

18 February 2019

Dear Investor,

Important information about a change to the pricing approach for the Janus Henderson UK Property PAIF and the Janus Henderson UK Property PAIF Feeder Fund (“the Funds”)

Summary of the change in pricing approach

The Funds will change from being dual priced on a quoted-spread basis to being dual priced on a full-spread basis, with effect from 25 March 2019.

Dual priced on a quoted-spread basis means a separate buying (quoted offer) price and selling (quoted bid) price are set with a narrower spread than the full spread. The basis for these prices varies depending on supply and demand for the shares/units of the Funds. **Dual priced on a full-spread basis** means that the spread is more stable and fully reflects the costs of buying and selling properties.

Key points to note are:

- During the second half of 2017 and the first half of 2018, the Funds experienced an increased number of pricing basis changes (see the graph below)
- These movements had nothing to do with the underlying value of the property investments and were solely down to the changing pattern of money flowing into and out of the Funds, which we believe to be unsettling and potentially confusing for investors
- When we change our approach to pricing for the Funds, the price at which you can sell your shares/units **will not be impacted as the Funds are currently being priced on a bid basis**
- The buying (quoted offer) price will continue to be higher than the selling (quoted bid) price and will fully reflect the costs of buying and selling properties. The Funds (non-transacting investors) will ultimately benefit from the full spread
- Investors will lose the opportunity to buy shares/units at a lower price when the Funds are on a bid basis or redeem shares at a higher price when the Funds are being priced on an offer basis
- Overall, we believe the change will be in the best interests of investors and we set out the benefits in more detail in this letter

Please continue reading this letter for a full explanation behind the change of pricing approach. A video update providing further information can be found on the fund pages within our website www.janushenderson.com

Background

The Funds currently change their pricing basis depending on whether they are growing in size (as a result of money from investors coming into the Funds) or shrinking (when investors take money out of the Funds). If, overall, the Funds are growing they will be priced on an “offer basis”, reflecting the additional costs of buying physical properties. If they are shrinking overall they will be priced on a “bid basis”, reflecting the cost of selling properties to give investors their money back. This approach to pricing works well when the overall direction of money flowing into or out of the

Janus Henderson Investors

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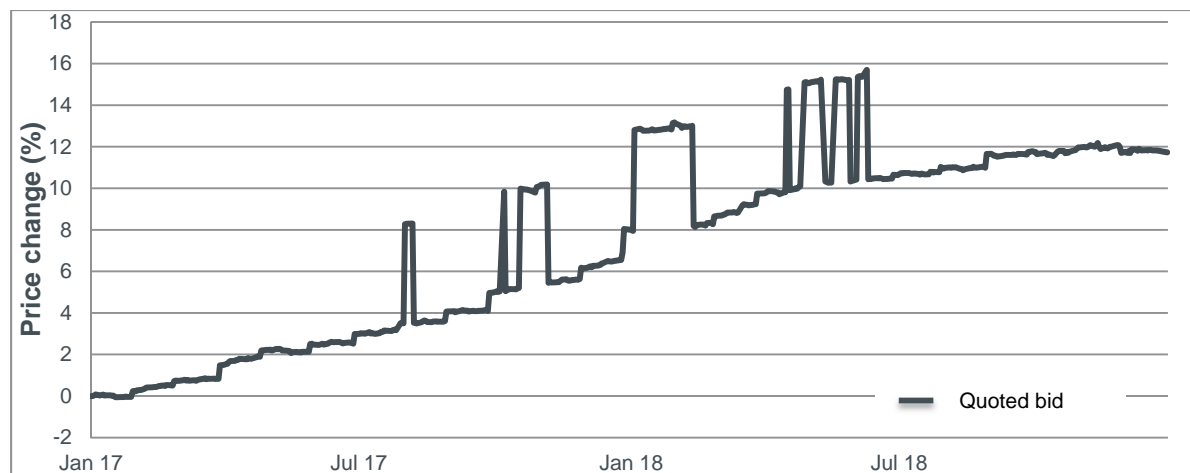
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Funds is consistent. For more information on what is included in the price of funds please refer to our “A Simple Guide to Fund Pricing”, available from the literature library on our website.

During the second half of 2017 and the first half of 2018, the Funds underwent a longer period of uncertainty in terms of the overall direction of money flowing in or out. As a result, the pricing basis of the Funds changed between bid and offer a number of times during this period, as shown by the approximate 4.25% price changes in the chart below. The last of these saw the Funds move to a bid basis on 12 June 2018.

Janus Henderson UK Property PAIF – examples of recent pricing basis changes



Source: Janus Henderson UK Property PAIF 'A' accumulation share class quoted bid price percentage change in value, rebased to zero, from 03.01.2017 to 31.12.18.

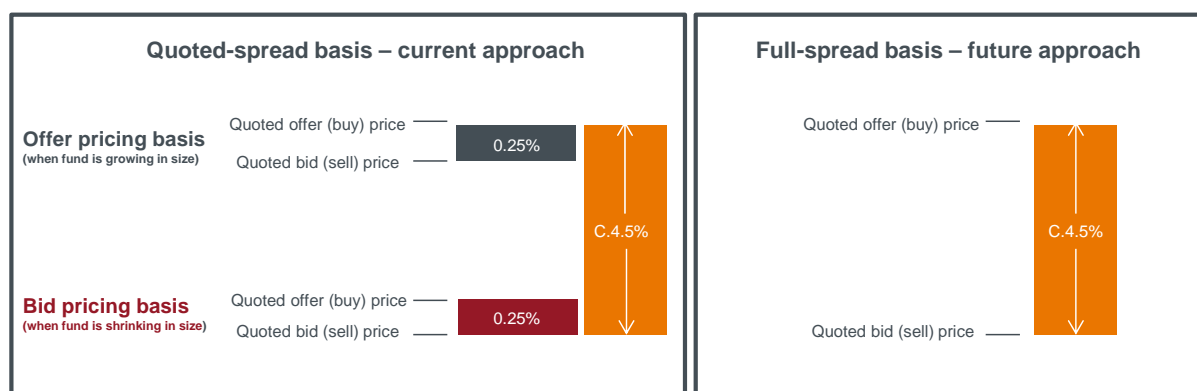
On each occasion that the pricing basis changes, the quoted prices for the Funds will move by approximately 4.25%. The offer basis reflects the substantial costs incurred in buying properties (stamp duty land tax being the most significant cost) and so is approximately 4.5% higher than the bid basis. These movements do not reflect any changes in the value of the underlying properties owned by the Funds and, based on feedback we have received, can be unsettling and potentially confusing for investors.

During 2018, we completed some client research to assess the pros and cons associated with the different approaches to pricing property funds. We considered a number of options. On balance, we believe the proposed change of moving to a full-spread basis is the best approach and will bring some additional benefits to investors but we acknowledge that other pricing models exist within the UK property funds peer group. Additionally, in April 2018 the Financial Conduct Authority (FCA) published some new rules in concluding its Asset Management Market Study that will come into effect on 1 April 2019. These new rules mean that our current approach to pricing needs to change to remain compliant.

Impact

As the Funds are currently being priced on a bid basis, the value of your existing holding (which is based on the quoted bid price) will not change as a result of the move to pricing on a full spread.

Moving to pricing the fund on a full-spread basis will mean that any purchases of shares/units in the Funds from 25 March 2019 will be at the quoted offer price, which currently is approximately 4.5% higher than the quoted bid price, the price at which investors can sell, as shown in the diagram below.



Source: Janus Henderson Investors, as at 31 January 2019. For illustrative purposes only.

We believe the change in pricing approach will have the following benefits:

- The complete removal of disconcerting price changes for investors. No further pricing basis changes will occur. Price performance better reflects the changes in the value of the underlying assets and is no longer distorted by money flowing into or out of the Funds
- It encourages investors to treat property as a long-term investment because the full transactional cost of buying and selling properties is borne up-front by the investor through the visible difference in the buying and selling prices. Over time, new investors would look to recover this cost through the income paid by the fund and the potential for capital gain (much like if investors bought and rented out a property themselves)
- It continues to look after the interests of non-transacting investors by fully passing on the costs of buying or selling of properties to transacting investors. The Funds (i.e. non-transacting investors) will benefit from the full spread
- The revised approach will be compliant with the FCA's new rules that take effect on 1 April 2019

Please note that while the selling (quoted bid) price will not be impacted, new purchases made after 25 March 2019 will be dealt at the buying (quoted offer) price, but thereafter valued at the selling (quoted bid) price (approximately 4.5% lower than the buying price paid).

Additionally, we are taking this opportunity to reduce the 5% initial charge on the A share/unit classes of the Funds to zero.

When will the change in pricing approach take place?

On 25 March 2019 we will change the approach to pricing for the Janus Henderson UK Property PAIF and the Janus Henderson UK Property PAIF Feeder Fund. We will reduce the initial charge on both Funds' A share/unit classes to zero on the same date.

The investment process, the way the Funds are managed and the risk profiles of the Funds will not be altered by the change in pricing approach.

You do not need to take any action but if you are not happy with the changes you are free to switch into one of our other funds or redeem your shares/units. **We will not make any charges if you decide to switch or redeem your shares/units but a switch into another fund or a redemption will be a disposal for capital gains tax purposes and you may incur a capital gains tax liability.** Please consult your financial adviser if you have any questions regarding your ongoing investment in the Funds.

If you have a query about this change or any other questions regarding your Janus Henderson investments, please contact your financial adviser or speak to our Client Services Team on 0800 832 832 (or +44 1268 443 914 if you are calling from overseas) between 9am and 5.30pm Monday to Friday. Please note that Janus Henderson is not permitted to give you any advice about your investments.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'mf' with a stylized flourish at the end.

Anthony Fallows
Head of Client Services
For and on behalf of
Janus Henderson Investors