollar	5,096	-	5,096
Canadian dollar	120,705	106	120,811
Euro	187,509	565	188,074
Hong Kong dollar	41,569	-	41,569
Japanese yen	156,936	1,251	158,187
Norwegian krone	-	27	27
Taiwan dollar	56,350	205	56,555
UK sterling	52,600	75,616	128,216
US dollar	1,221,515	(3,404)	1,218,111
Total	<hr/> 1,842,280 <hr/>	<hr/> 74,366 <hr/>	<hr/> 1,916,646 <hr/>

Notes to the financial statements (continued)

15 Risk (continued)

Currency risk (continued)

2021	Investment assets including (investment liabilities) £000	Other net assets/ (liabilities) £000	Total net assets/ (liabilities) £000
Currency			
Australian dollar	6,515	-	6,515
Canadian dollar	77,149	312	77,461
Euro	187,922	287	188,209
Hong Kong dollar	46,503	(12,124)	34,379
Japanese yen	133,320	1,099	134,419
Norwegian krone	-	26	26
Taiwan dollar	43,715	168	43,883
UK sterling	34,517	54,301	88,818
US dollar	910,435	604	911,039
Total	1,440,076	44,673	1,484,749

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £1,788,431,613 (2021: £1,395,931,034). 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 £178,783,896 (2021: £139,593,103).

Interest rate risk

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

Other market price risk

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

Leverage

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

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2022				
Derivative financial liabilities	-	1	-	-
Distribution payable	-	21	-	-
Other creditors	-	10,691	-	-
Total	-	10,713	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2021				
Derivative financial liabilities	-	109	-	-
Distribution payable	-	246	-	-
Other creditors	-	14,354	-	-
Total	-	14,709	-	-

Notes to the financial statements (continued)

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

	2022		2021	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	1,842,270	-	1,440,181	-
Level 2	11	1	4	109
Level 3	-	-	-	-
	<u>1,842,281</u>	<u>1</u>	<u>1,440,185</u>	<u>109</u>

17 Direct transaction costs

	Purchases		Sales	
	2022 £000	2021 £000	2022 £000	2021 £000
Trades in the year				
Equities	422,717	433,332	145,241	201,472
Trades in the year before transaction costs	<u>422,717</u>	<u>433,332</u>	<u>145,241</u>	<u>201,472</u>
Transaction costs				
Commissions				
Equities	64	99	15	27
Total commissions	<u>64</u>	<u>99</u>	<u>15</u>	<u>27</u>
Taxes				
Equities	62	124	-	-
Total taxes	<u>62</u>	<u>124</u>	<u>-</u>	<u>-</u>
Other expenses				
Equities	48	41	1	3
Total other expenses	<u>48</u>	<u>41</u>	<u>1</u>	<u>3</u>
Total transaction costs	<u>174</u>	<u>264</u>	<u>16</u>	<u>30</u>
Total net trades in the year after transaction costs	<u>422,891</u>	<u>433,596</u>	<u>145,225</u>	<u>201,442</u>

Notes to the financial statements (continued)

17 Direct transaction costs (continued)

	Purchases		Sales	
	2022	2021	2022	2021
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.02	0.02	0.01	0.01
Taxes				
Equities	0.01	0.03	-	-
Other expenses				
Equities	0.01	0.01	-	-
	2022	2021		
	%	%		
Total transaction costs expressed as a percentage of net asset value				
Commissions	-	0.01		
Taxes	-	0.01		
Other expenses	-	-		
Total costs	<u>-</u>	<u>0.02</u>		

There were no in specie transfers during the year (2021: nil). There were no corporate actions during the year (2021: nil).

There were no direct transaction costs associated with derivatives in the year (2021: 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 March 2022 was 0.09% (2021: 0.10%). The portfolio dealing spread is calculated at a 12 noon valuation point.

18 Events after the Balance sheet date

Subsequent to the fund's year end, as a result of the Russia/Ukraine conflict the fund could be affected by fluctuations in global stock markets, inflation and adverse investor sentiment. As at 24 June 2022, which was the latest valuation available at the time of signing, the Net Asset Value of the fund is £1,690,419,798 which is a decrease of 11.80% from the Balance sheet date. The decrease in NAV is due to net outflows from the fund. The market movements are considered to be a non-adjusting post Balance sheet event and therefore no adjustments to the financial statements were required as a result.

Distribution tables for the year ended 31 March 2022 (in pence per share)

Interim dividend distribution (accounting date 30 September 2021, paid on 30 November 2021)

Group 1: shares purchased prior to 1 April 2021

Group 2: shares purchased on or after 1 April 2021

	Distribution per share	Total distribution per share 30/11/21	Total distribution per share 30/11/20
Class A income			
Group 1	-	-	-
Group 2	-	-	-
Class E income			
Group 1	-	-	0.2676
Group 2	-	-	0.2676
Class G income			
Group 1	1.0038	1.0038	1.2872
Group 2	1.0038	1.0038	1.2872
Class I accumulation			
Group 1	0.7690	0.7690	0.9820
Group 2	0.7690	0.7690	0.9820
Class I income			
Group 1	0.7504	0.7504	1.0675
Group 2	0.7504	0.7504	1.0675
Class Z accumulation			
Group 1	4.2606	4.2606	3.9285
Group 2	4.2606	4.2606	3.9285
Class A Euro (hedged) accumulation¹			
Group 1	-	-	-
Group 2	-	-	-
Class A Euro accumulation¹			
Group 1	-	-	-
Group 2	-	-	-
Class I Euro (hedged) accumulation¹			
Group 1	1.1459	1.1459	6.4376
Group 2	1.1459	1.1459	6.4376

¹ in Euro cents per share

Distribution tables (continued)

Final dividend distribution (accounting date 31 March 2022, paid on 31 May 2022)

Group 1: shares purchased prior to 1 October 2021

Group 2: shares purchased on or after 1 October 2021

	Distribution per share	Total distribution per share 31/05/22	Total distribution per share 28/05/21
Class A income			
Group 1	-	-	-
Group 2	-	-	-
Class E income			
Group 1	-	-	-
Group 2	-	-	-
Class G accumulation¹			
Group 1	0.0796	0.0796	n/a
Group 2	0.0796	0.0796	n/a
Class G income			
Group 1	0.2987	0.2987	0.5602
Group 2	0.2987	0.2987	0.5602
Class I accumulation			
Group 1	0.0347	0.0347	0.3356
Group 2	0.0347	0.0347	0.3356
Class I income			
Group 1	0.0041	0.0041	0.3230
Group 2	0.0041	0.0041	0.3230
Class Z accumulation			
Group 1	3.2108	3.2108	3.2636
Group 2	3.2108	3.2108	3.2636
Class A Euro (hedged) accumulation²			
Group 1	-	-	-
Group 2	-	-	-
Class A Euro accumulation²			
Group 1	-	-	-
Group 2	-	-	-
Class I Euro (hedged) accumulation²			
Group 1	0.7751	0.7751	2.7311
Group 2	0.7751	0.7751	2.7311

¹ Class G accumulation launched on 21 February 2022.

² in Euro cents per share

Janus Henderson Sustainable Future Technologies Fund

Authorised Corporate Director's report

Investment Fund Managers

Graeme Clark, Alison Porter and Richard Clode

Investment objective and policy

The fund aims to provide capital growth over the long term (5 years or more) by investing in technology-related companies that contribute to the development of a sustainable global economy.

The fund invests at least 90% of its assets in shares (also known as equities) of technology-related companies, whose products and services are considered by the Investment Manager as contributing to positive environmental or social change, thereby having an impact on the development of a sustainable global economy. The fund's investment universe is defined by technology and technology-related companies that derive at least 50% of their current or future expected revenues from the sustainable technology themes identified by the Investment Manager.

The fund may also invest in other assets including CIS (including those managed by Janus Henderson) 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 MSCI All Country World Index (ACWI) Information Technology Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the fund's performance. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

Strategy

The Investment Manager, within its thematic framework of environmental and social themes and positive/negative (avoidance) criteria screening, seeks to identify undervalued growth companies that are aligned with the UN's Sustainable Development Goals, and derive at least 50% of their current or future expected revenues from the sustainable technology themes the Investment Manager has identified as having a positive impact on those goals. Examples of themes the Investment Manager has identified include clean energy technology, sustainable transport, low carbon infrastructure, digital democratisation, health technology, smart cities, data security and resource and productivity optimisation. The Investment Manager looks to navigate the hype cycle (different stages in the development of a technology from conception to widespread adoption) around technology adoption by assessing the company's fundamental business model and by focusing on companies with high quality management following good governance practices and sustainable barriers to entry, driving longer term unappreciated earnings growth. The fund will avoid investing in companies that the Investment Manager considers could contribute to significant environmental or societal harm.

Performance summary

Cumulative performance

	Since inception 3 Aug 21 - 31 Mar 22 %
Class I accumulation (Net)	(3.1)*
MSCI ACWI Information Technology Index	3.6*
IA Technology and Technology Innovations Sector	(6.0)*

Discrete performance

	3 Aug 21** - 31 Mar 22 %
Class I accumulation (Net)	(3.1)*
MSCI ACWI Information Technology Index	3.6*
IA Technology and Technology Innovations Sector	(6.0)*

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

** The fund launched on 3 August 2021.

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.

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

Index usage: Comparator

Index description: The MSCI ACWI Information Technology Index is a measure of the performance of large and medium sized information technology companies from developed and emerging stock markets around the world. It provides a useful comparison against which the fund's performance can be assessed over time.

Peer group: IA Technology and Technology Innovations Sector

Peer group usage: Comparator

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

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

Significant portfolio changes for the period 3 August 2021 to 31 March 2022

Largest purchases	£000	Largest sales	£000
Microsoft	385	Cloudflare	152
TELUS	327	Fanuc	131
ServiceNow	305	MercadoLibre	96
Adobe	270	Rivian	75
Ambarella	255	Trimble	66
Equinix	251	NortonLifeLock	64
Chegg	242	Ceres Power	49
Infineon Technologies	231	Qualcomm	48
Nvidia	230	Universal Display	46
Trimble	213	2U	35
Total purchases	10,010	Total sales	1,004

Investment review

The fund fell 3.1% based on Class I accumulation (Net) over the period under review, compared with a return of 3.6% in the MSCI ACWI Information Technology Index and a fall of 6.0% in the IA Technology and Technology Innovations Sector peer group benchmark. Given the dual mandate of the fund (aiming to provide capital growth over the long term (five years or more) by investing in technology-related companies that contribute to the development of a sustainable global economy), the positive/negative screening criteria for the portfolio is constructed in a benchmark agnostic manner.

The following commentary on fund performance contributors and detractors is provided on an absolute return basis (rather than relative to the benchmark).

The start of 2022 saw a continued shift in global attitudes towards sustainability, catalysed by the Russia/Ukraine conflict, along with proposed regulatory changes across the globe. Europe responded to its dependence on Russian commodities with a range of pledges to accelerate spending on clean energy, while governments and enterprises globally have responded to the elevated cyber threat landscape with increased spending on security software. The European Union's 'social taxonomy', a classification of activities that benefit society, and the US Securities and Exchange Commission's plan for public companies to disclose their carbon emissions reflect the increased focus from both regulators and investors on sustainability.

The United Nations Climate Change Conference (COP26) in Glasgow in November was an important milestone, with re-engagement from the US, China committing to peak emissions and India starting its decarbonisation journey as clear positives. Unfortunately, the divergent challenges of developed and developing countries led to a watering-down of the language to phase out coal. We continue to believe that innovation and the exponential leaps that technology can provide will be critical to delivering these pledges and achieving these goals.

Broadcom, whose flagship Tomahawk 4 ethernet chip is a key enabler of low-carbon infrastructure, contributed to performance as it continued to execute well while semiconductor revenues accelerated. TELUS, a company with social capitalism at the heart of its strategy, aided returns as wireless and broadband subscriber growth exceeded market expectations. Tenable, a data security company in the vulnerability management space that protects government and corporate networks, contributed, thanks to strong traction and accelerating growth from its new Exposure Platform bundle. Nvidia, a key enabler of artificial intelligence, provided a tailwind as it introduced a new graphics processing unit architecture and outlined significant expansion opportunities. Easing supply constraints helped Impinj, a provider of radio frequency identification technology and an enabler of the circular economy, deliver strong results.

2U, a leading education technology provider enabling online learning, was weak because of some softness in the wider education market resulting from generally strong labour market conditions. DocuSign, a leader in paperless contracts, detracted as it delivered weak results. Customer buying urgency dropped and this was exacerbated by sales execution issues. Fluence, a leading energy storage systems and services provider, hurt returns as its results missed expectations, with margin expansion pressured by inflation and cost overruns. Chegg's role in helping lower income students hurt short-term performance as many students chose not to enrol in new courses and instead take advantage of the stronger labour market conditions. Digital payments platform PayPal also detracted, as its results missed expectations. Consumer spending trends moderated while eBay shifted its payments platform away from PayPal faster than anticipated.

The fund initiated a number of positions across our key themes, including data security (Palo Alto Networks and Tenable); resource and productivity optimisation (ZoomInfo Technologies); clean energy technology (Delta Electronics, Fluence and Evoqua Water Technologies); digital democratisation (Adyen and TELUS); and low-carbon infrastructure (BE Semiconductor Industries and Synopsys).

Technology is the science of solving problems and the global challenges that we face require the sector's innovation to provide solutions. Our eight sustainable technology themes are a positive force across both environmental and social issues.

COP26 and government policy in response to the pandemic indicate a growing acceptance that we must address not just climate change but the social challenges emanating from it and the digital divide. Technological innovation, combined with regulatory and government subsidy support and the inflationary and strategic consequences of the tragic conflict in Ukraine, are accelerating the adoption curve of sustainable technologies. This is true not just in clean energy and transport electrification, but across low-carbon infrastructure, smart cities, health technology, data security, resource and productivity optimization, and digital democratisation.

As we look to invest in the innovation of sustainable technology we are cognisant of a major market inflection after over a decade of quantitative easing and zero interest rates following the global financial crisis, and, more recently, due to the pandemic. Central bank 'tapering' and inflation driving higher interest rate expectations are less supportive of higher duration stocks and unprofitable companies. Our investment philosophy is centred on navigating the technology hype cycle and a rigorous valuation discipline focused on unexpected earnings and cash flow. This limits the fund's exposure to those stocks more vulnerable to this market inflection, although we still expect volatility given this backdrop.

By investing in a low-carbon, technology-for-good portfolio, we believe we can access the largest and longest runway growth markets. In addition, by navigating the hype cycle, we aim to deliver our dual mandate: providing clients with positive environmental and social benefits from the development of a sustainable global economy, as well as the potential for attractive long-term capital returns.

Comparative tables for the period 3 August 2021 to 31 March 2022

	Class G accumulation
	03/08/21 -
	31/03/22
	(pence
	per share)
Change in net assets per share	
Opening net asset value per share	100.00 ¹
Return before operating charges*	(3.45)
Operating charges	(0.43)
Return after operating charges*	(3.88)
Distributions on accumulation shares	-
Retained distributions on accumulation shares	-
Closing net asset value per share	96.12
* after direct transaction costs of:	-

Performance

Return after charges	(3.88%)
----------------------	---------

Other information

Closing net asset value (£000s)	5,402
Closing number of shares	5,620,703
Operating charges	0.66%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	113.20
Lowest share price (pence)	86.60

¹ The fund launched on 3 August 2021 and this is the first published price.

	Class G income
	03/08/21 -
	31/03/22
	(pence
	per share)
Change in net assets per share	
Opening net asset value per share	100.00 ²
Return before operating charges*	(3.52)
Operating charges	(0.44)
Return after operating charges*	(3.96)
Distributions on income shares	-
Closing net asset value per share	96.04
* after direct transaction costs of:	-

Performance

Return after charges	(3.96%)
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Other information

Closing net asset value (£000s)	-
Closing number of shares	500
Operating charges	0.66%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	113.20
Lowest share price (pence)	86.54

² The fund launched on 3 August 2021 and this is the first published price.

Comparative tables (continued)

	Class I accumulation 03/08/21 - 31/03/22 (pence per share)
Change in net assets per share	
Opening net asset value per share	100.00 ³
Return before operating charges*	(3.44)
Operating charges	(0.58)
Return after operating charges*	(4.02)
Distributions on accumulation shares	-
Retained distributions on accumulation shares	-
Closing net asset value per share	95.98
* after direct transaction costs of:	-

Performance

Return after charges	(4.02%)
----------------------	---------

Other information

Closing net asset value (£000s)	3,130
Closing number of shares	3,261,086
Operating charges	0.88%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	113.20
Lowest share price (pence)	86.49

³ The fund launched on 3 August 2021 and this is the first published price.

	Class I income 03/08/21 - 31/03/22 (pence per share)
Change in net assets per share	
Opening net asset value per share	100.00 ⁴
Return before operating charges*	(3.42)
Operating charges	(0.55)
Return after operating charges*	(3.97)
Distributions on income shares	-
Closing net asset value per share	96.03
* after direct transaction costs of:	-

Performance

Return after charges	(3.97%)
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Other information

Closing net asset value (£000s)	104
Closing number of shares	107,831
Operating charges	0.88%
Direct transaction costs	0.00%

Prices

Highest share price (pence)	113.20
Lowest share price (pence)	86.54

⁴ The fund launched on 3 August 2021 and this is the first published price.

Comparative tables (continued)

	Class Z accumulation 03/08/21 - 31/03/22 (pence per share)
Change in net assets per share	
Opening net asset value per share	100.00 ⁵
Return before operating charges*	(3.42)
Operating charges	(0.07)
Return after operating charges*	(3.49)
Distributions on accumulation shares	(0.35)
Retained distributions on accumulation shares	0.35
Closing net asset value per share	96.51
* after direct transaction costs of:	-
Performance	
Return after charges	(3.49%)
Other information	
Closing net asset value (£000s)	1
Closing number of shares	500
Operating charges	0.11%
Direct transaction costs	0.00%
Prices	
Highest share price (pence)	113.40
Lowest share price (pence)	86.92

⁵ The fund launched on 3 August 2021 and this is the first published price.

	Class Z income 03/08/21 - 31/03/22 (pence per share)
Change in net assets per share	
Opening net asset value per share	100.00 ⁶
Return before operating charges*	(3.42)
Operating charges	(0.07)
Return after operating charges*	(3.49)
Distributions on income shares	(0.35)
Closing net asset value per share	96.17
* after direct transaction costs of:	-
Performance	
Return after charges	(3.49%)
Other information	
Closing net asset value (£000s)	-
Closing number of shares	500
Operating charges	0.11%
Direct transaction costs	0.00%
Prices	
Highest share price (pence)	113.40
Lowest share price (pence)	86.92

⁶ The fund launched on 3 August 2021 and this is the first published price.

Comparative tables (continued)

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	3 August 2021
Class G income	3 August 2021
Class I accumulation	3 August 2021
Class I income	3 August 2021
Class Z accumulation	3 August 2021
Class Z income	3 August 2021

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.

	2022	Estimated OCF from 3 August 2021¹
	%	%
Class G accumulation²	0.66	0.66
Class G income²	0.66	0.66
Class I accumulation²	0.88	0.88
Class I income²	0.88	0.88
Class Z accumulation²	0.11	0.11
Class Z income²	0.11	0.11

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

¹ The estimated ongoing charge based on the annual fee rates from 3 August 2021.

² The fund launched on 3 August 2021.

Risk and reward profile

The fund currently has 6 types of share classes 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 SRRRI 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 SRRRI level. The SRRRI is an indicator and may not accurately reflect future volatility and market conditions.

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

The 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 ratings during the period.

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

* Class G accumulation, Class G income, Class I accumulation, Class I income, Class Z accumulation and Class Z income launched on 3 August 2021. 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 March 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 97.37%		
	Canada 4.33%		
	Communication Services 4.33%		
18,831	TELUS	374	4.33
	Germany 2.26%		
	Information Technology 2.26%		
7,437	Infineon Technologies	195	2.26
	Netherlands 4.45%		
	Information Technology 4.45%		
89	Adyen	136	1.57
475	ASM International	133	1.54
1,766	BE Semiconductor Industries	116	1.34
		385	4.45
	South Korea 1.62%		
	Information Technology 1.62%		
1,896	SK Hynix	140	1.62
	Spain 1.48%		
	Communication Services 1.48%		
3,467	Cellnex Telecom	128	1.48
	Switzerland 2.22%		
	Information Technology 2.22%		
1,932	TE Connectivity	192	2.22
	Taiwan 2.14%		
	Information Technology 2.14%		
26,000	Delta Electronics	185	2.14
	United States 78.87%		
	Communication Services 1.89%		
3,600	ZoomInfo Technologies 'A'	163	1.89
	Consumer Discretionary 3.21%		
1,121	Aptiv	102	1.18
6,338	Chegg	175	2.03
		277	3.21
	Financials 2.78%		
4,865	Open Lending	70	0.81
547	S&P Global	170	1.97
		240	2.78
	Health Care 1.84%		
695	Intuitive Surgical	159	1.84

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Industrials 4.12%			
4,624	Evoqua Water Technologies	165	1.91
4,214	Lyft 'A'	123	1.42
6,396	Vertiv	68	0.79
		356	4.12
Information Technology 62.26%			
592	Adobe	205	2.37
2,791	Ambarella	222	2.57
1,208	Analog Devices	151	1.75
731	Autodesk	119	1.38
377	Broadcom	180	2.08
4,142	Calix	135	1.56
3,278	Ciena	151	1.75
810	CrowdStrike	140	1.62
759	DocuSign	62	0.72
7,587	Dropbox 'A'	134	1.55
635	Enphase Energy	97	1.12
1,717	Fidelity National Information Services	131	1.52
1,708	Fiserv	131	1.52
992	Global Payments	103	1.19
4,798	Impinj	232	2.69
410	Intuit	150	1.74
1,837	Jabil	86	1.00
3,209	Marvell Technology	175	2.03
568	MasterCard	154	1.78
1,746	Microsoft	409	4.74
6,466	NortonLifeLock	130	1.51
1,391	Nvidia	288	3.33
359	Palo Alto Networks	170	1.97
935	PayPal	82	0.95
1,264	Qualcomm	147	1.70
977	Salesforce.com	158	1.83
688	ServiceNow	291	3.37
628	SolarEdge Technologies	154	1.78
530	Synopsys	134	1.55
2,964	Tenable	130	1.51
2,234	Trimble	122	1.41
1,015	Universal Display	129	1.49
1,020	Visa	172	1.99
329	Zebra Technologies 'A'	103	1.19
		5,377	62.26
Real Estate 2.77%			
424	Equinix	239	2.77
Investment assets		8,410	97.37
Other net assets		227	2.63
Total net assets		8,637	100.00

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 3 August 2021 to 31 March 2022

		03/08/21 - 31/03/22	
	Note	£000	£000
Income			
Net capital losses	2		(592)
Revenue	3	31	
Expenses	4	<u>(33)</u>	
Net expense before taxation		(2)	
Taxation	5	<u>(5)</u>	
Net expense after taxation			<u>(7)</u>
Total return before distributions			(599)
Distributions	6		-
Change in net assets attributable to shareholders from investment activities			<u>(599)</u>

Statement of change in net assets attributable to shareholders

for the period 3 August 2021 to 31 March 2022

		03/08/21 - 31/03/22	
		£000	£000
Opening net assets attributable to shareholders*			-
Amounts receivable on issue of shares		9,327	
Amounts payable on cancellation of shares		<u>(93)</u>	
			9,234
Dilution adjustment			2
Change in net assets attributable to shareholders from investment activities			(599)
Closing net assets attributable to shareholders			<u>8,637</u>

* The fund launched on 3 August 2021.

Balance sheet as at 31 March 2022

	Note	2022 £000
Assets:		
Investments		8,410
Current assets:		
Debtors	7	120
Cash and bank balances	8	282
Total assets		8,812
Liabilities:		
Other creditors	9	175
Total liabilities		175
Net assets attributable to shareholders		8,637

Notes to the financial statements for the period 3 August 2021 to 31 March 2022

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:

	03/08/21 - 31/03/22 £000
Forward currency contracts	3
Non-derivative securities	(596)
Other currency gains	2
Transaction costs	(1)
Net capital losses	(592)

3 Revenue

	03/08/21 - 31/03/22 £000
Overseas dividends	28
Overseas REIT revenue	3
Total revenue	31

4 Expenses

	03/08/21 - 31/03/22 £000
Payable to the ACD, associates of the ACD and agents of either of them:	
Annual management charge	29
GAC*	4
	<u>33</u>
Total expenses	33

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £9,392. 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:

	03/08/21 - 31/03/22 £000
Current tax	
Overseas withholding tax	5
Total tax (note 5b)	5

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:

	03/08/21 - 31/03/22 £000
Net expense before taxation	(2)
Corporation tax at 20%	(1)
Effects of:	
Overseas withholding tax	5
Overseas dividends	(5)
Unused management expenses	6
Tax charge for the period (note 5a)	5

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date.

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 £6,286 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

	03/08/21 - 31/03/22 £000
Final income*	-
Final accumulation*	-
Total distributions	-
Net expense after taxation	(7)
Revenue shortfall	7
Total distributions	-

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

* Distributions totalling £2 in respect to accumulation shares and £2 in respect to income shares were paid during the period.

7 Debtors

	31/03/22 £000
Accrued revenue	8
Amounts receivable for issue of shares	28
Sales awaiting settlement	84
Total debtors	120

Notes to the financial statements (continued)

8 Cash and bank balances

	31/03/22
	£000
Cash and bank balances	282
Total cash and bank balances	282

9 Other creditors

	31/03/22
	£000
Accrued annual management charge	4
Accrued other expenses	1
Purchases awaiting settlement	170
Total other creditors	175

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 89 and 90 and notes 4, 6, 7 and 9 on pages 91 to 93 including all issues and cancellations where the ACD acted as principal.

Transactions with the ACD are as follows:

- All issues and cancellations
- Annual management charge
- GAC

Harewood Nominees, as a material shareholder, is a related party holding shares comprising of 55.60% of the total net assets at the period end.

12 Shareholders' funds

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

	2022
	%
Class G	0.55
Class I	0.75
Class Z ¹	0.00

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

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative tables on pages 81 to 84. The distribution per share class is given in the Distribution table on page 97. All share classes have the same rights on winding up.

Notes to the financial statements (continued)

12 Shareholders' funds (continued)

Shares reconciliation as at 31 March 2022

	Class G accumulation	Class G income	Class I accumulation	Class I income
Opening number of shares	-	-	-	-
Issues during the period	5,640,453	500	3,322,407	124,073
Cancellations during the period	(19,750)	-	(61,321)	(16,242)
Closing shares in issue	5,620,703	500	3,261,086	107,831

	Class Z accumulation	Class Z income
Opening number of shares	-	-
Issues during the period	500	500
Cancellations during the period	-	-
Closing shares in issue	500	500

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 March 2022.

2022

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

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:

2022	Investment assets £000	Other net assets £000	Total net assets £000
Currency			
Canadian dollar	374	3	377
Euro	708	-	708
Korean won	140	2	142
Taiwan dollar	185	-	185
UK sterling	-	175	175
US dollar	7,003	47	7,050
Total	8,410	227	8,637

Sensitivity analysis

The net foreign currency assets held by the fund at the period end were £8,462,661. 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 £846,266.

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.

Notes to the financial statements (continued)

14 Risk (continued)

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
2022				
Other creditors	-	175	-	-
Total	-	175	-	-

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

	31/03/2022	
	Assets £000	Liabilities £000
Level 1	8,410	-
Level 2	-	-
Level 3	-	-
	8,410	-

Notes to the financial statements (continued)

16 Direct transaction costs

	Purchases 03/08/21 - 31/03/22 £000	Sales 03/08/21 - 31/03/22 £000
Trades in the period		
Equities	10,008	1,004
Trades in the period before transaction costs	<u>10,008</u>	<u>1,004</u>
Transaction costs		
Commissions		
Equities	2	-
Total commissions	<u>2</u>	<u>-</u>
Taxes		
Equities	-	-
Total taxes	<u>-</u>	<u>-</u>
Other expenses		
Equities	-	-
Total other expenses	<u>-</u>	<u>-</u>
Total transaction costs	<u>2</u>	<u>-</u>
Total net trades in the period after transaction costs	<u>10,010</u>	<u>1,004</u>
	Purchases 03/08/21 - 31/03/22 %	Sales 03/08/21 - 31/03/22 %
Total transaction costs expressed as a percentage of asset type cost		
Commissions		
Equities	0.02	-
Taxes		
Equities	-	-
Other expenses		
Equities	-	-
	03/08/21 - 31/03/22 %	
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.03	
Taxes	-	
Other expenses	-	
Total costs	<u>0.03</u>	

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 March 2022 was 0.06%. The portfolio dealing spread is calculated at a 12 noon valuation point.

17 Events after the Balance sheet date

Subsequent to the fund's year end, as a result of the Russia/Ukraine conflict the fund could be affected by fluctuations in global stock markets, inflation and adverse investor sentiment. As at 24 June 2022, which was the latest valuation available at the time of signing, the Net Asset Value of the fund is £7,544,226 which is a decrease of 12.66% from the Balance sheet date. The decrease in NAV is due to net outflows from the fund. The market 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 3 August 2021 to 31 March 2022 (in pence per share)

Final dividend distribution (accounting date 31 March 2022, paid on 31 May 2022)

Group 1: shares purchased prior to 3 August 2021

Group 2: shares purchased on or after 3 August 2021

	Distribution per share	Total distribution per share 31/05/22
Class G accumulation		
Group 1	-	-
Group 2	-	-
Class G income		
Group 1	-	-
Group 2	-	-
Class I accumulation		
Group 1	-	-
Group 2	-	-
Class I income		
Group 1	-	-
Group 2	-	-
Class Z accumulation		
Group 1	0.3460	0.3460
Group 2	0.3460	0.3460
Class Z income		
Group 1	0.3460	0.3460
Group 2	0.3460	0.3460

Janus Henderson UK Responsible Income Fund

Authorised Corporate Director's report

Investment Fund Manager

Andrew Jones

Investment objective and policy

The fund aims to provide an income with the potential for capital growth over the long term (5 years or more).

The fund invests at least 80% of its assets in shares (also known as equities) of companies, of any size, in the UK. Companies will be incorporated, headquartered, or deriving significant revenue from, the UK. The fund will avoid investing in shares that the Investment Manager considers to potentially have a negative impact on the development of a sustainable global economy.

The fund may also invest in other assets including other shares, Collective Investment Schemes (including those managed by Janus Henderson) and cash.

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

The fund is actively managed with reference to the FTSE All Share Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the fund's performance. The Investment Manager has discretion to choose investments for the fund with weightings different to the index or not in the index.

Strategy

The Investment Manager adopts a flexible and pragmatic investment process, designed with the intention of achieving its objective in a variety of market conditions. The investment process focuses on UK companies with good cash flow and growing dividends, as well as seeking only to invest in companies with a high level of environmental, social and governance (ESG) integrity, which avoids investing in companies involved in such areas as gambling, alcohol production, the military, nuclear energy, and tobacco.

Performance summary

Cumulative performance

	One year 31 Mar 21 - 31 Mar 22	Three years 31 Mar 19 - 31 Mar 22	Five years 31 Mar 17 - 31 Mar 22	Since inception 30 Jun 85 - 31 Mar 22
	%	%	%	%
Class I income (Net)	6.1	21.6	29.4	775.8
FTSE All Share Index	13.0	16.8	25.8	536.8
IA UK Equity Income Sector	10.8	16.4	21.0	520.8

Discrete performance

	31 Mar 21 - 31 Mar 22	31 Mar 20 - 31 Mar 21	31 Mar 19 - 31 Mar 20	31 Mar 18 - 31 Mar 19	31 Mar 17 - 31 Mar 18
	%	%	%	%	%
Class I income (Net)	6.1	31.4	(12.7)	4.1	2.2
FTSE All Share Index	13.0	26.7	(18.5)	6.4	1.2
IA UK Equity Income Sector	10.8	32.5	(20.7)	3.6	0.4

Source: Morningstar

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

Benchmark values are as at close of business.

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

Authorised Corporate Director's report (continued)

Performance summary (continued)

Benchmark usage:

Index: FTSE All Share Index

Index usage: Comparator

Index description: The FTSE All Share Index is a measure of the combined performance of a large number of the companies listed on the London Stock Exchange and includes large, medium and smaller companies. It provides a useful comparison against which the fund's performance can be assessed over time.

Peer group: IA UK Equity Income Sector

Peer group usage: Comparator

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

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 March 2022

Largest purchases	£000	Largest sales	£000
AstraZeneca	8,640	Wm Morrison Supermarkets	6,075
Kingfisher	7,697	Compass	6,033
Pearson	7,409	UPM-Kymmene	4,922
RELX	7,199	ABB	4,909
Direct Line Insurance	6,980	Novartis	4,331
Vodafone	6,848	Standard Chartered	3,181
London Stock Exchange	6,742	Vivendi	2,643
Phoenix	6,658	Verizon Communications	2,135
Smith & Nephew	6,527	Zurich Insurance	1,751
M&G	6,184	Go-Ahead	1,238
Total purchases	201,957	Total sales	51,715

Investment review

The fund returned 6.1% based on Class I income (Net) over the year under review, compared with a return of 13.0% in the FTSE All Share Index and a return of 10.8% in the IA UK Equity Income Sector peer group benchmark.

During the reporting year, the FTSE 100 Index rose 16.1%, the FTSE 250 Index gained 0.5% and the FTSE Small Companies ex Investment Trusts Index increased 5.5%. At a sector level, energy, utilities, healthcare and materials performed well, while consumer discretionary, financials, communication services and consumer staples underperformed.

Equity markets responded well to the global roll-out of COVID-19 vaccines, strong corporate earnings and relief that the impact of the Delta and Omicron variants were not as bad as initially feared. However, as the year progressed, markets became more concerned about the effect of significant rises in inflation on global growth, with commodity prices increasing sharply. These fears were compounded by Russia's invasion of Ukraine, which prompted Western government to apply significant sanctions against Moscow.

As a result of the fund's responsible investment approach, there are no holdings in the energy sector. Against the very strong year of share price performances of both Royal Dutch Shell and BP, this was negative for the fund's relative returns against the benchmark. There are also no holdings in the mining sector, so the strong performances of Glencore and Anglo American were also negative for the fund. The fund also avoids companies that manufacture alcoholic drinks, and as a result, the performance of Diageo detracted from relative returns.

The largest individual detractor was the holding in Johnson Matthey, shares of which fell significantly after the company announced that it was discontinuing its investment in battery materials. While the announcement was disappointing, we retained the position because we appreciated the company's portfolio of valuable businesses. The share price of Schroders was also disappointing, especially against a buoyant equity market backdrop. The company has diversified well from traditional mutual funds and has built valuable businesses in wealth management and private assets. In particular, we liked the improved distribution capability in both India and China.

The fund's holdings in SSE and National Grid were positive for performance during the year. Both companies announced good results, had a significant degree of inflation protection in their asset bases and have continued to focus their investment on projects that will help enable the UK's transition to a lower carbon economy. Performance was also aided by the takeover battle for Wm Morrison Supermarkets, in which Clayton, Dubilier & Rice outbid Fortress Investment.

During the year, the fund initiated a position in Pearson, a leading global education business. After several difficult years, the company has looked to regain share from the secondary market with its more competitive Pearson+ product in the US higher education business. Additionally, the company was well placed to benefit from employees upskilling and reskilling over their careers. Pearson had a strong balance sheet and a dividend yield of 3.5%. Towards the end of the reporting year, the company announced that it had received bid approaches from private equity house Apollo. Although these approaches were unsuccessful, they highlighted the value in the company's assets.

The fund increased its holdings in London Stock Exchange (LSE), DS Smith and RELX. After a period of subdued performance, LSE was valued at very attractive levels compared with its international peer group. Its data and analytics businesses comprise the majority of its turnover and were well placed to benefit from its range of environmental, social and governance (ESG) products for companies and investors. DS Smith is a leading provider of corrugated packaging solutions and was very well placed to benefit from the move to a more circular economy. Its shares have underperformed due to fears about its ability to pass on raw material rises, although we felt that this had been excessively reflected in its valuation. We expected RELX to benefit from the risk division becoming a larger proportion of the company, which we felt was not reflected in its rating. These positions were funded by exiting the holdings in ABB, Vivendi and Wm Morrison Supermarkets after good long-term performance.

Following a challenging period for dividends in the UK as a result of the pandemic, it was pleasing to resume growth in the fund's unit distribution during the year. As well as having significant exposure to resilient sectors such as utilities and healthcare, several financial companies also resumed dividend growth during the year.

The longevity of the conflict in Ukraine and the wider geopolitical implications are unclear. The impact of renewed inflationary pressures on global economic growth, meanwhile, is likely to lead to downgrades, with both business and consumer confidence impacted as costs rise. In several sectors, however, it is our view that this has been more than discounted by the weakness in share prices. The fund will continue with its responsible investment approach, which incorporates ESG factors and focuses on attractively valued companies with good free-cash-flow generation.

Comparative tables for the year ended 31 March 2022

	Class A income		
	2022	2021	2020
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	127.87	103.32	124.64
Return before operating charges*	8.78	31.25	(13.70)
Operating charges	(2.33)	(2.02)	(2.22)
Return after operating charges*	6.45	29.23	(15.92)
Distributions on income shares	(5.10)	(4.68)	(5.40)
Closing net asset value per share	129.22	127.87	103.32
* after direct transaction costs of:	0.23	0.29	0.25
Performance			
Return after charges	5.04%	28.29%	(12.77%)
Other information			
Closing net asset value (£000s)	34,877	33,972	30,747
Closing number of shares	26,990,081	26,568,067	29,757,502
Operating charges	1.73%	1.73%	1.70%
Direct transaction costs	0.18%	0.25%	0.19%
Prices			
Highest share price (pence)	141.70	130.60	142.00
Lowest share price (pence)	116.60	95.98	93.34
	Class E income		
	2022	2021	08/07/19 - 31/03/20
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	128.99	103.71	133.13 ¹
Return before operating charges*	8.86	31.45	(22.86)
Operating charges	(1.67)	(1.46)	(1.16)
Return after operating charges*	7.19	29.99	(24.02)
Distributions on income shares	(5.16)	(4.71)	(5.40)
Closing net asset value per share	131.02	128.99	103.71
* after direct transaction costs of:	0.24	0.30	0.26
Performance			
Return after charges	5.58%	28.92%	(18.04%)
Other information			
Closing net asset value (£000s)	18,852	17,648	10,804
Closing number of shares	14,388,364	13,681,449	10,417,478
Operating charges	1.23%	1.23%	1.20%
Direct transaction costs	0.18%	0.25%	0.19%
Prices			
Highest share price (pence)	143.30	131.70	142.50
Lowest share price (pence)	118.10	96.34	93.67

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

Comparative tables (continued)

	Class G accumulation 21/02/22 - 31/03/22 (pence per share)
Change in net assets per share	
Opening net asset value per share	100.00 ²
Return before operating charges*	0.78
Operating charges	(0.08)
Return after operating charges*	0.70
Distributions on accumulation shares	(0.86)
Retained distributions on accumulation shares	0.86
Closing net asset value per share	100.70
* after direct transaction costs of:	0.18
Performance	
Return after charges	0.70% ³
Other information	
Closing net asset value (£000s)	205
Closing number of shares	203,469
Operating charges	0.75%
Direct transaction costs	0.18%
Prices	
Highest share price (pence)	101.50
Lowest share price (pence)	89.29

² Class G accumulation launched on 21 February 2022 and this is the first published price.

³ Return after charges relates to the period 21 February 2022 to 31 March 2022. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire year under review.

Comparative tables (continued)

	Class G income 21/02/22 - 31/03/22 (pence per share)
Change in net assets per share	
Opening net asset value per share	100.00 ⁴
Return before operating charges*	0.76
Operating charges	(0.07)
Return after operating charges*	0.69
Distributions on income shares	(0.86)
Closing net asset value per share	99.83
* after direct transaction costs of:	0.17
Performance	
Return after charges	0.69% ⁵
Other information	
Closing net asset value (£000s)	2
Closing number of shares	2,000
Operating charges	0.75%
Direct transaction costs	0.18%
Prices	
Highest share price (pence)	101.50
Lowest share price (pence)	89.29

⁴ Class G income launched on 21 February 2022 and this is the first published price.

⁵ Return after charges relates to the period 21 February 2022 to 31 March 2022. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire year under review.

Comparative tables (continued)

	Class I accumulation 12/04/21 - 31/03/22 (pence per share)
Change in net assets per share	
Opening net asset value per share	100.00 ⁶
Return before operating charges*	3.59
Operating charges	(0.84)
Return after operating charges*	2.75
Distributions on accumulation shares	(3.57)
Retained distributions on accumulation shares	3.57
Closing net asset value per share	102.75
* after direct transaction costs of:	0.18
Performance	
Return after charges	2.75% ⁷
Other information	
Closing net asset value (£000s)	58,484
Closing number of shares	56,918,523
Operating charges	0.85%
Direct transaction costs	0.18%
Prices	
Highest share price (pence)	107.90
Lowest share price (pence)	91.14

⁶ Class I accumulation launched on 12 April 2021 and this is the first published price.

⁷ Return after charges relates to the period 12 April 2021 to 31 March 2022. This performance will differ from the other share classes as it does not include returns generated prior to class launch, whilst the other classes returns cover the entire year under review.

Comparative tables (continued)

	Class I income		
	2022	2021	2020
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	152.09	121.97	146.03
Return before operating charges*	10.44	37.04	(16.27)
Operating charges	(1.37)	(1.19)	(1.29)
Return after operating charges*	9.07	35.85	(17.56)
Distributions on income shares	(6.30)	(5.73)	(6.50)
Closing net asset value per share	154.86	152.09	121.97
* after direct transaction costs of:	0.28	0.35	0.30

Performance

Return after charges	5.96%	29.39%	(12.02%)
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Other information

Closing net asset value (£000s)	330,859	237,735	118,096
Closing number of shares	213,645,933	156,314,776	96,824,510
Operating charges	0.85%	0.85%	0.84%
Direct transaction costs	0.18%	0.25%	0.19%

Prices

Highest share price (pence)	169.20	155.40	167.60
Lowest share price (pence)	139.70	113.30	110.20

	Class Z accumulation		
	2022	2021	2020
	(pence per share)	(pence per share)	(pence per share)
Change in net assets per share			
Opening net asset value per share	416.53	317.87	361.01
Return before operating charges*	28.63	98.92	(42.91)
Operating charges	(0.31)	(0.26)	(0.23)
Return after operating charges*	28.32	98.66	(43.14)
Distributions on accumulation shares	(17.58)	(15.25)	(16.39)
Retained distributions on accumulation shares	17.58	15.25	16.39
Closing net asset value per share	444.85	416.53	317.87
* after direct transaction costs of:	0.78	0.93	0.75

Performance

Return after charges	6.80%	31.04%	(11.95%)
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Other information

Closing net asset value (£000s)	2,690	2,950	2,127
Closing number of shares	604,625	708,100	669,180
Operating charges	0.07%	0.07%	0.06%
Direct transaction costs	0.18%	0.25%	0.19%

Prices

Highest share price (pence)	465.00	419.20	428.80
Lowest share price (pence)	394.40	296.20	282.20

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

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

Comparative tables (continued)

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 year:

Share class	Launch date
Class I accumulation	12 April 2021
Class G accumulation	21 February 2022
Class G income	21 February 2022

There were no share classes 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.

	2022	2021	Estimated OCF¹
	%	%	
Class A income	1.73	1.73 ²	n/a
Class E income	1.23	1.23 ²	n/a
Class G accumulation	0.75 ³	n/a	0.75
Class G income	0.75 ³	n/a	0.75
Class I accumulation	0.85 ⁴	n/a	0.85
Class I income	0.85	0.85 ²	n/a
Class Z accumulation	0.07	0.07 ²	n/a

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

¹ The estimated ongoing charge based on the annual fee rates on the applicable launch dates, which are detailed on footnotes 3 and 4.

² The OCF is a blended rate reflecting new GAC rates which took effect from 5 May 2020.

³ Class G accumulation and Class G income launched on 21 February 2022 so there are no prior year comparatives.

⁴ Class I accumulation launched on 12 April 2021 so there are no prior year comparatives.

Risk and reward profile

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

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



The share classes appear at 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 SRRRI 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 SRRRI level. The SRRRI is an indicator and may not accurately reflect future volatility and market conditions.

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

The 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 ratings during the year.

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

* Class E income was launched on 8 July 2019, Class I accumulation was launched on 12 April 2021, Class G accumulation and Class G income were launched on 21 February 2022. As these share classes do not have a five year history, a synthetic history has been created for E income using the A income share class and for I accumulation, G accumulation and G income the fund's relevant sector average, respectively.

Portfolio statement as at 31 March 2022

Holding	Investment	Market value £000	Percentage of total net assets %
	Equities 99.46% (2021: 101.01%)		
	Austria 1.07% (2021: 0.00%)		
	Financials 1.07% (2021: 0.00%)		
122,295	BAWAG	4,768	1.07
	Finland 0.00% (2021: 1.58%)		
	Basic Materials 0.00% (2021: 1.58%)		
	France 0.79% (2021: 0.89%)		
	Consumer Discretionary 0.00% (2021: 0.89%)		
	Financials 0.79% (2021: 0.00%)		
157,333	AXA	3,531	0.79
	Industrials 0.00% (2021: 0.00%)		
	Germany 1.07% (2021: 1.27%)		
	Telecommunications 1.07% (2021: 1.27%)		
332,587	Deutsche Telekom	4,772	1.07
	Ireland 1.79% (2021: 1.68%)		
	Industrials 1.79% (2021: 1.68%)		
234,429	Smurfit Kappa	7,999	1.79
	Switzerland 0.00% (2021: 5.13%)		
	Financials 0.00% (2021: 0.62%)		
	Health Care 0.00% (2021: 3.08%)		
	Industrials 0.00% (2021: 1.43%)		
	United Kingdom 90.61% (2021: 86.25%)		
	Basic Materials 1.41% (2021: 2.18%)		
334,021	Johnson Matthey	6,273	1.41
	Consumer Discretionary 15.84% (2021: 13.50%)		
955,361	Informa	5,749	1.29
8,349,149	ITV	6,840	1.53
2,708,996	Kingfisher	6,919	1.55
2,654,266	National Express	6,179	1.39
48,693	Next	2,937	0.66
1,106,603	Pearson	8,306	1.86
237,323	Persimmon	5,105	1.15
671,360	RELX	15,992	3.59
445,037	RM	645	0.14
1,985,221	Taylor Wimpey	2,595	0.58
327,908	Whitbread	9,365	2.10
		<u>70,632</u>	<u>15.84</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
Consumer Staples 2.19% (2021: 3.69%)			
674,839	Britvic	5,447	1.22
1,711,636	J Sainsbury	4,325	0.97
		<u>9,772</u>	<u>2.19</u>
Financials 28.91% (2021: 29.72%)			
966,784	3i	13,419	3.01
1,948,376	abrdn	4,187	0.94
1,160,554	Ashmore	2,697	0.60
2,598,536	Aviva	11,740	2.63
4,051,349	Direct Line Insurance	11,145	2.50
563,139	Greencoat UK Wind	857	0.19
497,521	Intermediate Capital	8,883	1.99
2,426,752	Jupiter Fund Management	5,004	1.12
11,759,397	Lloyds Bank	5,533	1.24
140,031	London Stock Exchange	11,152	2.50
5,111,502	M&G	11,307	2.54
2,860,859	NatWest	6,177	1.40
1,261,202	Paragon Banking	6,306	1.41
1,848,066	Phoenix	11,347	2.54
539,454	Prudential	6,115	1.37
506,982	Schroder Non-Voting Shares	9,653	2.16
236,713	St James's Place	3,429	0.77
		<u>128,951</u>	<u>28.91</u>
Health Care 12.71% (2021: 8.81%)			
283,528	AstraZeneca	28,727	6.44
3,600,394	ConvaTec	7,763	1.74
520,345	GlaxoSmithKline	8,571	1.92
952,020	Smith & Nephew	11,615	2.61
		<u>56,676</u>	<u>12.71</u>
Industrials 6.39% (2021: 7.09%)			
2,259,366	DS Smith	7,273	1.63
394,747	Electrocomponents	4,279	0.96
328,987	Euromoney Institutional Investor	3,250	0.73
170,866	Experian	5,042	1.13
195,465	Oxford Instruments	4,115	0.92
174,120	Spectris	4,520	1.02
		<u>28,479</u>	<u>6.39</u>
Real Estate 3.11% (2021: 2.82%)			
3,263,610	Assura	2,183	0.49
160,200	Ethical Property ¹	109	0.02
1,476,401	Land Securities	11,599	2.60
		<u>13,891</u>	<u>3.11</u>
Technology 4.02% (2021: 3.12%)			
3,345,342	Moneysupermarket.com	6,356	1.43
1,644,316	Sage	11,530	2.59
		<u>17,886</u>	<u>4.02</u>

Portfolio statement (continued)

Holding	Investment	Market value £000	Percentage of total net assets %
	Telecommunications 5.93% (2021: 4.89%)		
5,849,925	BT	10,656	2.39
12,633,999	Vodafone	15,772	3.54
		<u>26,428</u>	<u>5.93</u>
	Utilities 10.10% (2021: 10.43%)		
1,195,264	National Grid	14,011	3.14
340,153	Pennon	3,657	0.82
219,342	Severn Trent	6,749	1.51
782,885	SSE	13,689	3.07
617,301	United Utilities	6,938	1.56
		<u>45,044</u>	<u>10.10</u>
	United States 4.13% (2021: 4.21%)		
	Health Care 0.81% (2021: 1.00%)		
65,493	Bristol-Myers Squibb	3,632	0.81
	Industrials 2.13% (2021: 0.79%)		
64,916	Ferguson	6,738	1.51
21,317	Schneider Electric	2,741	0.62
		<u>9,479</u>	<u>2.13</u>
	Technology 0.53% (2021: 0.78%)		
17,130	Texas Instruments	2,384	0.53
	Telecommunications 0.66% (2021: 1.64%)		
69,525	Cisco Systems	2,942	0.66
	Investment assets	443,539	99.46
	Other net assets	2,430	0.54
	Total net assets	445,969	100.00

¹ Manually priced securities

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 March 2022

		2022		2021	
	Note	£000	£000	£000	£000
Income					
Net capital gains	2		3,276		50,863
Revenue	3	15,047		9,651	
Expenses	4	(3,551)		(2,269)	
Interest payable and similar charges	5	(1)		(1)	
Net revenue before taxation		11,495		7,381	
Taxation	6	(176)		(217)	
Net revenue after taxation			11,319		7,164
Total return before distributions			14,595		58,027
Distributions	7		(14,419)		(9,142)
Change in net assets attributable to shareholders from investment activities			176		48,885

Statement of change in net assets attributable to shareholders for the year ended 31 March 2022

		2022		2021	
		£000	£000	£000	£000
Opening net assets attributable to shareholders			292,305		161,774
Amounts receivable on issue of shares		215,151		107,010	
Amounts payable on cancellation of shares		(63,618)		(25,596)	
			151,533		81,414
Dilution adjustment			362		122
Change in net assets attributable to shareholders from investment activities			176		48,885
Retained distributions on accumulation shares			1,592		109
Unclaimed distributions			1		1
Closing net assets attributable to shareholders			445,969		292,305

Balance sheet as at 31 March 2022

	Note	2022 £000	2021 £000
Assets:			
Investments		443,539	295,264
Current assets:			
Debtors	8	9,881	2,228
Cash and bank balances	9	1,182	1,179
Total assets		454,602	298,671
Liabilities:			
Creditors:			
Distributions payable		6,532	4,368
Other creditors	10	2,101	1,998
Total liabilities		8,633	6,366
Net assets attributable to shareholders		445,969	292,305

Notes to the financial statements for the year ended 31 March 2022

1 Accounting policies

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

2 Net capital gains

Net capital gains on investments during the year comprise:

	2022	2021
	£000	£000
Forward currency contracts	(7)	15
Non-derivative securities	3,291	50,870
Other currency losses	(4)	(17)
Transaction costs	(4)	(5)
Net capital gains	3,276	50,863

3 Revenue

	2022	2021
	£000	£000
Bank interest	2	-
Overseas dividends	1,770	1,987
Stock lending revenue	27	-
UK dividends	12,806	7,428
UK REIT revenue - PID	396	193
UK REIT revenue - non PID	46	43
Total revenue	15,047	9,651

4 Expenses

	2022	2021
	£000	£000
Payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	3,100	1,978
GAC*	408	264
	<u>3,508</u>	<u>2,242</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary fees	31	20
Safe custody fees	12	7
	<u>43</u>	<u>27</u>
Total expenses	3,551	2,269

Irrecoverable VAT is included in the above expenses where relevant.

* The current audit fee, which is levied through the GAC, is £9,393 (2021: £8,861).

Notes to the financial statements (continued)

5 Interest payable and similar charges

The interest payable and similar charges comprise:

	2022 £000	2021 £000
Interest payable	1	1
Total interest payable and similar charges	1	1

6 Taxation

a) Analysis of charge in the year

The tax charge comprises:

	2022 £000	2021 £000
Current tax		
Overseas withholding tax	176	217
Total tax (note 6b)	176	217

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% (2021: 20%). The differences are explained below:

	2022 £000	2021 £000
Net revenue before taxation	11,495	7,381
Corporation tax at 20% (2021: 20%)	2,299	1,476
Effects of:		
Overseas dividends	(354)	(397)
Overseas withholding tax	176	217
UK dividends*	(2,570)	(1,494)
Unused management expenses	625	415
Tax charge for the year (note 6a)	176	217

* As an OEIC this item is not subject to corporation tax.

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

c) Deferred tax

There is no provision required for deferred taxation at the Balance sheet date (2021: 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 £6,212,462 (2021: £5,587,029) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised at the current or prior year end.

Notes to the financial statements (continued)

7 Distributions

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

	2022	2021
	£000	£000
Interim income	7,669	5,617
Interim accumulation	563	65
Final income	6,532	4,368
Final accumulation	1,029	44
	<u>15,793</u>	<u>10,094</u>
Amounts deducted on cancellation of shares	657	243
Amounts received on issue of shares	(2,031)	(1,195)
Total distributions	<u>14,419</u>	<u>9,142</u>
Net revenue after taxation	11,319	7,164
Annual management charge borne by the capital account	3,100	1,978
Total distributions	<u>14,419</u>	<u>9,142</u>

Details of the distribution per share are set out in the Distribution tables on pages 123 to 124.

8 Debtor

	2022	2021
	£000	£000
Accrued revenue	3,329	1,237
Amounts receivable for issue of shares	2,396	932
Income tax recoverable	-	28
Overseas withholding tax reclaimable	166	31
Sales awaiting settlement	3,990	-
Total debtors	<u>9,881</u>	<u>2,228</u>

9 Cash and bank balances

	2022	2021
	£000	£000
Cash and bank balances	1,182	1,179
Total cash and bank balances	<u>1,182</u>	<u>1,179</u>

Notes to the financial statements (continued)

10 Other creditors

	2022	2021
	£000	£000
Accrued annual management charge	303	208
Accrued Depository's fee	6	2
Accrued other expenses	43	29
Amounts payable for cancellation of shares	165	474
Currency transactions awaiting settlement	2	-
Purchases awaiting settlement	1,582	1,285
Total other creditors	2,101	1,998

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 112 and 113 and notes 4, 7, 8 and 10 on pages 114 to 117 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 (2021: nil).

13 Shareholders' funds

The fund currently has 5 share classes available: Class A (Retail), Class E (Retail), Class G (Institutional), Class I (Institutional) and Class Z (Institutional). The annual management charge on each share class is as follows:

	2022	2021
	%	%
Class A	1.50	1.50
Class E	1.00	1.00
Class G ¹	0.68	n/a
Class I	0.75	0.75
Class Z ²	0.00	0.00

¹ Class G accumulation and G income launched on 21 February 2022.

² 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 101 to 106. The distribution per share class is given in the Distribution tables on pages 123 to 124. All share classes have the same rights on winding up.

Shares reconciliation as at 31 March 2022

	Class A	Class E	Class G	Class G
	income	income	accumulation	income
Opening number of shares	26,568,067	13,681,449	-	-
Issues during the year	3,536,078	810,241	203,469	2,000
Cancellations during the year	(2,268,737)	(852,673)	-	-
Shares converted during the year	(845,327)	749,347	-	-
Closing shares in issue	26,990,081	14,388,364	203,469	2,000

Notes to the financial statements (continued)

13 Shareholders' funds (continued)

Shares reconciliation as at 31 March 2022 (continued)

	Class I accumulation	Class I income	Class Z accumulation
Opening number of shares	-	156,314,776	708,100
Issues during the year	74,900,218	83,205,081	11,736
Cancellations during the year	(17,981,695)	(25,947,981)	(115,211)
Shares converted during the year	-	74,057	-
Closing shares in issue	56,918,523	213,645,933	604,625

14 Financial derivatives

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

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

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

There was no collateral pledged or collateral held in respect of derivatives as at 31 March 2022 (2021: nil).

2022

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

2021

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

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.

2022

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
Bank of America	545	579	Government Bond
Bank of Nova Scotia	19,532	21,596	Equity/Government Bond
Morgan Stanley	3,561	3,904	Government Bond
UBS	2,248	2,526	Equity/Government Bond
	25,886	28,605	

Notes to the financial statements (continued)

15 Stock lending (continued) 2022 (continued)

Recipient	Relationship	Total gross amount of stock lending revenue £000	Direct and indirect costs and fees deducted by securities lending agent £000	Net stock lending revenue retained by the fund £000
JPMorgan Chase	Stock lending agent	32	5	27

2021

Counterparty	Total market value of stock on loan £000	Amount of collateral received £000	Type of collateral category
UBS	3,899	4,197	Government Bond
	<u>3,899</u>	<u>4,197</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
BNP Paribas ¹	Stock lending agent	-	-	-

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

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:

2022 Currency	Investment assets £000	Other net assets £000	Total net assets £000
Euro	15,813	166	15,979
Swiss franc	-	70	70
UK sterling	418,767	2,004	420,771
US dollar	8,959	190	9,149
Total	<u>443,539</u>	<u>2,430</u>	<u>445,969</u>

2021 Currency	Investment assets £000	Other net assets/(liabilities) £000	Total net assets/(liabilities) £000
Euro	13,261	228	13,489
Swiss franc	9,891	76	9,967
UK sterling	262,105	(3,381)	258,724
US dollar	10,007	118	10,125
Total	<u>295,264</u>	<u>(2,959)</u>	<u>292,305</u>

Notes to the financial statements (continued)

16 Risk (continued)

Sensitivity analysis

The net foreign currency assets held by the fund at the year end were £25,197,487 (2021: £33,580,909). 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 £2,519,749 (2021: £3,358,091).

Interest rate risk

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

Other market price risk

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

Leverage

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

Liquidity risk

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

	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2022				
Distribution payable	-	6,532	-	-
Other creditors	-	2,101	-	-
Total	-	8,633	-	-
	On demand £000	Within one year £000	Over one year but not more than five years £000	Over five years £000
2021				
Distribution payable	-	4,368	-	-
Other creditors	-	1,998	-	-
Total	-	6,366	-	-

17 Fair value disclosure

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Notes to the financial statements (continued)

17 Fair value disclosure (continued)

Fair value hierarchy

	2022		2021	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	443,430	-	295,117	-
Level 2	-	-	-	-
Level 3	109	-	147	-
	<u>443,539</u>	<u>-</u>	<u>295,264</u>	<u>-</u>

Where a price is unavailable or the price provided is not thought to be a fair reflection of the current market value of the asset, the Investment Manager, at its discretion, may permit an alternative method of valuation to be used if they consider that it better reflects value and is in accordance with good accounting practice. The EPC of the Investment Manager supports the ACD in determining or approving unquoted prices. Where deemed necessary, the EPC will seek ratification of decisions from the Janus Henderson Investment Performance and Risk Committee. The EPC meets on a monthly basis and consists of representatives from various parts of the Investment Manager who act as an independent party, segregated from the fund management function, to review and approve fair value pricing decisions and pricing models on a regular basis. The asset included within level 3 is an illiquid security which has been valued by the EPC at their best estimate of fair value. The Ethical Property holding has been valued using the last traded price on the Bulletin Board of Ethex website. The price used has been affirmed against the most relevant price available subsequent to the year end, to confirm that it is an appropriate valuation. The ACD has assessed trading volumes for this asset and considers it reasonable that the market price used for this asset could be achieved.

18 Direct transaction costs

	Purchases		Sales	
	2022 £000	2021 £000	2022 £000	2021 £000
Trades in the year				
Equities	200,954	155,903	51,734	75,383
Trades in the year before transaction costs	<u>200,954</u>	<u>155,903</u>	<u>51,734</u>	<u>75,383</u>
Transaction costs				
Commissions				
Equities	64	48	19	24
Total commissions	<u>64</u>	<u>48</u>	<u>19</u>	<u>24</u>
Taxes				
Equities	928	617	-	-
Total taxes	<u>928</u>	<u>617</u>	<u>-</u>	<u>-</u>
Other expenses				
Equities	11	11	-	-
Total other expenses	<u>11</u>	<u>11</u>	<u>-</u>	<u>-</u>
Total transaction costs	<u>1,003</u>	<u>676</u>	<u>19</u>	<u>24</u>
Total net trades in the year after transaction costs	<u>201,957</u>	<u>156,579</u>	<u>51,715</u>	<u>75,359</u>

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.03	0.03	0.04	0.03
Taxes				
Equities	0.46	0.40	-	-
Other expenses				
Equities	0.01	0.01	-	-

Notes to the financial statements (continued)

18 Direct transaction costs (continued)

	2022	2021
	%	%
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.02	0.03
Taxes	0.25	0.27
Other expenses	-	-
Total costs	<u>0.27</u>	<u>0.30</u>

There were no in specie transfers during the year (2021: nil). There were corporate actions during the year of £5,314,934 (2021: nil).

There were no direct transaction costs associated with derivatives in the year (2021: 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 March 2022 was 0.10% (2021: 0.09%). The portfolio dealing spread is calculated at a 12 noon valuation point.

19 Events after the Balance sheet date

Subsequent to the fund's year end, as a result of the Russia/Ukraine conflict the fund could be affected by fluctuations in global stock markets, inflation and adverse investor sentiment. As at 24 June 2022, which was the latest valuation available at the time of signing, the Net Asset Value of the fund is £442,820,640 which is a decrease of 0.71% from the Balance sheet date. The market movements are considered to be a non-adjusting post Balance sheet event and therefore no adjustments to the financial statements were required as a result.

Distribution tables for the year ended 31 March 2022 (in pence per share)

Interim dividend distribution (accounting date 30 September 2021, paid on 30 November 2021)

Group 1: shares purchased prior to 1 April 2021

Group 2: shares purchased on or after 1 April 2021

	Distribution per share	Equalisation	Total distribution per share 30/11/21	Total distribution per share 30/11/20
Class A income				
Group 1	2.9813	-	2.9813	2.8148
Group 2	0.6950	2.2863	2.9813	2.8148
Class E income				
Group 1	3.0107	-	3.0107	2.8325
Group 2	1.6540	1.3567	3.0107	2.8325
Class I accumulation¹				
Group 1	1.8493	-	1.8493	n/a
Group 2	0.2817	1.5676	1.8493	n/a
Class I income				
Group 1	3.6579	-	3.6579	3.4189
Group 2	1.4735	2.1844	3.6579	3.4189
Class Z accumulation				
Group 1	10.0753	-	10.0753	8.9762
Group 2	6.7307	3.3446	10.0753	8.9762

¹ Class I accumulation launched on 12 April 2021.

Distribution tables (continued)

Final dividend distribution (accounting date 31 March 2022, paid on 31 May 2022)

Group 1: shares purchased prior to 1 October 2021

Group 2: shares purchased on or after 1 October 2021

	Distribution per share	Equalisation	Total distribution per share 31/05/22	Total distribution per share 28/05/21
Class A income				
Group 1	2.1233	-	2.1233	1.8671
Group 2	1.3612	0.7621	2.1233	1.8671
Class E income				
Group 1	2.1508	-	2.1508	1.8817
Group 2	1.4779	0.6729	2.1508	1.8817
Class G accumulation¹				
Group 1	0.8585	-	0.8585	n/a
Group 2	0.3690	0.4895	0.8585	n/a
Class G income²				
Group 1	0.8610	-	0.8610	n/a
Group 2	0.8610	-	0.8610	n/a
Class I accumulation³				
Group 1	1.7251	-	1.7251	n/a
Group 2	1.1505	0.5746	1.7251	n/a
Class I income				
Group 1	2.6441	-	2.6441	2.3121
Group 2	1.6976	0.9465	2.6441	2.3121
Class Z accumulation				
Group 1	7.5041	-	7.5041	6.2786
Group 2	6.5520	0.9521	7.5041	6.2786

¹ Class G accumulation launched on 21 February 2022.

² Class G income launched on 21 February 2022.

³ Class I accumulation launched on 12 April 2021.

Appendix - additional information (unaudited)

Securities financing transactions

The Janus Henderson UK Responsible Income Fund engages in securities financing transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, as amended by the Transparency of Securities Financing Transactions and Reuse (Amendment) (EU Exit) Regulations 2019, SFTs include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation (EU) 2015/2365, as amended by the Transparency of Securities Financing Transactions and Reuse (Amendment) (EU Exit) Regulations 2019, the fund's involvement in and exposures related to securities lending for the year ended 31 March 2022 are detailed below.

Global data

The table lists the amount of securities on loan as a proportion of total lendable assets and the fund's AUM as at 31 March 2022:

Fund	Market value of securities on loan £000	% of lendable assets	% of AUM
Janus Henderson UK Responsible Income Fund	25,886	5.84	5.80

Concentration data

The following table lists the ten largest collateral issuers by value of collateral received (across all SFTs) for the fund as at 31 March 2022:

Issuer	Market value of collateral received £000
UK Treasury	4,444
Alimentation Couche-Tard	963
Ferguson	809
Fairfax Financial	755
US Treasury	690
Government of France	640
Shell	598
Government of Belgium	575
Diageo	567
Liberty Media	476

The following table details the top ten counterparties of each type of SFTs (based on gross volume of outstanding transactions), for the fund as at 31 March 2022:

Counterparty	Market value of securities on loan £000	Settlement basis
Bank of Nova Scotia	19,532	Triparty
Morgan Stanley	3,561	Triparty
UBS	2,248	Triparty
Bank of America	545	Triparty
	25,886	

All counterparties have been included.

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Aggregate transaction data

The following table provides an analysis of the collateral received by the fund in respect of each type of SFTs as at 31 March 2022:

Counterparty	Counterparty country of origin	Type	Quality	Collateral Currency	Settlement basis	Custodian	Market value of collateral received £000
Bank of America	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan Chase	178
Bank of America	United States	Government Bond	Investment grade	USD	Triparty	JPMorgan Chase	401
Bank of Nova Scotia	Canada	Equity	Main market listing	AUD	Triparty	JPMorgan Chase	64
Bank of Nova Scotia	Canada	Equity	Main market listing	CAD	Triparty	JPMorgan Chase	4,147
Bank of Nova Scotia	Canada	Equity	Main market listing	CHF	Triparty	JPMorgan Chase	177
Bank of Nova Scotia	Canada	Equity	Main market listing	DKK	Triparty	JPMorgan Chase	23
Bank of Nova Scotia	Canada	Equity	Main market listing	EUR	Triparty	JPMorgan Chase	972
Bank of Nova Scotia	Canada	Equity	Main market listing	GBP	Triparty	JPMorgan Chase	5,889
Bank of Nova Scotia	Canada	Equity	Main market listing	HKD	Triparty	JPMorgan Chase	401
Bank of Nova Scotia	Canada	Equity	Main market listing	JPY	Triparty	JPMorgan Chase	171
Bank of Nova Scotia	Canada	Equity	Main market listing	SEK	Triparty	JPMorgan Chase	41
Bank of Nova Scotia	Canada	Equity	Main market listing	USD	Triparty	JPMorgan Chase	7,741
Bank of Nova Scotia	Canada	Government Bond	Investment grade	EUR	Triparty	JPMorgan Chase	715
Bank of Nova Scotia	Canada	Government Bond	Investment grade	GBP	Triparty	JPMorgan Chase	1,242
Bank of Nova Scotia	Canada	Government Bond	Investment grade	USD	Triparty	JPMorgan Chase	13
Morgan Stanley	United States	Government Bond	Investment grade	EUR	Triparty	JPMorgan Chase	539
Morgan Stanley	United States	Government Bond	Investment grade	GBP	Triparty	JPMorgan Chase	3,197
Morgan Stanley	United States	Government Bond	Investment grade	USD	Triparty	JPMorgan Chase	168
UBS	Switzerland	Equity	Main market listing	AUD	Triparty	JPMorgan Chase	200
UBS	Switzerland	Equity	Main market listing	CAD	Triparty	JPMorgan Chase	154
UBS	Switzerland	Equity	Main market listing	CHF	Triparty	JPMorgan Chase	96
UBS	Switzerland	Equity	Main market listing	DKK	Triparty	JPMorgan Chase	40
UBS	Switzerland	Equity	Main market listing	EUR	Triparty	JPMorgan Chase	74
UBS	Switzerland	Equity	Main market listing	GBP	Triparty	JPMorgan Chase	616
UBS	Switzerland	Equity	Main market listing	HKD	Triparty	JPMorgan Chase	286
UBS	Switzerland	Equity	Main market listing	JPY	Triparty	JPMorgan Chase	150
UBS	Switzerland	Equity	Main market listing	SGD	Triparty	JPMorgan Chase	9
UBS	Switzerland	Equity	Main market listing	USD	Triparty	JPMorgan Chase	738
UBS	Switzerland	Government Bond	Investment grade	EUR	Triparty	JPMorgan Chase	51
UBS	Switzerland	Government Bond	Investment grade	GBP	Triparty	JPMorgan Chase	5
UBS	Switzerland	Government Bond	Investment grade	USD	Triparty	JPMorgan Chase	107
							28,605

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.

Appendix - additional information (unaudited) (continued)

Securities financing transactions (continued)

Return and cost on securities lending activities

The following table details the fund's return and costs for each type of SFTs for the year ended 31 March 2022:

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 UK Responsible Income Fund	32	5	27	8	92

Appendix - additional information (unaudited) (continued)

Remuneration policy

Following the implementation of the UCITS V in the UK from 18 March 2016, all authorised UCITS Management Companies are required to comply with the UCITS Remuneration Code (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 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 UCITS Code Staff annually. In addition, identified UCITS Code Staff are notified of their status and the associated implications annually.

Janus Henderson Sustainable/Responsible 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 Sustainable/Responsible Funds.

Further information on the Janus Henderson Group plc's Remuneration policy is available in the annual report as at 31 December 2021.

	Headcount (1)	Total Remuneration (£000s) (2,3)
Janus Henderson Global Responsible Managed Fund	2,016	647
of which		
Fixed Remuneration	2,016	226
Variable Remuneration	2,004	421
Janus Henderson Global Responsible Managed Fund Remuneration Code Staff	53	347
of which		
Senior Management (4)	25	36
Other Code Staff (5)	28	311
Janus Henderson Global Sustainable Equity Fund	2,014	2,639
of which		
Fixed Remuneration	2,014	911
Variable Remuneration	2,002	1,728
Janus Henderson Global Sustainable Equity Fund Remuneration Code Staff	54	1,414
of which		
Senior Management (4)	25	150
Other Code Staff (5)	29	1,265
Janus Henderson Sustainable Future Technologies Fund	2,017	6
of which		
Fixed Remuneration	2,017	2
Variable Remuneration	2,005	4
Janus Henderson Sustainable Future Technologies Fund Remuneration Code Staff	52	3
of which		
Senior Management (4)	25	0
Other Code Staff (5)	27	3
Janus Henderson UK Responsible Income Fund	2,015	568
of which		
Fixed Remuneration	2,015	222
Variable Remuneration	2,003	346
Janus Henderson UK Responsible Income Fund Remuneration Code Staff	52	233
of which		
Senior Management (4)	25	41
Other Code Staff (5)	27	193

Appendix - additional information (unaudited) (continued)

Remuneration policy (continued)

1. This is the actual number of employees who are fully or partly involved in the activities of Janus Henderson Sustainable/Responsible Funds – no attempt has been made to apportion the time spent specifically in support of Janus Henderson Sustainable/Responsible 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 Janus Henderson Group plc, the staff indicated in this table may provide services to other companies in Janus Henderson Group plc.
3. The remuneration disclosed is only in respect of the provision of services to Janus Henderson Sustainable/Responsible 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 Sustainable/Responsible Funds and to other entities in Janus Henderson Group plc, as follows:
 - in respect of fixed pay and annual/long term incentive bonuses:
 - where fixed pay is directly attributable to each of the funds of Janus Henderson Sustainable/Responsible Funds (for example, fees for JHFMUKL Board members), 100% of those fees;
 - for Fund Managers, pro-rated using the average AUM of each of the funds of Janus Henderson Sustainable/Responsible Funds managed by the relevant Fund Manager (as a proportion of the total AUM managed by that individual) as a proxy.
 - for other individuals, pro-rated using the average AUM of each of the funds of Janus Henderson Sustainable/Responsible 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 other UCITS Code Staff not covered by the above, including Fund Managers who manage AUM within each of the funds of Janus Henderson Sustainable/Responsible Funds.
6. Please note that rounding off of values could lead to a mismatch of individual numbers and their sum.

Further information

Shareholder enquiries

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

For all enquiries please telephone at local rate: **0800 832 832**

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

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

Important Information

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), Henderson Equity Partners Limited (reg. no. 2606646), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Henderson Management S.A. (reg. no. B22848 at 2 Rue de Bitbourg, L-1273, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier).

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

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