

# CONSERVATIVE FIXED INTEREST FUND

ARSN: 087 720 401    APIR: IOF0047AU

## Product Disclosure Statement (“PDS”) dated 30 September 2021

This PDS is issued by Janus Henderson Investors (Australia) Funds Management Limited, ABN 43 164 177 244, AFSL 444268 (“**Responsible Entity**”, “**Janus Henderson Australia**”, “**us**”, “**our**”, “**we**”), as responsible entity of the Janus Henderson Conservative Fixed Interest Fund (“**Fund**”).

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## Important notes

This PDS is a summary of significant information about the Fund and contains a number of references to important information which is contained in the Additional Information Guide for the Fund. The Additional Information Guide forms part of the PDS and you should consider these documents together before making a decision about the Fund. The information provided in this PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

The information in this PDS is current as at the issue date but may change from time to time. Where information that changes is not materially adverse to unitholders, we will update this information by publishing changes on our website: [www.janushenderson.com/en-au/investor/notices/](http://www.janushenderson.com/en-au/investor/notices/). If there is a materially adverse change to the information contained in this PDS, we will issue a new PDS. A paper copy of the PDS and any updated information will be provided free of charge on request by contacting the Responsible Entity.

The Responsible Entity may offer units in the Fund to New Zealand investors pursuant to and in accordance with subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014. Investors receiving this PDS in New Zealand should read the “New Zealand unitholders: Warning statement” in section 9 “Other Information” of this PDS.

This PDS does not constitute an offer in any jurisdiction other than Australia and New Zealand or to anyone to whom it would not be lawful to make such an offer.

For the purposes of this PDS, a “**Business Day**” means any day other than a Saturday, Sunday or public holiday on which the banks in NSW are generally open for business and all times are Sydney time.

All monetary amounts referred to in this PDS are given in Australian dollars and all phone/fax numbers are to phone/fax numbers in Australia (unless otherwise stated).

## 1. About Janus Henderson Investors (Australia) Funds Management Limited

Janus Henderson Australia, the responsible entity of the Fund, is a subsidiary of the global asset management group Janus Henderson Group plc ("**Janus Henderson**"). Janus Henderson exists to help clients achieve their long-term financial goals. Our active management offers clients the opportunity to outperform passive portfolios over the course of market cycles. With more than 340 investment professionals, we provide access to some of the industry's most talented and innovative thinkers, spanning equities, fixed income, multi-asset, and alternatives, globally. Our investment teams blend insight, originality, and precision with rigorous analysis, structured processes, and robust risk management. We build client partnerships on openness and trust, channelling expertise from across the business and communicating the views of our experts in a timely and relevant way. As at 30 June 2021, Janus Henderson had \$569.6 billion in assets under management, more than 2,000 employees and offices in 25 cities worldwide.

The Responsible Entity is responsible for the operation of the Fund and has the power to delegate certain duties in accordance with the *Corporations Act 2001* (Cth) ("**Corporations Act**") and the constitution of the Fund ("**Constitution**"). The Responsible Entity has appointed Janus Henderson Investors (Australia) Institutional Funds Management Limited ABN 16 165 119 531, AFSL 444266 ("**Manager**") to manage the investments of the Fund. The Responsible Entity has also appointed BNP Paribas Securities Services, ARBN 149 440 291 ("**BNP**") as the custodian ("**Custodian**") and administrator ("**Administrator**") for the Fund. Subject to the relevant agreements between the Responsible Entity and BNP, the Responsible Entity, in its discretion, may change the Custodian and Administrator from time to time and appoint additional service providers.

## 2. How the Fund works

The Fund has been established to provide investors with the opportunity to gain exposure to an actively managed portfolio of cash, money market and fixed interest securities. The Fund's strategy is implemented by investing the Fund's assets in the Janus Henderson Conservative Fixed Interest Fund – Institutional (ARSN 100 098 271) ("**Underlying Fund**") for which Janus Henderson Investors (Australia) Institutional Funds Management Limited has also been appointed as investment manager.

The Fund is a registered managed investment scheme. This means your money is pooled together with monies from other unitholders. This pool is used to buy investments that are managed on behalf of all unitholders in the Fund. When you invest in the Fund, you will be issued units in the Fund rather than directly receiving an interest in the assets of the Fund. Your units will represent the value of your interest in the Fund. The number of units you will receive is dependent on the amount of money you invest and the unit price at the date of your application. You can increase the number of units you hold by reinvesting distributions or making an additional investment, or decrease the number of units you hold by making a withdrawal. Certain rights are attached to units and these rights are exercisable by the person who owns them (referred to as "**you**", "**direct investor**" or "**unitholders**" throughout this PDS). The Fund is not currently a disclosing entity under the Corporations Act.

### Applications into the Fund

The minimum initial investment amount is \$25,000.

We can vary or waive the minimum investment amount at any time.

Applications will be processed with an effective date being the date Client Services receives both a valid application form ("**Application Form**") for the Fund by mail and your application money in cleared funds. Valid applications for units received by Client Services before 2pm on any Business Day will be processed using the application price next calculated for that Business Day. Valid applications for units received by Client Services after 2pm on any Business Day or on a non-Business Day will be processed using the application price calculated for the next Business Day.

Once you have made your initial investment in the Fund, you can make additional investments by sending a completed Additional Investment Form, by email, fax or mail, to Client Services. The minimum additional investment amount is \$5,000.

The Application Form and Additional Investment Form are available at [www.janushenderson.com/en-au/investor/documents](http://www.janushenderson.com/en-au/investor/documents).

### Withdrawals from the Fund

The minimum withdrawal amount is \$5,000. If your withdrawal request results in your remaining investment in the Fund falling below \$25,000, we may require you to withdraw your entire balance.

We can vary or waive the minimum withdrawal or holding amount at any time.

You can request the withdrawal of all or part of your investment in the Fund by sending a completed Withdrawal Form, by email, fax or mail, to Client Services.

Withdrawal proceeds will be paid directly into your nominated Australian bank account which must be in your name. If you do not provide us with Australian bank account details, your withdrawal proceeds will be paid by cheque. Payment of withdrawal proceeds cannot be made to a third party.

Valid withdrawal requests received by Client Services before 2pm on any Business Day, except in special circumstances, will be processed using the withdrawal price next calculated for that Business Day. Valid withdrawal requests received by Client Services after 2pm on any Business Day or on a non-Business Day will be processed at the withdrawal price calculated for the next Business Day.

We will generally pay withdrawals to your nominated Australian bank account within six Business Days. However, this timeframe is a guide only. In certain circumstances, such as when there is a freeze on withdrawals, you may not be able to withdraw your units within the usual period upon request.

The Withdrawal Form is available at [www.janushenderson.com/en-au/investor/documents](http://www.janushenderson.com/en-au/investor/documents).

### Switching between funds

You can switch an amount of your investment in the Fund to another fund listed on the Switch Request Form by sending a completed Switch Request Form, by email, fax or mail, to Client Services. The minimum switch amount is \$5,000 and is subject to the minimum investment amounts required in each of the respective funds. If your switch request results in your remaining investment in the Fund falling below \$25,000, we may require you to withdraw or switch your entire balance.

The Switch Request Form is available at [www.janushenderson.com/en-au/investor/documents](http://www.janushenderson.com/en-au/investor/documents).

### Unit prices

The unit price is generally calculated each Business Day based on the net asset value ("**NAV**") of the Fund divided by the number of units on issue in the Fund. Application and withdrawal unit prices are then calculated by applying a buy or sell spread to the NAV unit price. The buy/sell spread is an estimate of the costs of buying and selling the underlying assets of the Fund as a result of applications or redemptions in the Fund. The unit price will change as the market value of assets in the Fund rises or falls. The NAV at the end of each month can be found on the monthly report, which is available on our website at [www.janushenderson.com/en-au/investor/monthly-reports/](http://www.janushenderson.com/en-au/investor/monthly-reports/).

### Frequency of distributions

The Fund generally pays distributions quarterly, however there may be periods in which no distributions are made, or we may make interim distributions. We do not guarantee any particular level of distribution. Distributions are generally calculated based on the Fund's net income at the end of the distribution period divided by the number of units on issue. We distribute or allocate all taxable income to unitholders each year, including the net realised capital gains of the Fund. Net realised capital gains are typically distributed or allocated in the final distribution of the financial year.

Distribution payments are generally made within 10 Business Days after the end of the distribution period.

Distributions are automatically reinvested unless you instruct us otherwise in the Application Form. If you do not nominate a bank account for payment of distributions, we will treat this as a request to reinvest your distributions. You may change your distribution option by notifying us in writing at least 30 Business Days prior to the end of the relevant distribution period. Distributions will be reinvested using the NAV unit price for the last Business Day of the relevant distribution period, adjusted to exclude the income to be distributed for the distribution period and any buy/sell spread. Where the last day of a distribution period falls on a day that is not a Business Day, the valuations for the NAV unit price for that distribution period will take into account any relevant additional day(s).

**You should also read the important information in the Additional Information Guide about “How the Janus Henderson Funds work” including “How unit prices are calculated” and “Additional information about distributions” before making a decision. Go to section 2 of the Additional Information Guide available at [www.janushenderson.com/en-au/investor/documents](http://www.janushenderson.com/en-au/investor/documents).**

**The material relating to “How the Janus Henderson Funds work” including “How unit prices are calculated” and “Additional information about distributions” may change between the time when you read this PDS and the day when you acquire units.**

### 3. Benefits of investing in the Fund

#### Significant features

The Fund invests in the Underlying Fund which is an actively managed portfolio of high quality interest bearing securities that seeks to provide returns in excess of cash and a high level of capital protection. The Manager seeks to add value using a combination of interest rate and yield enhancement strategies.

#### Significant benefits

Investing in the Fund offers a range of benefits, including:

- **Exposure to investment opportunities** – Access to investment opportunities that individual investors may not be able to achieve on their own.
- **Professional management** – Access to a highly experienced investment management team with a proven track record of managing cash, money market and fixed interest portfolios.
- **Global presence** – Access to the investment knowledge and expertise of Janus Henderson's global network of investment professionals.
- **Access your information** – You can keep regularly updated on your investment in the Fund and access Fund investment performance information at [www.janushenderson.com/en-au/investor/monthly-reports/](http://www.janushenderson.com/en-au/investor/monthly-reports/). In addition you will receive regular unitholder statements and an annual tax statement and can access these statements through an online portal.
- **Diversification** – The Fund will provide you with the ability to diversify your portfolio through holding a single security.

### 4. Risks of managed investment schemes

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short term risk.

There are significant risks associated with managed investment schemes generally. The level of risk for each person will vary depending on a range of personal factors including your age, investment time frame, where other parts of your wealth are invested and your risk tolerance.

The value of your investment will vary over time. The level of returns will vary and future returns may differ from past returns. Returns are not guaranteed and you may lose some of your money. Laws affecting registered managed investment schemes may change in the future.

None of the Responsible Entity, its associates or its related bodies corporate guarantees that the investment objective will be achieved, that you will earn any return on your investment or that your investment will gain in value or retain its value.

## JANUS HENDERSON CONSERVATIVE FIXED INTEREST FUND

The key risks for the Fund through its investment in the Underlying Fund are:

<b>Key risk</b>	<b>Description of risk</b>
<b>Credit risk</b>	The risk that the issuer of the fixed interest security in which the Underlying Fund invests may not meet its obligations in full and/or on time to pay interest and repay capital. For example, the Underlying Fund could lose money if the issuer of a fixed interest security is unable or unwilling to make interest or principal payments on a fixed interest security that is held by the Underlying Fund.
<b>Interest rate risk</b>	The risk that fixed interest securities will decline in value because of changes in interest rates. For example, as interest rates rise, the value of certain securities held by the Underlying Fund may decrease in value. This risk increases as the term of the security (duration) increases.
<b>Market risk</b>	The risk that the market price of an investment may fluctuate as a result of factors such as economic conditions, regulations, sentiment and geopolitical events as well as environment, social and technological changes such as pandemics. These fluctuations will affect the value of the investments in the Underlying Fund's investment portfolio which will impact on the unit price of the Fund.
<b>Liquidity risk</b>	The risk that the Underlying Fund may be exposed to securities which may be difficult or impossible to sell, either due to factors specific to that security or to prevailing market conditions. It may not be possible to sell such securities when it is desirable to do so or to realise what the Manager perceives to be their fair value in the event of a sale.
<b>Active management risk</b>	The risk that the Fund's performance may deviate significantly from the performance of the Benchmark due to the active management of the Manager. The Underlying Fund does not invest in a predetermined basket of securities such as an index and so weightings to investments will differ from the Benchmark.
<b>Derivatives risk</b>	The risk that the value of a derivative fails to move in line with the underlying asset or as expected, or the risk of potential illiquidity in a derivative and the possibility that the derivative position is difficult or costly to reverse. The Underlying Fund may invest in both exchange traded and over the counter derivatives to pursue its investment strategy and for risk management purposes. In relation to over the counter derivatives, exposure to counterparty risk exists as well as the risk that contractual obligations may be non-standard or differ as between counterparties.
<b>Manager risk</b>	The risk that the Manager will not achieve the Underlying Fund's stated investment objective and/or it may underperform the Benchmark or may not deliver returns that compare favourably to other investment managers in the same asset class. Many factors can negatively impact the Manager's ability to generate acceptable returns, including for example, loss of key staff.
<b>Counterparty risk</b>	The risk that loss from the failure of another party (a counterparty) to a contract to meet its obligations occurs. Counterparty risk arises primarily from 'over the counter' transactions involving derivatives. Substantial losses can be incurred by the Underlying Fund and therefore the Fund if a counterparty is unable or unwilling to meet its contractual obligations. The Fund is also, to a certain extent, reliant on external service providers, such as the Custodian and Administrator to provide services in connection with the operation of the Fund. There is a risk that these service providers may default on the performance of their obligations or seek to terminate these arrangements resulting in the Fund having to seek an alternative service provider meaning that investment activities and other functions of the Fund may be affected.
<b>Security specific risk</b>	The risk that investments by the Underlying Fund in a security will be subject to many of the risks to which that particular security is itself exposed. These risks may impact the value of the security. These risks include factors such as changes in management, actions of competitors and regulators, changes in technology and market trends. These factors may cause a security to perform adversely and where the Underlying Fund has exposure to that security may reduce the unit price of the Fund.
<b>Fund risk</b>	The risk that changes to the Fund or the Underlying Fund, such as termination of the Fund or the Underlying Fund, changes to fees, or changes in government policies (including taxation), regulations and laws that may affect the Fund or Underlying Fund, can have an impact on your potential investment return.
<b>Currency risk</b>	The risk that the value of investments of the Underlying Fund will change due to movements in the exchange rate between the local currency and the Australian dollar. This risk can arise because the Underlying Fund may hold securities domiciled outside Australia or securities denominated in currencies other than the Australian dollar. While any foreign currency exposure will be as close to fully hedged as is practicable, there is a risk the Fund may be under or over-hedged from time to time.

**You should also read the important information in the Additional Information Guide about "Risks of managed investment schemes" before making a decision. Go to section 3 of the Additional Information Guide available at [www.janushenderson.com/en-au/investor/documents](http://www.janushenderson.com/en-au/investor/documents).**

**The material relating to "Risks of managed investment schemes" may change between the time when you read this PDS and the day when you acquire units.**

## 5. How we invest your money

**WARNING:** When considering an investment in the Fund you should consider the Fund’s likely investment return, risk level, your personal circumstances and your investment timeframe. We recommend you consult a financial adviser for assistance in determining whether the Fund is appropriate for you.

### Investment return objective

The Fund seeks to achieve a total return before fees that exceeds the total return of the Benchmark by 0.50% p.a., over rolling three-year periods.

### Asset allocation

The Fund invests substantially all of its assets in the Underlying Fund and may also hold cash.

The asset allocation of the Underlying Fund is:

Asset class*	Indicative asset allocation range (as % of NAV)*
Cash	0 – 100
Fixed/floating interest rate securities	0 – 100

\*These are the asset allocation ranges for the Fund. If market movements, investments into or withdrawals from the Fund, or changes in the nature of an investment, cause the Fund to move outside these ranges, or a limit set out in this PDS, this will be addressed by us as soon as reasonably practicable.

Under normal circumstances, the Underlying Fund will invest in a portfolio of cash, fixed and floating interest rate securities including bank securities, government, semi-government bonds and supranational bonds, asset backed securities and corporate securities.

Investments may be made directly or indirectly through investments in other managed investment schemes.

The Underlying Fund may have exposure to non-Australian dollar denominated securities including limited exposure to non-Australian debt issuers. Where the Underlying Fund invests in non-Australian dollar denominated securities, the associated interest rate and currency risks will be as close to fully hedged as is practicable using appropriate derivative instruments.

Derivatives may be used solely for investment and risk management purposes and cannot be used to gear the Underlying Fund.

### Benchmark

Bloomberg AusBond Bank Bill Index

### Investment policy/approach

The Manager’s investment approach is fundamentally driven and seeks to take advantage of situations where market pricing has become misaligned with economic and investment fundamentals.

The Manager applies a range of strategies that include duration and yield curve management (actively managing the maturity profile of the Underlying Fund), sector rotation and individual security selection.

A key feature of the Underlying Fund’s investment strategy is to hold a significant proportion of the Underlying Fund’s investments in securities structured to pay a fixed margin over prevailing bank bill rates.

### Risk Level

**Low risk** – the Fund is considered a low investment risk. The key risks associated with this investment are set out in section 4.

**Minimum suggested investment timeframe** – The Fund is intended to be suitable for investors who are comfortable to invest for at least three years. Please note this is a guide only and not a recommendation.

### Labour standards and environmental, social and ethical considerations

Janus Henderson is a signatory of the United Nations Principles for Responsible Investment, a set of principles designed to highlight the financial relevance of environmental, social and corporate governance issues.

The Responsible Entity has delegated investment decisions for the purposes of selecting, retaining or realising investments for the Fund to the Manager pursuant to the investment management agreement. Therefore the Responsible Entity does not itself take into account labour standards, environmental, social or ethical considerations for the purpose of selecting, retaining or realising investments for the Fund.

The Manager takes labour standards, environmental, social and ethical considerations into account when selecting, retaining or realising investments.

The Manager believes that a holistic view of investments including consideration of factors such as environmental, social and governance (“ESG”) will promote a well-rounded approach to investing with better return outcomes for clients.

Specifically, the Manager seeks to avoid investment in issuers directly involved in the following activities:

- tobacco manufacturing;
- manufacture of controversial weapons (such as cluster munitions, landmines, biological or chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments); and
- production or distribution of pornography.

The Manager will engage a third party provider to assist it to determine the individual issuers it should exclude. The Manager also engages with company management and debt origination desks at banks to discuss and promote the growth of the positive impact investing landscape.

Other than described above, the Manager has no predetermined view on the specific labour standards and environmental, social and ethical considerations which it will apply or a fixed methodology or weightings for taking these standards and considerations into account when selecting, retaining and realising investments of the Fund, but rather examines a range of labour standards and environmental, social and ethical considerations and uses a range of tools, methodologies and services to assist with decision making.

Janus Henderson has a dedicated Governance and Responsible Investment (“GRI”) unit, who work closely with the Manager and support the team. The GRI unit operates a range of ESG screens and tools with the aim of identifying material ESG issues that the Manager may consider as part of the valuation process. In addition, the Manager has resources within the team that are focused on integrating ESG into the investment process.

The Manager reviews the Fund’s investments, on a case by case basis, in light of any labour standards and environmental, social and ethical issues researched and raised, and may take steps to realise, reduce or cease making further investments in organisations or securities which are negatively affected by labour standards and environmental, social and ethical considerations.

**You should also read the important information in the Additional Information Guide about “Changes to the Funds” before making a decision. Go to section 2 of the Additional Information Guide available at [www.janushenderson.com/en-au/investor/documents](http://www.janushenderson.com/en-au/investor/documents).**

**The material relating to “Changes to the Funds” may change between the time when you read this PDS and the day when you acquire units.**

## 6. Fees and costs

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

**WARNING:** Additional fees may be paid to a financial adviser if you have consulted a financial adviser. You should refer to the Statement of Advice provided by your financial adviser in which details of the fees are set out. If you are investing in the Fund via an IDPS operator, you will need to consider the fees and other costs of the IDPS when calculating the total cost of your investment.

The information in the table below shows the fees and other costs that you may be charged and can be used to compare costs between different simple managed investment schemes.

These fees and costs can be paid directly from your investment, deducted from your investment returns or from the assets of the Fund as a whole. You should read all the information about fees and costs because it is important to understand their impact on your investment.

For information on tax see section 7 of this PDS and section 7 of the Additional Information Guide. You can use the ASIC managed funds fee calculator to calculate the effect of fees and costs on your account balances.

Type of fee or cost	Amount
<b>Fees when your money moves in or out of the Fund</b>	
<i>Establishment fee</i>	Not applicable
<i>Contribution fee</i>	Nil
<i>Withdrawal fee</i>	Nil
<i>Exit fee</i>	Not applicable
<b>Management costs<sup>1,3,4</sup></b>	
<i>The fees and costs for managing your investment</i>	The management costs of the Fund are 0.30% p.a. of the asset value of the Fund and consist of: <ul style="list-style-type: none"> <li>a management fee<sup>2</sup>: 0.30% p.a. of the asset value of the Fund; and</li> <li>indirect costs: 0.00% p.a. of the asset value of the Fund.</li> </ul>

<sup>1</sup> All estimates of fees in this section are based on information available as at the date of this PDS and reflect the Responsible Entity's reasonable estimates of the typical ongoing amounts for the current financial year. All other costs reflect the actual amount incurred by the Fund for the previous financial year and includes the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS or the Responsible Entity was unable to determine the exact amount.

<sup>2</sup> For wholesale investors the Responsible Entity may, in its discretion and in accordance with relevant ASIC policy and the Corporations Act, negotiate and agree a rebate or waiver of part of the management fee to a person who acquires an interest in the Fund in response to an offer made to them as a wholesale client within the meaning of section 761G of the Corporations Act. Please refer to 'Differential fees' in the Additional Information Guide for further information.

<sup>3</sup> An allowance for transactional and operational costs may apply to investments into, and withdrawals from, the Fund. Please see 'Transactional and operational costs' below for further information. Unless otherwise stated, all fees and costs quoted in this PDS are quoted on an Australian GST inclusive basis and net of any applicable reduced input tax credits ("RITCs").

<sup>4</sup> As the management fee is calculated on a gross asset value basis, the other components of the management costs have been converted to and also disclosed on a gross asset value basis (as opposed to net asset value basis).

### Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs in the Fund can affect your investment over a one year period. You should use this table to compare the Fund with other managed investment products.

Example	Balance of \$50,000 with a contribution of \$5,000 during the year <sup>1</sup>	
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b>		
Management costs <sup>3,5</sup> comprising of:	0.30% p.a. of the asset value of the Fund	And, for every \$50,000 you have in the Fund, you will be charged \$150 each year.
• management fee:	0.30%	
• indirect costs:	0.00%	

### EQUALS Cost of Fund

If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year<sup>1</sup>, you would be charged fees of \$150<sup>2</sup>.

**What it costs you will depend on the investment option you chose and the fees you negotiate.**

<sup>1</sup> This example assumes the \$5,000 contribution occurs on the last Business Day of that year, that the value of the investment is otherwise consistent and therefore the management costs are calculated using the \$50,000 balance only.

<sup>2</sup> In practice, the actual investment balance of the Fund will vary daily and the actual fees and costs charged which are based on the asset value of the Fund will therefore also vary daily.

<sup>3</sup> Please refer to footnote 1 set out in the 'Fees and costs' table above.

<sup>4</sup> Additional fees may apply. Please see the 'Additional explanation of fees and costs' below for further information.

<sup>5</sup> As the management fee is calculated on a gross asset value basis, the other components of the management costs have been converted to and also disclosed on a gross asset value basis (as opposed to net asset value basis).

## Additional explanation of fees and costs

### Management costs of the Fund

Management costs comprise of the fees and costs that a unitholder incurs by investing in the Fund rather than investing directly in the underlying assets. Management costs are payable from the Fund's assets and are not paid directly from your investment. As at the date of this PDS, management costs of the Fund comprise of a management fee and indirect costs.

### Management fee

The management fee of 0.30% p.a. of the asset value of the Fund is payable to the Responsible Entity for managing the assets of the Fund and overseeing the operations of the Fund ("**Management Fee**"). The Management Fee is calculated and accrued daily and is paid from the assets of the Fund monthly in arrears on the last calendar day of each month. If we increase the Management Fee, we will provide you with 30 days' written notice in advance.

## Expenses

The Constitution allows the Responsible Entity to be reimbursed for expenses incurred in the proper performance of the Fund's day to day operations. As at the date of this PDS, the Responsible Entity pays these ordinary operating expenses (such as investment management fees, custody charges, administration and accounting costs, registry fees, audit and tax fees and unitholder reporting expenses) out of the Management Fee, at no additional charge to you. However, if the Responsible Entity incurs extraordinary expenses such as expenses incurred in holding a unitholder meeting, then the Responsible Entity may deduct these extraordinary expenses from the Fund's assets. We do not believe that we can reliably estimate extraordinary expenses but expect that the circumstances which cause such costs to be incurred will not regularly occur.

## Indirect costs

Indirect costs are any amount, not already disclosed as a fee or cost that the Responsible Entity knows, or may reasonably estimate, has or will reduce, directly or indirectly, the performance return of the Fund or the amount or value of the income of, or property attributable to, the Fund or an underlying fund in which the Fund invests. This may include expenses which are not covered by the Management Fee, fees and costs incurred in respect of investments by the Fund in other underlying managed funds and costs involved in trading certain derivative products which may form part of the Fund's investment strategy.

## Management fee and indirect costs of investments in other managed funds

The Fund does not pay a management fee in respect of investments in other managed funds including the Underlying Fund. However, where there are expenses incurred by that other managed fund and these are deducted from the assets of that fund, the Fund will bear its pro-rata share of those expenses and these amounts would be treated as indirect costs of the Fund.

## Can the fees change?

The fees and costs described in this PDS can change and the Constitution permits higher fees to be charged as well as other fees which are not currently levied. Reasons for changing fees include changes in economic conditions and regulation. We will give you 30 days' written notice in advance of any proposed increase in fees. We cannot charge more than the Constitution allows. If we wish to raise fees above the amount allowed for in the Constitution, we would need the approval of unitholders. We also reserve the right to waive or reduce any of the fees and costs described in this PDS without prior notice. Actual management costs may vary in future years. Actual management costs will be available on our website following the finalisation of the Fund's audited financial statements each year.

## Transactional and operational costs

Transactional and operational costs are the costs associated with the buying and selling of the Fund's assets and include costs such as brokerage, clearing costs, stamp duty and bid-offer spreads being applied when assets are bought and sold. Transactional and operational costs may also be incurred indirectly through an underlying fund. These costs are not included in the 'management costs' and are an additional cost to you. The transactional and operational costs are recovered from the assets of the Fund as and when incurred, reflected in the Fund's unit price and are not fees paid to the Responsible Entity.

The total transactional and operational costs are expressed as a percentage of the asset value of the Fund. The total transactional and operational costs for the previous financial year were 0.04% p.a. of the asset value of the Fund including the Responsible Entity's reasonable estimates where information was unavailable at the date of this PDS or the Responsible Entity was unable to determine the exact amount. We estimate that 0.00% was recouped via the buy/sell spread when applications or redemptions took place and therefore the net transactional and operational costs for the previous financial year were 0.04% p.a. of the asset value of the Fund, including the Responsible Entity's reasonable estimates where information was unavailable at the date of this PDS or the Responsible Entity was unable to determine the exact amount.

The dollar value of these costs based on an average account balance of \$50,000 is \$20 over 12 months. However, such costs for future years may differ.

## Buy/sell spread

A buy spread may be charged to you when entering the Fund (buying units) and a sell spread may be charged to you when exiting the Fund (selling units). The buy/sell spread is not a fee paid to the Responsible Entity but rather it is paid to the Fund to cover transactional costs incurred when applications and redemptions are made. The purpose of the buy/sell spread is to ensure that only those investors transacting in the Fund's units at a particular time bear the Fund's cost of buying and selling the Fund's assets as a consequence of their transaction. There is no additional buy/sell spread charged to you by the Underlying Fund.

As at the date of this PDS, the Fund charges 0.00% for the buy spread and 0.02% for the sell spread. The dollar value of these costs based on an application of \$50,000 is \$0 and a withdrawal of \$50,000 is \$10 for each individual transaction. The buy/sell spread may change if transactional and operational costs change and we will not ordinarily provide prior notice. The current buy/sell spread applicable to this Fund can be found on our website at [www.janushenderson.com/en-au/investor/buy-sell-spreads](http://www.janushenderson.com/en-au/investor/buy-sell-spreads).

**You should also read the important information in the Additional Information Guide about "Fees and costs" before making a decision. Go to section 6 of the Additional Information Guide available at [www.janushenderson.com/en-au/investor/documents](http://www.janushenderson.com/en-au/investor/documents).**

**The material relating to "Fees and costs" may change between the time when you read this PDS and the day when you acquire units.**

## 7. How managed investment schemes are taxed

**WARNING:** Investing in a registered managed investment scheme is likely to have tax consequences and you are strongly advised to seek professional tax advice.

The Fund generally attributes all of its taxable income (if any) each year so that the Fund itself is not subject to tax. As a unitholder you will be assessed for tax on your share of the taxable income generated by the Fund, including any capital gains. The Fund should not pay tax on behalf of Australian investors. Distributions to non-Australian investors may be subject to withholding tax. We strongly advise that you obtain your own professional tax advice regarding your position, as tax laws are complex and subject to change, and investors' individual circumstances vary.

On your Application Form you may provide us with your Tax File Number ("TFN"), TFN exemption or an Australian Business Number ("ABN"), or if you are a non-Australian investor you may indicate your country of residence for tax purposes. It is not compulsory for you to quote a TFN, TFN exemption or ABN, however, if you do not then we may be required to deduct tax from any income distribution payable to you at the maximum personal tax rate plus Medicare levy and any other applicable Government charges. We are permitted to collect TFNs under relevant tax law.

**You should also read the important information in the Additional Information Guide about "Taxation considerations" before making a decision. Go to section 7 of the Additional Information Guide available at [www.janushenderson.com/en-au/investor/documents](http://www.janushenderson.com/en-au/investor/documents).**

**The material relating to "Taxation considerations" may change between the time when you read this PDS and the day when you acquire units.**

## 8. How to apply

If you are a direct investor, to make your initial investment:

1. read this PDS and the Additional Information Guide;
2. complete and sign the Application Form;
3. transfer the application funds using one of the methods outlined in section 8 “How to apply” of the Additional Information Guide; and
4. all documentation (including all required customer identity verification as outlined in the relevant Application Form) should be posted (not faxed) to Client Services as original documentation is required. Only additional applications can be emailed or faxed.

The PDS, Additional Information Guide and Application Form are available at [www.janushenderson.com/en-au/investor/documents](http://www.janushenderson.com/en-au/investor/documents).

If you are an indirect investor investing via an IDPS you must complete documentation which your IDPS operator requires.

Under the Constitution we can accept or reject investments into the Fund at any time and are not required to give any reason or grounds for such a refusal. To address money laundering and terrorism financing risks, verification of each unitholder’s identity, and where relevant, beneficial owner’s identity is a prerequisite for all new unitholders. If we do not receive all valid documents with your relevant Application Form or we are unable to verify your identity at any time, we may not be able to commence your investment or may not process any future withdrawal requests until we receive the required documents.

### Your cooling-off rights

If you are a retail investor (as defined in the Corporations Act), who invests directly in the Fund, you are entitled to a 14 day cooling-off period during which you may change your mind about your investment. During that time, you may exercise your cooling-off rights by requesting your money be returned. This cooling-off period commences on the earlier of either the date you receive confirmation of your investment or the end of five Business Days after the day on which your units are issued. The realised market value of the units will be refunded, less any taxes and reasonable transactional and administrative costs. This may result in you receiving back a lower amount than you originally invested. You may also have capital gain/loss tax implications if you happen to receive a higher or lower amount back than you originally invested.

If you wish to cancel your investment during the cooling-off period, you need to inform us in writing of your intention to exercise this right before the end of the cooling-off period (and before exercising any rights or powers you have in respect of your investment in the Fund).

### Complaints

The Responsible Entity has a formal complaints handling procedure in place. If you have any concerns or complaints you can contact our Complaints Officer on +61 (0)2 8298 4000. If you believe that your matter has not been dealt with satisfactorily, you can lodge a complaint with the Australian Financial Complaints Authority (“AFCA”) by calling 1800 931 678 (free call) or by writing to AFCA at GPO Box 3, Melbourne VIC 3001 or by emailing [info@afca.org.au](mailto:info@afca.org.au).

**You should also read the important information in the Additional Information Guide about “Cooling-off period” and “How to apply” before making a decision. Go to section 8 of the Additional Information Guide available at [www.janushenderson.com/en-au/investor/documents](http://www.janushenderson.com/en-au/investor/documents).**

**The material relating to “How to apply” and “Cooling off period” may change between the time when you read this PDS and the day when you acquire units.**

## 9. Other information

### Consents

BNP has given and has not withdrawn its consent to be named as the Custodian and Administrator of the Fund in the PDS and Additional Information Guide in the form and context in which it is included, on the basis that it has not independently verified the information contained in the PDS and Additional Information Guide, has not been involved in the preparation of the PDS and Additional Information Guide, nor has it caused or otherwise authorised the issue of the PDS and Additional Information Guide. Neither BNP nor its employees or officers accept any responsibility or liability arising in any way for errors or omissions in the PDS and Additional Information Guide. BNP does not guarantee the success or the performance of the Fund nor the repayment of capital or any particular rate of capital or income return, or any increase in the value of the Fund.

The Manager has given and has not withdrawn its consent to its name appearing in the PDS and the Additional Information Guide of the Fund and to references and statements in the PDS concerning the Manager in the form and context in which they are included. Other than the consent provided, the Manager does not take any responsibility for any other part of the PDS and Additional Information Guide and has not authorised or caused the issue of the PDS and Additional Information Guide.

### New Zealand unitholders: Warning statement

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* (Aust) and the regulations made under that Act set out how the offer must be made.
3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
4. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.
8. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
9. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.
10. The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

A copy of the Constitution, which has been lodged with ASIC, is available free of charge by contacting Client Services and will be sent within five Business Days of receiving a request.