Janus Henderson
INVESTORS

A SIMPLE GUIDE TO INDEX OPPORTUNITIES FUNDS

The Janus Henderson Index Opportunities range comprises five funds. The funds are designed primarily for institutional investors but are also available to retail investors. These funds seek to provide exposure to a particular regional equity market but with low volatility* around a customised index. Through the use of a number of investment strategies they seek to achieve performance above that of a purely passive investment approach.

Index Opportunities fund range

- Janus Henderson Institutional Asia Pacific ex Japan Index Opportunities Fund^
- Janus Henderson Institutional European Index Opportunities Fund^
- Janus Henderson Institutional Japan Index Opportunities Fund
- Janus Henderson Institutional North American Index Opportunities Fund
- Janus Henderson Institutional UK Index Opportunities Trust

^ Institutional share classes only.

What is an Index?

An equity index is a basket of companies that is constructed to represent a particular market or region.

Many indices are household names such as the FTSE 100 (comprised of the 100 largest companies by market value listed on the London Stock Exchange) and are often mentioned in business news when describing the performance of a stock market.

Why is an index useful?

An index is useful because it serves as a reference point. This is because when the index is first constructed it is given a base value. Over time, the index value changes as the values of the constituent companies in an index rise and fall and the constituents change. A higher index value than at an earlier point signifies a rise and a lower index value signifies a fall in the overall value of the market.

Investors can therefore use the index to see the performance of the market and use the index as a comparison against which to measure the performance of a fund.

Using an index as an investment tool

An investor wanting exposure to a particular equity market normally chooses between two main investment approaches:

- Passive: a purely passive approach invests in a fund that tracks an index. It is called passive because the fund simply seeks to replicate the index.
- Active: an active approach involves investing in a fund where the fund manager actively takes decisions about which stocks, and what proportion, to invest in the portfolio, with a view to outperforming an index. This relies on a manager's investment skill.

Each method has its own merits and drawbacks as the table below illustrates. Please note that this list is not exhaustive and only contains some of the major points.

Passive	Active
Key merits	**Key merits**
Reasonably faithful representation of the market/index	Selective approach offers potential to outperform the market/index
Lower cost	Ability to take positions away from the index weight
Key drawbacks	**Key drawbacks**
Exposed fully to direction of market/index, including falls	Higher cost to pay for active management
After costs it can be challenging to meet or beat the index	Poor active strategy could lead to worse performance than market/index

Investing in an index fund does not remove risk for an investor. They are still exposed to the performance of the index and its underlying constituents, which may rise or fall in value.

* Volatility here reflects the extent to which price movement in the fund deviates from movement in the index. Higher deviations reflect higher volatility.

Why customise an index?

Fund managers tend to use off-the-shelf indices compiled by third parties because these indices are recognised globally. For the Janus Henderson Index Opportunities Funds we use indices provided by Soloactive, a Germany-based index provider that has been supplying indices to financial companies since 2007. For the funds, Soloactive calculates customised indices. These are slight variations of the relevant indices, and are used:

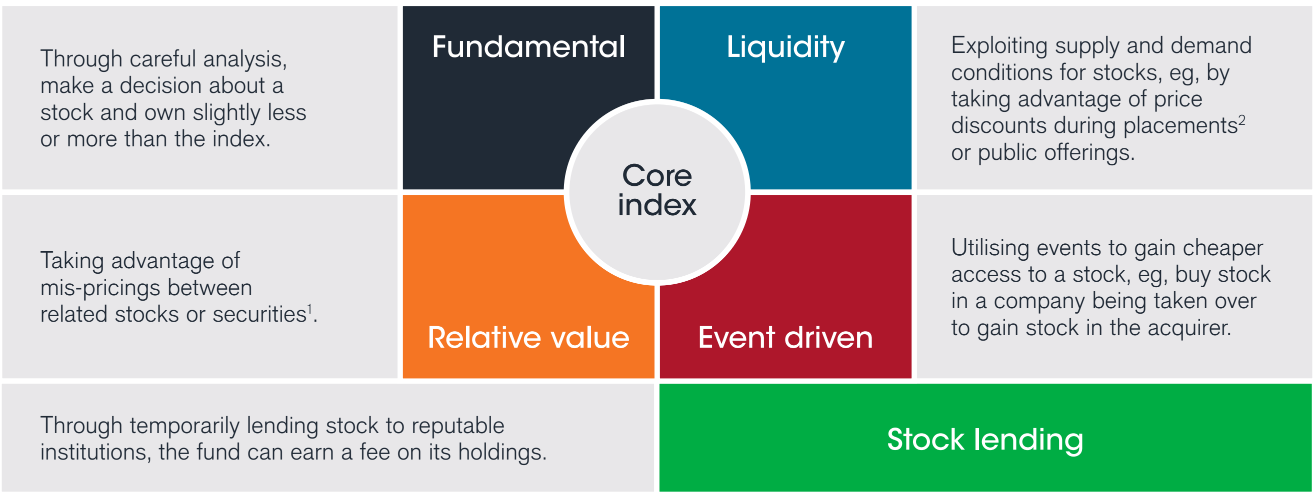
- To align tax rates applied to the fund and the index to make them fairer comparisons.
- To allow suitability adjustments to be made to country inclusions within a regional index, for example Asia Pacific ex Japan.

The Janus Henderson Index Opportunities approach

The Janus Henderson Index Opportunities Funds combine elements of both passive and active approaches by broadly reflecting the index through a core index holding, but additionally using active strategies that provide opportunities to enhance returns. Each fund has an outperformance target of 0.5% above their respective index per annum, before the deduction of charges, over any 5-year period, although there is no guarantee that this will be achieved. The strategies are designed to be relatively low risk and because the holdings in the Index Opportunities Funds are close to those of the index, any enhancement of returns from the strategies is expected to be low and performance closer to a passive approach than a very active approach. If there are very few investment opportunities, the funds could be similar to passive funds and as such after deducting charges and transaction costs, the funds could underperform the reference index.

Strategies employed

The following diagram offers a brief description of some of the strategies that may be employed across the funds, although not all of the strategies may be employed all of the time. Additionally, the funds may invest in other Janus Henderson funds to assist with achieving above benchmark returns while taking a low level of risk. Returns may vary between funds as a result of the number of strategies used at any time and the market conditions.



[1] Related securities might include dual-listed stocks, or convertible bonds, which are bonds that allow the bondholder to convert to equity (the stock). The price of instruments such as these can sometimes offer better value than buying the stock directly, albeit with expected low additional risk.

[2] Where shares are sold directly to a group of investors rather than offered to the public.

Key characteristics of the Janus Henderson Index Opportunities Funds

The funds are typified by the following characteristics:

- Core index funds with small, diversified active positions
- Fund risk levels are similar to the index risks
- Potential alternative to passive investing
- Track record of managing these strategies since 1997

Strategies aimed at enhancing returns depend on the manager's skill and decision-making; this therefore carries the risk that a fund may underperform its reference index if unsuccessful decisions are made. Additionally, depending on the share class you invest in and any costs you pay to third parties to invest in our funds, after the deduction of ongoing charges and transaction costs your investment may underperform the reference index.

Each fund is designed to be used only as one component in several in a diversified investment portfolio. Investors should consider carefully the proportion of their portfolio invested into these funds.

Potential risks to consider

General risks

- The value of the Fund and the income from it is not guaranteed and may fall as well as rise. You may get back less than you originally invested.
- Past performance is not a guide to future performance.

Specific risks

- Stocks (also called shares or equities) can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.
- If a Fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a Fund which is more broadly diversified.
- The Fund may use derivatives towards the aim of achieving its investment objective. This can result in 'leverage', which can magnify an investment outcome and gains or losses to the Fund may be greater than the cost of the derivative. Derivatives also introduce other risks, in particular, that a derivative counterparty may not meet its contractual obligations.
- If the Fund holds assets in currencies other than the base currency of the Fund or you invest in a share class of a different currency to the Fund (unless 'hedged'), the value of your investment may be impacted by changes in exchange rates.
- Securities within the Fund could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses.
- Returns from investing in index enhancing opportunities may vary over time relative to the reference index. The managers do not, however, seek to take high levels of risk and investors should therefore expect the typical level of enhancement of returns to be low. The deduction of ongoing charges and transaction costs means the fund can be expected to underperform the reference index. Strategies aimed at enhancing returns depend on the manager skill and decision-making; this therefore carries the risk of underperformance if unsuccessful decisions are made.
- The Fund could lose money if a counterparty with which the Fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider.

This document is for information only and should not be construed as investment advice. For more information about the funds please contact your financial adviser, visit our website or contact us on the details below. If you are in any doubt about the suitability of an investment we recommend you consult a financial adviser.

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Important information

Please read all scheme documents before investing. Before entering into an investment agreement in respect of an investment referred to in this document, you should consult your own professional and/or investment adviser. Past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law change. If you invest through a third party provider you are advised to consult them directly as charges, performance and terms and conditions may differ materially. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment. It does not form part of any contract for the sale or purchase of any investment. Any investment application will be made solely on the basis of the information contained in the Prospectus (including all relevant covering documents), which will contain investment restrictions. This document is intended as a summary only and potential investors must read the prospectus, and where relevant, the key investor information document before investing. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

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