

Janus Henderson UK Property PAIF

March 2022

Marketing communication

Fund manager names

Ainslie McLennan & Marcus Langlands Pearse

Important information

On 4 March 2022 the Board of Henderson Investment Funds Limited suspended dealing in the Janus Henderson UK Property PAIF and its Feeder Fund to protect the interests of all investors while a potential sale of the PAIF's direct property portfolio is progressed. Further details are set out on our website at hgi.co/property-paif.

Market & portfolio activity

Our long-term strategy has been to invest in assets we consider core in nature – which we define as being high-quality in three of the following criteria: location, quality of tenant, lease duration, lease structure, building specification and sustainability – with strong credentials and a relevancy that we believe should continue to generate tenant demand. Hence, we consider the properties owned by the fund to be appropriate today and in the future.

During March there were no sales or purchases. In terms of asset management, we completed an early lease regear on an industrial warehouse in High Wycombe, extending the lease term by ten years and increasing the passing rent. We completed a further lease renewal at Bermondsey Square, London, and documented a new 20-year lease on retail premises in Dulwich, London. Elsewhere, we secured a rental uplift by way of negotiated rent review with one of the fund's largest office tenants in Cambridge.

Fund positioning

In terms of positioning, 83.6% of the fund was invested in physical property. The geographical focus of the fund is biased towards the South East (61.0%), while the sector breakdown is as follows: industrials 35.8%, offices 18.5%, alternatives 13.9%, retail warehouses 7.4%, outlet malls 3.5%, supermarkets 3.3% and standard retail 1.2%. The fund's cash holding at the end of March was 16.4%.

The weighted average unexpired lease term across the fund was 6.6 years (including student accommodation) versus a peer group average of 6.5 years*, while the fund's vacancy rate was 6.9% against a peer group average vacancy rate of 10.4%*.

Source: Nuveen Real Estate as at 31 March 2022 unless stated otherwise. *Nuveen Real Estate / MSCI fund Benchmark Report, December 2021 (latest available data). Rounding may mean fund positioning data does not add up to 100%.

Fund rent collection

The rent collection percentage for the fund in the first quarter of 2022 was 85.1%. While further rental payments are expected following quarter end, we should highlight that the fund's distribution levels could potentially be impacted over time by reduced collection rates. Payments from retail warehousing were strongest at 100% rent collection and 88% rent collection from standard retail. Industrial assets followed closely at approximately 88%, followed by offices at 73%. The alternatives sector had an 85% rent collection rate. A value equating to just 0.3% of rents demanded has been written off owing to tenant defaults as at 31 March 2022.

Source: Nuveen Real Estate / Lambert Smith Hampton, as at 31 March 2022.

The Janus Henderson UK Property PAIF invests in assets that may at times be hard to sell. This means that there may be occasions when you experience a delay or receive less than you might otherwise expect when selling your investment. For more information on risks see the prospectus and key investor information document.

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Fund information (Investment policy is on the next page)

Peer group benchmark	IA UK Direct Property
Peer group benchmark usage	Comparator

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.

Objective The Fund aims to provide a high level of income as well as growth of income and capital over the long term (5 years or more). The Fund will be a Property Authorised Investment Fund (PAIF) for tax purposes at all times.

Performance in (GBP)

Performance %	I (Net)	Peer group
1 month	2.0	1.3
YTD	3.6	2.8
1 year	14.1	10.5
3 years (annualised)	4.9	1.7
5 years (annualised)	5.4	2.8
10 years (annualised)	5.8	4.1
Since inception 14 Jun 1999 (annualised)	4.9	-

Source: at 31 Mar 2022. © 2022 Morningstar. All rights reserved, on a bid to bid pricing basis, performance is with gross income reinvested. Performance/performance target related data will display only where relevant to the share class inception date and annualised target time period.

Discrete year performance %	I (Net)	Peer Group
31 Mar 2021 to 31 Mar 2022	14.1	10.5
31 Mar 2020 to 31 Mar 2021	1.3	-2.3
31 Mar 2019 to 31 Mar 2020	-0.1	-2.6
31 Mar 2018 to 31 Mar 2019	3.3	2.2
31 Mar 2017 to 31 Mar 2018	8.8	6.6

Source: at 31 Mar 2022. © 2022 Morningstar. All rights reserved, on a bid to bid pricing basis, performance is with gross income reinvested. Discrete performance data may change due to final dividend information being received after quarter end.

Investment into the fund will acquire units/shares of the fund itself and not the underlying assets owned by the fund.

Note that any differences among portfolio securities currencies, share class currencies and costs to be paid or represented in currencies other than your home currency will expose you to currency risk. Costs and returns may increase or decrease as a result of currency and exchange rate fluctuations.

Fund charges will impact the value of your investment. In particular, the ongoing charges applicable to each fund will dilute investment performance, particularly over time. For further explanation of charges please visit our Fund Charges page at <http://www.janushenderson.com>.

Source for target returns (where applicable) – Janus Henderson.

Please note the performance target is to be achieved over a specific annualised time period. Refer to the performance target wording within the objective.

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Past performance does not predict future returns. 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.

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What are the risks specific to this fund?

- 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.
- 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 with the aim of reducing risk or managing the portfolio more efficiently. However this introduces other risks, in particular, that a derivative counterparty may not meet its contractual obligations.
- This Fund is dual priced. The price at which you buy shares/units in the fund will incorporate the transaction costs incurred in buying physical properties. When you sell shares/units in the Fund the price you sell at incorporates the transaction costs incurred in selling physical properties. The difference between these prices is called the 'spread'. This spread is currently c. 5% and reflects the high transaction costs of buying and selling commercial property. Typically the buying price of an individual commercial property can be 7-8% higher than the selling price. The spread of the Fund is not fixed and may vary over time depending on the composition of the Fund.
- Valuations are determined by independent property experts. The valuation of property is generally a matter of valuer's opinion. The amount raised when a property is sold may be less than the valuation.
- The Fund contains assets which may be hard to value or sell at the time and price intended. In particular, property investments may take a considerable time to sell. When many investors want to sell their shares, the Fund may have to delay processing requests so that certain assets or properties can be sold first. For more information on risks see the prospectus and key investor information document.
- Tenants in the Fund's properties may become unable to pay their rent. As a result, the Fund's income may be impacted and further costs incurred.
- Some or all of the ongoing charges may be taken from capital, which may erode capital or reduce potential for capital growth.

General risks

- Past performance does not predict future returns.
- 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 be subject to change.

Investment policy

The Fund invests at least 60% of its assets in UK commercial real estate and in shares and bonds of UK companies in the real estate industry.

The Fund may also invest in other assets including cash and bank deposits, money market instruments, non-UK commercial real estate, residential real estate, funds (collective investment schemes including exchange traded funds) and real estate outside of the UK.

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 IA UK Direct Property sector average, which is based on a peer group of broadly similar funds, as this can provide a useful comparator for assessing the Fund's performance.

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Important information

Past performance does not predict future returns. Marketing Communication. 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) and KIID, which will contain investment restrictions, risks and fees. 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. The Janus Henderson UK Property PAIF is a Janus Henderson Investors' product but its management is outsourced and its sub-investment manager is Nuveen Real Estate.

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Due to the specialist nature of property investment, in certain circumstances there may be constraints on the redemption or switching of units/shares in the fund(s). The funds invest in a specialist sector that may be less liquid and produce more volatile performance than an investment in other investment sectors. The value of capital and income will fluctuate as property values and rental income rise and fall. The valuation of property is generally a matter of valuer's opinion rather than fact. The amount raised when a property is sold may be less than the valuation.

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