

Best Execution Policy

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Version: 1.6

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1. Document control

Title	Best execution policy
Policy description	This Policy sets out Janus Henderson Group's ("JHG") approach to achieving Best Execution for its clients
Version	1.6

Sponsor	Chief Investment Officer
Policy owners	Global Head of Equities Trading Global Head of Fixed Income Trading
Governance approval	Best Execution Committee
Authors	Best Execution Committee
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Approvers	Best Execution Committee
Date last reviewed	June 2021
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Referenced documents

Document name	Contact
Intech Best Execution Policy	Intech Chief Compliance Officer
JHG Conflicts of Interest Policy	JHG Conflicts of Interest Officer
Kapstream Best Execution Policy	Head of Risk and Compliance, Australia

2. Scope

The Policy applies globally to JHG and its subsidiaries except Intech Investment Management LLC ("Intech") and Kapstream Capital Pty Limited ("Kapstream") for which separate policies are in place.

This document sets out JHG's Best Execution policy and associated arrangements for the financial instruments for which it trades. These financial instruments include but are not limited to:

- Equities, e.g. shares in companies, typically listed on an exchange;
- Fixed income products e.g. government and corporate bonds;
- Money market instruments e.g. cash deposits or other cash like instruments;
- Units in collective investment schemes e.g. funds, both regulated and unregulated;
- Foreign Exchange;
- Commodity Derivatives;
- Derivatives of these instruments.

JHG principally provides discretionary investment management services to its clients, during the course of which the firm will execute orders on behalf of clients to invest or divest clients' money. Investments may be made in a combination of the instruments listed above.

This Policy describes how JHG achieves Best Execution (as later defined) when placing orders as agent on behalf of clients and reflects the firm's obligations in taking sufficient steps to obtain the best possible client outcomes under the circumstances. The process by which we deliver Best Execution will vary from asset class to asset class and this Policy intends to describe what those factors are, how we rank them and how we will provide Best Execution to clients in each of our asset classes.

Our Best Execution Policy is available at any time on our website. Clients can contact JHG should they have any requests related to the Policy and activities governed by the Policy.

3. Definitions

Best Execution – The process of taking all sufficient steps to obtain, when executing orders, the best possible result for our clients under the circumstances taking into account the Execution Factors.

Execution Factors – Factors that may be considered, when executing orders, in order to obtain the best possible result for our clients includes, but is not limited to:

- Price
- Cost of the transaction
- Speed
- Likelihood of execution and settlement
- Size of the transaction
- Nature of the transaction
- Portfolio Manager Instructions
- Multiple order coordination
- Factors as provided in Section 6 to this Policy
- Liquidity of the securities involved
- Anonymity of the transaction
- Characteristics of the execution venue
- Prevailing market conditions
- Financial stability of the counterparty
- Characteristics of the financial instrument
- Counterparties' knowledge of the financial instrument and its liquidity
- Counterparties willingness to trade on a principal basis

Execution Venues - A source of liquidity for the relevant financial instrument. In some cases there will only be one execution venue for a specific financial instrument (particularly for funds and structured products). The types of execution venues used by JHG's approved counterparties consist of the following:

- Regulated markets - a multi-lateral system operated and/or managed by a market operator which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in the system and in accordance with its non-discretionary rules in a way that results in a contract, for financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly in accordance with MiFID II.
- Electronic Crossing Networks / Alternative Trading Systems - an electronic execution venue that enables asset managers to match buying and selling orders in securities directly with other asset managers and occasionally other brokers and market participants, away from the primary exchange, but using the best bid and offer price from the market as a reference
- Multilateral Trading Facilities (MTFs) - multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments in the system and in accordance with non-discretionary rules in a way that results in a contract in accordance with MiFID II

- Organised Trading Facilities (OTFs) - a multilateral system that is not a Regulated market or MTF. Within an OTF, multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in a way that results in a contract.
- Systematic Internalisers (counterparties using internal pools of liquidity) / Central Risk Book - investment firms which, on an organised, frequent, systematic and substantial basis, deal on own account by executing client orders outside a regulated market, MTF or OTF without operating a multilateral system.

Third party investment firms

- Counterparties, and/or affiliates acting as a Market Maker
- Request for Quote (RFQ) platforms - where trading counterparties are invited to quote a price to either buy or sell a particular financial instrument in an agreed quantity
- Other liquidity providers

4. Regulatory Requirements

Various regulators have articulated regulatory requirements or have provided guidance relating to Best Execution, the list below is not exhaustive but summarises the main regulatory regimes which Janus Henderson Group is subject to.

United Kingdom

- **Financial Conduct Authority** – COBS 11.2A
- **European Securities and Markets Authority** – Markets in Financial Instruments (MiFID II) Directive 2014/65/EU

United States of America

- **Securities and Exchange Commission** – Investment Advisers Act of 1940: Section 206
- **Securities and Exchange Commission** – Section 28(e) of the Securities Exchange Act of 1934: 17 CFR – Part 241 Release No. 34-23170 – V. Best Execution Obligations

Asia Pacific

- **Australian Securities & Investments Commission** – ASIC Market Integrity Rules (Competition in Exchange Markets) 2011: Part 3.1 Best execution obligation (rg-223)
- **Securities & Futures Commission (Hong Kong)** – Fund Manager Code of Conduct: II.3.2 Best Execution
- **Financial Services Agency (Japan)** - Financial Instruments and Exchange Act - Article 40-2-1 (Best Execution Policy)
- **Investment Management Association of Singapore** – Code of Ethics & Standards of Professional Conduct: 4.3 Best Execution

5. Policy

5.1 Execution Strategy

- 5.1.1 Orders will be addressed in a timely manner and order execution will be handled in a manner and pace consistent with the nature of the order, the investment decision and market conditions.
- 5.1.2 Orders will generally be managed by the relevant trading desk within the region that covers the time zone for that security or has the most relevant information about the market and /or instrument of each particular transaction.
- 5.1.3 When determining the strategy for placing orders for execution in the market, JHG will take into consideration the Execution Factors, dependent upon the characteristics of the order and the prevailing market conditions.
- 5.1.4 JHG must take all sufficient steps to obtain, when executing orders on its clients' behalf, the best possible results under the circumstances, taking into account all the Execution Factors and compliance with the requirements highlighted in JHG's Conflicts of Interest policy. Additionally, as disclosed in JHG's Directed Brokerage (Distribution) Policy, JHG does not consider counterparty's sale of shares of its sponsored funds or gifts and entertainment received from registered representatives of an approved counterparty when choosing counterparty to effect a transaction
- 5.1.5 In determining the relative importance of the Execution Factors, JHG will take into account the investment objectives and client restrictions, the specific financial instruments to which the order relates, the trading tools and channels utilized the execution venues or counterparties available for such orders and the prevailing market conditions. Execution Factors may, from time to time, be

competing and JHG will use its commercial experience and judgment in all cases; this may mean choosing not to execute the trade if we believe that it is in the clients' interest.

- 5.1.6 When trading financial instruments on behalf of our clients, we will normally use our discretion to decide which financial instruments to trade, the size and speed at which we wish to trade, the counterparties/venues with which those instruments will be traded and how to access those counterparties/venues. By investing with JHG, clients are giving their consent to trade from time to time outside regulated markets, Systematic Internalisers / Central Risk Book, Organised Trading Facilities (OTF) and Multilateral Trading Facilities (MTF). In these cases, JHG's commitment to obtain the best possible client outcomes under the circumstances will remain a key focus and we will therefore ensure that we do not take unreasonable risks with our client funds. Trading outside of regulated markets may however result in additional risks including increased counterparty risk. Upon request by a client, JHG is able to provide additional information on the consequences of this means of execution.
- 5.1.7 JHG does not receive any inducements or payments from brokers, venues or other third parties. JHG may receive services which would be considered as minor non-monetary benefits as defined by the Financial Conduct Authority. All JHG employees are subject to the JHG Gifts and Entertainment Policy and any receipt of such activities from brokers or other third parties must be within this policy.

5.2 Counterparty Management

- 5.2.1 JHG utilizes preferred brokers who have the skills, resources and capabilities to provide favourable access to suitable liquidity and a greater potential for an advantageous outcome in the execution process.
- 5.2.2 JHG conducts a commensurate level of independent due diligence, including an assessment of potential conflicts of interest prior to any broker being approved and added to the approved broker list.
- 5.2.3 JHG only places orders to be executed with approved brokers. The list of approved brokers is reviewed regularly and changes over time. The performance of key brokers in providing Best Execution for JHG's clients is evaluated regularly by the Best Execution Committee.
- 5.2.4 Execution commissions paid to brokers are generally determined by a standardized rate card. Commissions accumulated by brokers are monitored on a regular basis.
- 5.2.5 On an annual basis for each relevant asset classes we publish information on the top five execution venues or counterparties that client orders were executed on or placed with in the preceding year where the orders are in the scope of MiFID activity. The report also includes information on the quality of execution obtained. This information can be found within the MiFID section of the JHG website.

5.3 Best Execution Monitoring & Oversight

- 5.3.1 A transaction cost analysis ("TCA") is regularly carried out for Equities and FX and enables JHG to measure implicit costs, such as market impact, timing and opportunity cost, and highlights how efficient the transaction process is at capturing the implicit value identified by the fund manager. TCA reports are produced on a regular basis and discussed with the Equities fund managers and Head of Investment Desks; any concerns are addressed by the Global Head of Equities trading. The explicit costs of trading are recorded as a matter of course. Such TCA data is also monitored by the Best Execution Committee.
- 5.3.2 Equity TCA data is also available to investment personnel on an ongoing basis to assess the quality of execution.
- 5.3.3 Management information is in place to analyse the fixed income, Asset Backed Securities and Loans transaction process, ensuring that competing quotes have been obtained where relevant and that exceptions are reviewed where applicable, for example where the best quotes have not been selected.

Counterparty concentration reports are produced on a regular basis and discussed with the fund managers and Head of Investment Desks; any concerns are addressed by the Global Head of Fixed Income trading. TCA data is used in conjunction with management information and process data previously mentioned.

- 5.3.4 TCA is carried out for FX and enables us to measure implicit costs, such as market impact, timing opportunity cost, performance against agreed benchmarks and highlight how efficient the transaction process is at capturing the implicit value identified by the fund managers.
- 5.3.5 A governance meeting is held on a quarterly basis by the Best Execution Committee in order to review adherence to the Policy. It is attended by senior investment, compliance and risk employees who review the management information available for all traded instrument types and discuss any concerns or issues.

6. Additional Execution Factors

- 6.1.1 Clients may instruct JHG to execute a specific order or group of orders in a certain way and/or can prohibit JHG from using certain counterparties. Depending on the specifics of the order the client has provided to JHG, any such instructions and/or restrictions from a client may prevent JHG from taking the steps designed in this Policy to achieve Best Execution. In such circumstances, JHG will try to achieve the best possible outcomes whilst also following such client's instructions.
- 6.1.2 JHG may place trades with sponsors or their affiliated counterparties because trading commissions are included in the fee the client pays to the sponsor. There may be circumstances however when JHG, in seeking Best Execution, executes trades through counterparties or other security intermediaries other than the sponsors or their affiliated broker-dealers.
- 6.1.3 Events such as extreme volatility in markets system disruptions and other circumstances that are beyond our control may have to be considered when determining Best Execution.
- 6.1.4 Except for principal transactions by the broker and for clients not falling within the protections of MiFID II, JHG may execute transactions with counterparties for a higher commission than another broker-dealer would have charged if JHG determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and/or research services provided by that particular broker-dealer. In determining the reasonableness of a commission, JHG may view the value of the services provided either in terms of that particular transaction or the value of the services provided to JHG as they relate to the overall responsibilities of JHG as an investment adviser.

7. Roles and Responsibilities

JHG operates a three lines of defence model. In relation to this Policy, this means that the three lines of defence have the following responsibilities.

- First line of defence:
 - Achieving Best Execution and being able to demonstrate it.
 - Establishing an adequate level of systems, controls and expertise to meet requirements set out in this Policy.
 - Cascading the Policy requirements and providing training where applicable.
- Second line of defence:
 - Ensuring that the Policy adequately sets out JHG's regulatory responsibilities; promptly communicating changes in regulatory requirements where applicable.
 - Reviewing and providing sign-off on first line of defence activities where relevant.
 - Monitoring and testing activities undertaken by the first line of defence to ensure that the level of systems and controls in place within the first line of defence is adequate to meet the requirements set out in this Policy.

- Providing advice and guidance to the first line of defence when setting requirements within this Policy or implementing systems and controls.
- Third line of defence:
 - Providing independent assurance on the adequacy of the systems and controls in place within the first and the second lines of defence to meet the requirements set out in this Policy.

8. Policy Maintenance

This document will be reviewed on an annual basis or more frequently in case of material changes.

9. Version Control

Version #	Implemented By	Revision Date	Approved By	Approval Date	Reason
1.0	Senior Manager Compliance Advisory	15/02/2016	Investment Performance & Risk Committee	22/02/2016	Policy Refresh
1.1	Senior Manager Compliance Advisory	21/07/2016	Head of Secured Credit	22/07/2016	Minor update to reflect new front office governance arrangements and more detail regarding Secured Loans and ABS
1.2	Senior Manager Compliance Advisory	15/09/2016	Best Execution Forum	05/09/2016	Addition to Geneva exclusion related to directed trading, cleared OTC taking priority and rationale removed from Secured Loans
1.3	Front Office Governance & Controls Manager	10/11/2017	Best Execution Forum	14/11/2017	Review of the policy and alignment to MiFID 2 requirements
1.4	Front Office Governance & Controls Manager	21/01/2019	Best Execution Committee	26/06/2019	Review of the Policy
1.5	Front Office Governance & Controls Manager	26/06/2020	Best Execution Committee	23/07/2020	Review of the Policy
1.6	Investment Compliance	00/04/2021	Best Execution Committee	00/04/2021	Review of the Policy

Appendix

A. Equities – Shares and Depositary Receipts

Approach

- Equity orders will normally be executed by our counterparties, through proper recognized venues utilized for that market. In achieving Best Execution, we will consider the Execution Factors identified in this Policy and permitted by applicable regulation.
- A fund manager, when placing a deal, may communicate their strategy, which allows the centralised trading desk to select the most appropriate execution process. The centralised trading desk is tasked with sourcing liquidity so all trades are dealt through regulated venues and markets. JHG's trading methods will include agency, net, execution-only, institutional crossing networks, programme trading, capital commitment, internal crossing and Algorithmic computer-based trading, but this list is not exhaustive.

Note: this section also applies to trading in Exchange Traded Funds (ETFs)

Execution factors

- **Price, size of trade and cost** will normally be the determining factors but other reasons may mean for example that certainty of completion takes priority.

MiFID II relevant information

Counterparties on which Janus Henderson Group places significant reliance (non-exhaustive)

- | | |
|---------------------------------|-------------------------|
| • Bank of America Merrill Lynch | • ITG |
| • Barclays I | • Jefferies |
| • Berenberg | • JP Morgan |
| • BIDS | • Liquidnet |
| • China International Group | • Macquarie Capital USA |
| • Citigroup | • Morgan Stanley |
| • CLSA | • Piper Sandler |
| • Cowen & Co. | • RBC Capital |
| • Credit Suisse | • Sanford Bernstein |
| • Exane BNP Paribas | • UBS Securities |
| • Fidelity | • Virtu America LLC |
| • Goldman Sachs | • Wells Fargo |
| • Instinet Nomura | • Luminex |

B. Debt Instruments – Bonds

Approach

- Fixed income orders will generally be directed by JHG to our counterparties or executed through an electronic trading platform or via telephone dealing facilities depending on the size and complexity of the order.
- When we trade in fixed income we will look to obtain a reasonable number of competitive quotes through our trading screens to ensure that we are obtaining the best price.
- A review of up to date information in the market on spreads and government bond prices is undertaken in order to determine the depth of liquidity in the relevant corporate bonds. A minimum of two counterparties are normally selected however, where there are liquidity constraints and we believe this might negatively affect the outcome, only one may be used.

Note: this section also applies to Exchange Traded Notes

Execution factors

Government and Corporate Bonds

- **Size of order, price and cost** will normally be the most significant factors; however execution speed or the lack of venues or counterparties offering the relevant instrument may mean that our investigation into price is not as varied as it might be in other circumstances.

MiFID II relevant information

Counterparties on which Janus Henderson Group places significant reliance (non-exhaustive)

- | | |
|---------------------------------|--------------------------|
| • Bank of America Merrill Lynch | • Liquidnet |
| • Barclays Capital | • Lloyds TSB Bank |
| • BNP Paribas | • Market Axess |
| • Citigroup | • Mizuho |
| • Credit Agricole CIB | • Morgan Stanley |
| • Credit Suisse | • Nomura |
| • Daiwa Securities | • Royal Bank of Canada |
| • Deutsche Bank | • Royal Bank of Scotland |
| • Goldman Sachs | • Societe Generale |
| • HSBC | • Stifel Nicolaus |
| • Hypovereinsbank | • UBS |
| • Jeffries | • Wells Fargo |
| • JP Morgan | |

Trading venues on which Janus Henderson Group places significant reliance (non-exhaustive)

- Tradeweb
- Market Axess
- Bloomberg

C. Debt Instruments – Money Market Instruments

Approach

- We instruct investments in Fixed Term Deposits (FTDs), call accounts and Certificates of Deposit (CDs) to diversify our risk away from our funds' operational custodial counterparties, and alongside Floating Rate Notes (FRNs) as an investment in their own right for our cash based funds. FTDs are typically dealt direct with our pre-approved deposit counterparty banks, whereas a selection of money market brokers provides access to CD market liquidity.
- The fund mandate dictates both the money market instruments (e.g. call accounts, FTDs and CDs) and the individual liquidity exposure period and the overall fund average exposure.
- JHG also maintains firm-wide counterparty exposure limits. For both pure investment strategies and other cash transactions, the relevant trade is chosen based on the best market rate available that also ensures adherence with exposure and diversification requirements. This can result in directing trades away from certain counterparties if our overall, or fund-specific, exposure to that counterparty is too high, even if the price or other terms offered by that counterparty might be the best available.
- Established trading practice with our counterparties is to obtain the rate applied to cash dealing and placements via a recorded telephone call or Bloomberg IB message. In either case, trading is subsequently affirmed by our outsourced back office operations, which enables separate control verification.

Execution factors

Money Market Instruments

- **Price and cost** will normally be the most significant factors; however, risk diversification may mean that our investigation into price is not as varied as it might be in other circumstances.

MiFID II relevant information

Counterparties on which Janus Henderson Group places significant reliance (non-exhaustive)

- ICAP Securities
- King & Shaxson
- BGC Partners
- Tradition
- Tullett Prebon Securities

D. Exchange-Traded Derivatives (ETD) – Options and Futures

Approach

- ETD orders will generally be directed by JHG to our counterparties or executed through an electronic trading platform or via telephone dealing facilities depending on the size and complexity of the order.
- When we build structured trades in instruments such as exchange traded options, we will look to obtain competitive quotes from other market participants to ensure that we are obtaining the best price. A minimum of two counterparties are normally selected however, where there are liquidity constraints and we believe this might negatively affect the outcome, only one may be used.

Execution factors

Equity, Emission Allowances, Commodity, Credit, Currency and Interest Rates Options and Futures admitted to trading on a trading venue

- **Price, cost and size of order** will generally be the most important factors when we trade ETDs. However other execution factors may be taken into account or, in exceptional circumstances, be considered the principal factor (e.g. if speed is essential, price and market impact may mean that the trade is carried out in circumstances where the price of a trade is impacted).

For example, when we build structured trades in instruments such as exchange traded options, whilst absolute and relative prices will normally be the most significant factors, execution speed, volume, market positioning, fund positioning, execution costs, risks, and liquidity will also be considered.

MiFID II relevant information

Counterparties on which Janus Henderson Group places significant reliance (non-exhaustive)

- Bank of America Merrill Lynch
- Barclays
- Citigroup
- Credit Suisse
- Deutsche Bank
- Exane BNP Paribas
- Goldman Sachs
- HSBC Securities
- JP Morgan
- Macquarie Capital USA
- Morgan Stanley
- R J O'Brien & Associates LLC
- Societe Generale
- UBS Securities
- Unicredit Capital

E. Over-The-Counter Derivatives (OTC) – Swaps, Forwards, Options, Warrants and Other OTC Derivatives

Approach

- OTC orders will generally be directed by JHG to our counterparties or executed through an electronic trading platform or via telephone dealing facilities depending on the size and complexity of the order.
- Derivatives traded OTC that are not guaranteed by a clearing agency and may be subject to increased credit risk of the counterparty. To mitigate such risk JHG only places such trades with approved counterparties for which a financial risk analysis has been conducted. Additionally, JHG mitigates such risk by entering into collateral agreements with such counterparties. Such mitigation controls may reduce the number of counterparties available to execute such trades.
- When we trade OTC, we will look to obtain competitive quotes from counterparties that we have sufficient legal agreements with to ensure that we are obtaining the best price. A minimum of two counterparties are normally selected however, where there are liquidity constraints and we believe this might negatively affect the outcome, only one may be used.
- JHG also maintains firm-wide counterparty exposure limits. This can result in directing trades away from certain counterparties if our overall, or fund-specific, exposure to that counterparty is too high, even if the price or other terms offered by that counterparty might be the best available.
- When trading cleared and non-cleared transactions (OTC) at the same time, we will typically prioritise cleared transactions due to the reduction of counterparty risk and the depth of liquidity.

Note: this section applies to cleared swaps as well.

Execution factors

Equity, Credit and Interest Rates Swaps, Forwards and other OTC Derivatives

- **Size of order, price and cost** will be generally the most important factors by which we consider how we trade in these instruments. However, other execution factors may be taken into account or, in exceptional circumstances, be considered the principal factor (i.e. if speed is essential, price and market impact may mean that the trade is carried out in circumstances where the price of a trade is impacted).

Emission Allowances and Commodity Swaps, Forwards and other OTC Derivatives

- **Price and cost** will be generally the most important factors by which we consider how we trade in these instruments. However, other execution factors may be taken into account or, in exceptional circumstances, be considered the principal factor (i.e. if speed is essential, price and market impact may mean that the trade is carried out in circumstances where the price of a trade is impacted).

Whilst absolute and relative prices will normally be the most significant factors when we build structured trades in these instruments, execution speed, volume, market positioning, fund positioning, execution costs, risks, and liquidity will also be considered.

MiFID II relevant information

Counterparties on which Janus Henderson Group places significant reliance (non-exhaustive)

- | | |
|----------------------------------|-----------------|
| • Australia and New Zealand Bank | • Citibank |
| • Bank of America Merrill Lynch | • Credit Suisse |
| • Barclays Capital | • Deutsche Bank |
| • BNP Paribas | • Goldman Sachs |
| • Commonwealth Bank of Australia | • HSBC |
| • Citadel | • JP Morgan |

Best Execution Policy

- Morgan Stanley
- Royal Bank of Canada
- Royal Bank of Scotland
- Societe Generale
- Standard Chartered
- State Street
- UBS
- Westpac

Trading venues on which Janus Henderson Group places significant reliance (non-exhaustive)

- Tradeweb
- Bloomberg

F. Foreign Exchange – Currency Forwards, Spots, Currency Swaps

Approach

- We instruct foreign exchange (FX) transactions primarily to hedge our exposure to different currencies or to allow transactions between currencies to take place, or to express directional investment views for the underlying fund. We will typically do this directly with a counterparty from a selection of banks which are approved for FX trading for the appropriate underlying fund.
- All possible trades are electronically dealt through an e-trading platform where up to 10 counterparties are selected to compete for each trade. We try and select the maximum possible number of banks to competitively quote for each trade. Where this results in fewer than 3 competitive quotes, available prices are checked against current market levels before executing. If there are liquidity constraints due to the size or market conditions where we believe putting trades in competition may negatively affect the outcome we may use a single counterparty who we believe is best placed to execute the trade. When the execution platform is restricted from sending non-deliverable forward (NDF) trades electronically to a single counterparty for execution, a trader may have to trade over the phone. The trader will obtain 3 competitive quotes from an approved list of banks where possible, and reference against current market rates.
- Certain FX transactions, such as share class hedging for certain funds or portfolios, will be outsourced to the third party administrators for the relevant fund or portfolio. In these circumstances, the service provided by the third party administrator will be overseen by JHG.
- FX trades are not guaranteed by a clearing agency and may be subject to increased credit risk of the counterparty. To mitigate such risk JHG only places such trades with approved counterparties for which a financial risk analysis has been conducted. Such mitigation controls may reduce the number of counterparties available to execute such trades.
- JHG also maintains firm-wide counterparty exposure limits. This can result in directing trades away from certain counterparties if our overall, or fund-specific, exposure to that counterparty is too high, even if the price or other terms offered by that counterparty might be the best available.

Execution factors

Currency Forwards, Spots, Currency Swaps

- **Price, size of the order and cost** will be generally the most important factors by which we consider how we trade in these instruments. However, other execution factors may be taken into account or, in exceptional circumstances, be considered the principal factor (i.e. if speed is essential, price and market impact may mean that the trade is carried out in circumstances where the price of a trade is impacted).

MiFID II relevant information

Counterparties on which Janus Henderson Group places significant reliance (non-exhaustive)

- | | |
|----------------------------------|--------------------------|
| • Australia and New Zealand Bank | • HSBC |
| • Bank of America Merrill Lynch | • JP Morgan |
| • Barclays Capital | • Morgan Stanley |
| • BNP Paribas | • Royal Bank of Canada |
| • Commonwealth Bank of Australia | • Royal Bank of Scotland |
| • Citadel | • Societe Generale |
| • Citibank | • Standard Chartered |
| • Credit Suisse | • State Street |
| • Deutsche Bank | • UBS |
| • Goldman Sachs | • Westpac |

Trading venues on which Janus Henderson Group places significant reliance (non-exhaustive)

- FX All
- FX Connect

G. Contracts for Difference

Approach

- CFD orders will be executed by our approved counterparties and communicated through electronic trading platforms or via telephone dealing facilities. In the US market, CFDs will be executed with the Financing Broker due to market convention (i.e. non give-up market).
- In achieving Best Execution, we will consider the reason for the order, the market or venue on which the instrument is available, the size of the order relative to the instruments availability (“liquidity”) and the specific instructions of the portfolio manager responsible for the trade. The Trader reviews the borrowing rates available from the financing broker.
- A ‘locate’ is secured from the broker for any CFD to be sold short.
- CFD trades are not guaranteed by a clearing agency and may be subject to increased credit risk of the counterparty. To mitigate such risk JHG only places such trades with approved counterparties for which a financial risk analysis has been conducted. Such mitigation controls may reduce the number of counterparties available to execute such trades.
- JHG also maintains firm-wide counterparty exposure limits. This can result in directing trades away from certain counterparties if our overall, or fund-specific, exposure to that counterparty is too high, even if the price or other terms offered by that counterparty might be the best available.

Execution factors

- **Price and cost** will normally be the determining factors but other reasons may mean for example that certainty of completion takes priority.

MiFID II relevant information

Counterparties on which Janus Henderson Group places significant reliance (non-exhaustive)

- | | |
|---------------------------------|------------------------|
| • ABG Sundal Collier | • ITG |
| • Bank of America Merrill Lynch | • Jefferies |
| • Barclays Capital | • JP Morgan |
| • BTIG | • Liquidnet |
| • Citigroup | • Macquarie |
| • CLSA | • Morgan Stanley |
| • Credit Suisse | • Royal Bank of Canada |
| • Deutsche Bank | • Redburn |
| • Exane - BNP Paribas | • Sanford Bernstein |
| • Goldman Sachs | • Societe Generale |
| • HSBC | • UBS |
| • Instinet - Nomura | |

H. Loans and Asset-Backed Securities

Approach

- When trading Loans and Asset-Backed Securities (ABS), whilst we always seek to have competing quotes, this may not always be possible. For example, when looking to invest, there may be only one offer in a particular ABS tranche given the large number of distinct transactions, each backed by separate and specific collateral pools. In such instances, we will use our expert judgement based upon comparable trading or bid/offer levels from similar securities that we can see in the market.
- It is standard ABS and Loans team practice to have discussion or written correspondence on the desk about the execution level when there are not any competing quotes available, and an email is typically circulated documenting the trade.

Execution factors

- **Price, likelihood of execution and settlement, and cost** will normally be the determining factors but other reasons may prevail depending on market conditions.

MiFID II relevant information

Counterparties in which Janus Henderson Group places significant reliance (non-exhaustive)

Secured Loans

- | | |
|---------------------------------|-------------------|
| • Bank of America Merrill Lynch | • HSBC |
| • Barclays Capital | • ING Bank |
| • BNP Paribas | • Jefferies |
| • Cantor Fitzgerald | • JP Morgan |
| • Citigroup | • Lloyds TSB Bank |
| • Commerzbank | • Morgan Stanley |
| • Credit Agricole | • Nataxis |
| • Credit Suisse | • Nomura |
| • Deutsche Bank | • Scotia Bank |
| • Goldman Sachs | • UBS |

Asset-Backed Securities

- | | |
|---------------------------------|-------------------|
| • Citigroup | • Santander |
| • JP Morgan | • HSBC |
| • Deutsche Bank | • Jefferies |
| • Goldman Sachs | • Credit Suisse |
| • BNP Paribas | • Credit Agricole |
| • Barclays Capital | • Wells Fargo |
| • Morgan Stanley | • DZ Bank |
| • Bank of America Merrill Lynch | |

I. Collective Investment Schemes

Approach

- Dealing terms in collective investment schemes will be dictated by the price available at the time at which we trade. This is normally obtained from the scheme issuer and is not normally comparable (i.e. there is only one price available at the time of trading). Typically, most of the relevant CIS trading is done at a certain time each day, as agreed with the relevant client.

Execution factors

- **Timing of execution, price and cost** will normally be the determining factors.

Venues in which Janus Henderson Group places significant reliance

- N/A – Scheme Issuer

Trading venues in which Janus Henderson Group places significant reliance

- N/A – Scheme Issuer.

J. Securities Financing Transactions (SFTs)

Approach

- A number of funds undertake securities lending activity which is managed by a lending agent. JHG entities may however be involved in specifying which securities are available for stock lending and may utilise the discretion of the portfolio manager to opt out of securities lending activity. The agency lending programme entitles the lending agent (JP Morgan Securities Services) to act as agent on behalf of its lending clients in order to generate revenues for those clients by lending their securities upon agreed terms with approved counterparties. The lending agent is selected based on a comprehensive due diligence process and reviewed periodically.

Execution factors

JP Morgan Securities Services disclose the following in relation to their Agent Lending Activities:

Price: J.P. Morgan will endeavour to generate a competitive return assessed across a client's portfolio of lendable assets (rather than on an individual transaction basis).

Costs: J.P. Morgan will take into account costs associated with execution (including costs to J.P. Morgan). These could include but are not limited to transaction costs and J.P. Morgan's capital costs.

Likelihood of execution: counterparties may be looking for certain trade attributes which can impact their ability to trade or impact trade pricing. These may include but are not limited to netting opinions, collateral and dividend status of a client.

Likelihood of settlement: if we become aware that a particular execution strategy may compromise likelihood of settlement, we may not pursue that strategy. This covers both settlement of the underlying loan/cash investment and the ability to settle client transactions e.g. sale of loaned securities.

Size: large transactions will be filled by clients that have the required number of securities/amount of cash or who are part of a pool of securities/cash that can facilitate that trade.

Venues in which Janus Henderson Group places significant reliance

- JP Morgan Securities Services as Lending Agent

K. Emission Allowances

Janus Henderson Group doesn't trade in emission allowances.

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