

A SIMPLE GUIDE TO THE INDEX OPPORTUNITIES FUNDS

Janus Henderson
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For promotional purposes

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

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.

Why customise an index?

Fund managers tend to use off-the-shelf indices compiled by third parties such as MSCI and FTSE, two leading financial data companies, because they supply a wide variety of indices that are recognised globally. For the Janus Henderson Index Opportunities Funds, FTSE 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.

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

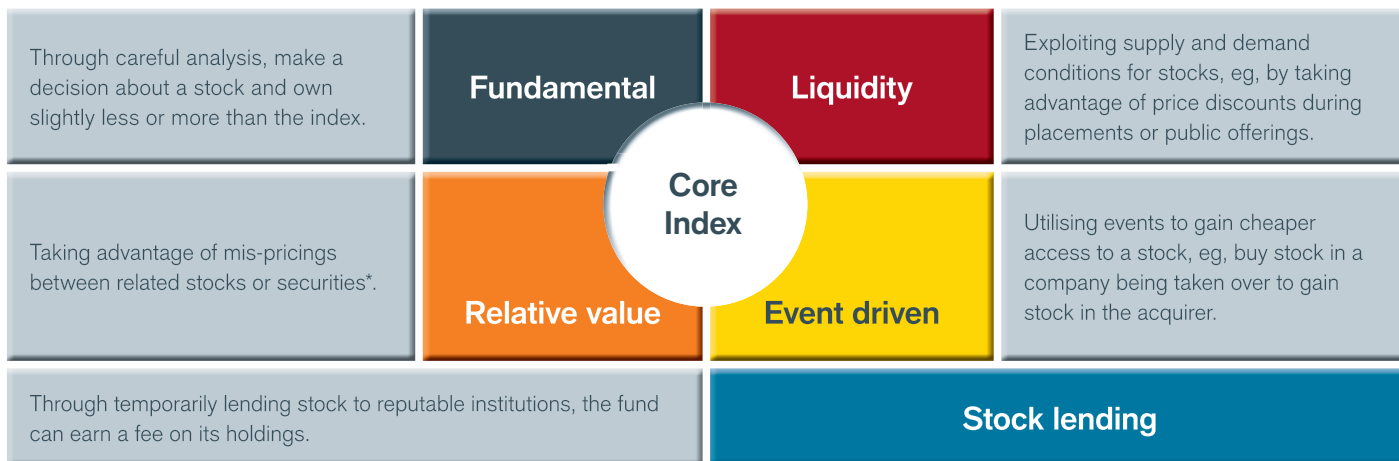
The Janus Henderson Index Opportunities approach

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. These 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. Returns may vary between funds as a result of the number of strategies used at any time and the market conditions.



*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.

Key characteristics of the Janus Henderson Index Opportunities Funds:

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

The value of an investment and the income 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.

Returns from investing in index enhancing opportunities may vary over time relative to the reference index. The deduction of ongoing charges and transaction costs means the fund can be expected to underperform the reference index.

This 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 this Fund.

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.

Please be advised that the value of investments can fall as well as rise and you may not get back the amount originally invested.

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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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