

**THE TERMS USED BUT NOT OTHERWISE DEFINED IN THIS NOTICE SHALL HAVE THE SAME MEANINGS AS THOSE DEFINED IN THE PROSPECTUS DATED 03 SEPTEMBER 2020 (THE “PROSPECTUS”). THE DIRECTORS ACCEPT RESPONSIBILITY FOR THE ACCURACY OF THIS NOTICE.**

**THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE INFORMATION CONTAINED IN THIS NOTICE, PLEASE CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, RELATIONSHIP MANAGER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

**JANUS HENDERSON FUND (the “Company”)  
Société d’Investissement à Capital Variable (SICAV)  
LUXEMBOURG  
RCS Luxembourg B077949**

04 March 2021

Dear Shareholder,

We are writing to inform you of certain changes we are making to the Company and the Funds, which are summarised below and will be effective as of **06 April 2021**, unless otherwise stated.

**For the avoidance of doubt, there is no change to the Funds’ risk profile, the composition of the Funds’ portfolios or the way the Funds are managed as a result of these changes.**

Please see “**Options Available To You**” below for further information on how to respond to this notice.

## **ADMINISTRATIVE AND OPERATIONAL CHANGES TO THE COMPANY**

### **1. Change of Registrar and Transfer Agent**

With effect from **06 April 2021**, International Financial Data Services (Luxembourg) S.A. will be appointed Registrar and Transfer Agent of the Company, in replacement of RBC Investor Services Bank S.A.

**Please see Appendix 1 for further details including the options available to you on how to respond to this change.**

### **2. Changes to the Share Class Names of the Funds**

With effect from **06 April 2021**, the naming convention for the share classes in the Funds will be changed to enable Shareholders to identify the distribution policy, distribution frequency, hedging policy and currency of the relevant Share Classes.

**Please see Appendix 2 for further details including the options available to you on how to respond to this change.**

### **3. Changes to the Performance Fee Calculation Methodology**

In April 2020, the European Securities and Markets Authority (ESMA) published its final report (in English) regarding guidelines on performance fees in UCITS (the “Guidelines”). The Guidelines aim to establish a common standard in relation to performance fee structures across the investment management industry, with the aim of providing consistent and transparent disclosures to investors, as well as providing greater clarity on the circumstances in which performance fees may be paid. In order to comply with the Guidelines, the Directors and the

**Janus Henderson Fund**  
2 Rue de Bitbourg, L-1273 Luxembourg  
T +352 26 15 06 1 F +352 26 89 35 35

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Management Company have reviewed the Company's performance fee calculation methodology and proposed changes to it. The relevant changes will be disclosed in the Prospectus on **06 April 2021**, while the changes will be effective from **01 October 2021**.

**Please see Appendix 3 for further details including the options available to you on how to respond to these changes.**

#### **4. Introduction of new 'Dealing Day' Definition**

Currently, subscription, redemption or switching of Shares in a Fund may be made on any Business Day (which is defined in the Prospectus as a bank business day in Luxembourg unless otherwise stated). For a deal placed before the Dealing Cut-Off on a Business Day, the 'Dealing Day' is that Business Day; for a deal placed after the Dealing Cut-Off on a Business Day, the 'Dealing Day' is the following Business Day, provided that dealing has not been suspended, in which case the 'Dealing Day' will be the Business Day immediately after dealing has recommenced, as further specified under the heading "Suspension of Issue, Switches and Redemptions of Shares" in the section headed "Buying, Redeeming, Switching and Transferring Shares" of the Prospectus. Any suspension of dealing in such circumstances will be notified to the Shareholders of the relevant Fund(s) immediately following the Directors' decision to suspend dealing and at least once a month during the period of suspension.

In addition, where it is considered in the best interests of Shareholders of the relevant Fund to do so, the Directors may, having consulted the Depositary of the Company, exercise discretion to declare non-dealing days during which dealing will be suspended. For example, if the underlying market(s) of a Fund are closed for dealing for an extended period due to public holidays, such public holidays may be declared as non-dealing days. Shareholders of the relevant Fund will be notified in advance of the relevant non-dealing days in such circumstances by way of a written notice. All dealing requests received after the Dealing Cut-Off on the last Business Day immediately before the suspension period or during the suspension period will be held over and processed on the Business Day immediately after dealing has recommenced.

With effect from **06 April 2021**, we are introducing a new "Dealing Day" definition into the Prospectus to allow flexibility for the Management Company to declare non-dealing days for the Funds where it will be in the best interests of Shareholders of the relevant Fund without separate notification to the Shareholders of the relevant Funds in circumstances other than as specified under the heading "Suspension of Issue, Switches and Redemptions of Shares" in the section headed "Buying, Redeeming, Switching and Transferring Shares" of the Prospectus.

For example, the Management Company may declare a non-dealing day for a Fund when a significant portion of the Fund's portfolio becomes exposed to restricted or suspended dealing due to public holiday(s) in the underlying market(s), and as such, the Investment Manager's ability to accurately value the relevant Fund's underlying assets and thereby price the relevant Fund may be inhibited.

The Management Company believes that declaring non-dealing days in such circumstances will be in the best interests of Shareholders as it aligns dealings in a Fund when the relevant underlying market(s) are open for dealings by the Fund, therefore allowing Shares in the relevant Fund to be dealt with at a price more reflective of the value of the relevant Fund's underlying assets.

As a result, Shareholders will not be able to redeem or switch Shares or subscribe for further Shares on a non-dealing day declared by the Management Company for the relevant Fund (even if it is a Business Day). The net asset value of the relevant Fund will also not be calculated on a non-dealing day. Any dealing requests received on a non-dealing day will be processed on the following Dealing Day. However, there is no impact on the subscription, redemption or switching requests in respect of the relevant Fund received on a Dealing Day which will be processed in accordance with the normal procedures set out in the Prospectus. Calculation of

the net asset value of the relevant Fund on a Dealing Day will be conducted in accordance with the normal valuation rules and procedures set out in the Prospectus.

The schedule of expected non-dealing days for the relevant Funds will be available in the 'Document Library' on the website [www.janushenderson.com](http://www.janushenderson.com) from the date of this notice and will be updated at least semi-annually and in advance of the relevant non-dealing days shown in the schedule. Please note the schedule may also be updated from time to time. As mentioned above, Shareholders of the relevant Funds will not be separately notified of the non-dealing days shown in the schedule. For the avoidance of doubt, any suspension of dealing in the circumstances specified in the Prospectus will be notified to the Shareholders of the relevant Fund(s) immediately following the Directors' decision to suspend dealing and at least once a month during the period of suspension.

**Please note we are not changing the Funds' risk profile, the composition of the Funds' portfolios or the way the Funds are managed as a result of the new 'Dealing Day' definition.**

**Options available to you concerning the introduction of a new 'Dealing Day' definition**

- If you agree with the above change, you do not need to take any action.
- If you do not agree with the above change, you may, at any time prior to 06 April 2021, redeem your Shares in the Funds without any redemption charges. Redemptions will be carried out in accordance with the terms of the Prospectus.

**5. Change of Securities Lending Agent**

With effect from **06 April 2021**, J.P. Morgan Bank Luxembourg S.A. will be appointed as the Securities Lending Agent of the Company, in replacement of BNP Paribas Securities Services, London Branch.

**Please see Appendix 4 for further details including the options available to you on how to respond to this change.**

**6. Updates to Disclosures relating to Securities Financing Transactions and of Reuse (SFTR), Collateral Management Policy for Securities Lending and OTC derivatives and Counterparty Ratings Disclosures**

We wish to draw to your attention changes to certain Company policies detailed in the Prospectus that will be implemented from **06 April 2021**.

**Please see Appendix 5 for further details including the options available to you on how to respond to these updates.**

**CHANGES/CLARIFICATIONS TO THE FUNDS**

**7. Changes to the Janus Henderson Fund - United Kingdom Absolute Return Fund**

With effect from **06 April 2021** the name of the Fund will change to Janus Henderson Fund – Absolute Return Fund.

The UK market is fundamentally international in its composition, with less than 25% of revenues originated from domestic sources. Since 2016, the Fund has also had the scope to invest up to 40% of its net asset value in non-UK assets (primarily in US or European equities). So, while the Fund will retain its predominant exposure to UK assets on the London Stock Exchange, the change of name is intended to better reflect its broader underlying investment universe and provide greater clarity for both existing Shareholders and those considering the strategy for their portfolio.

The Fund's investment policy will also be enhanced to clarify the Fund's existing investment policy on 06 April 2021.

A comparison of the Fund's current and revised Prospectus investment policy wording will be available on our website [www.janushenderson.com](http://www.janushenderson.com) on or around **06 April 2021**.

**Please note we are not changing the risk profile, the composition of the Fund's portfolio or the way the Fund is being managed as a result of these clarifications. You do not need to take any action in response to these clarifications.**

## 8. EU Sustainable Finance Disclosure

The European Parliament and European Council has introduced new regulations for the investment management industry to establish a framework to facilitate sustainable investment. In particular, the EU Sustainable Finance Disclosure Regulation ("SFDR") stipulates that firms are now required to introduce sustainability-related disclosures in fund documentation in order to provide further information for investors on how investment managers consider sustainability risks in their investment decisions, and the likely impact on investment returns. Factors which are considered under sustainability broadly include environmental, social and governance ("ESG") matters.

In order to meet the SFDR requirements, the Prospectus will be updated to include additional disclosures stating that, while the analysis of ESG factors is an integral component across the Investment Manager's investment capabilities, and one of a number of inputs to the selection of investments and portfolio construction, the investment processes for the Funds are primarily designed to maximise long-term risk-adjusted returns for investors. Therefore, in managing the Funds, the Investment Manager does not maximise portfolio alignment with sustainability risks as a separate goal in its own right, nor does it precisely attribute the impact of ESG factors on returns for the relevant Fund.

**Please note that the relevant updates are for enhancement of disclosures only. You do not need to take any action in response to these clarifications.**

### OPTIONS AVAILABLE TO YOU

If you agree with the above changes, you do not need to take any action in response to this notice.

If you do not agree with the above changes, you may, at any time prior to **06 April 2021**, unless otherwise stated in the relevant appendix or summary, switch or redeem your Shares in the Funds without any charges. Switches and redemptions will be carried out in accordance with the terms of the Prospectus.

#### How to switch or redeem your Shares, should you choose to do so

Any instruction to switch or redeem your Shares should be sent to the Registrar and Transfer Agent via the contact details provided below:

Prior to **06 April 2021**:

*Registrar and Transfer Agent*  
RBC Investor Services Bank S.A,  
14, Porte de France,  
L-4360 Esch-sur-Alzette,  
Grand Duchy of Luxembourg  
Telephone number: (352) 2605 9601  
Fax number: (352) 2460 9937

From **06 April 2021**:

Registrar and Transfer Agent  
International Financial Data Services (Luxembourg) S.A,  
Bishops Square  
Redmond's Hill  
Dublin 2  
Ireland  
Telephone number: +353 1 242 5453  
Fax number: +353 1 562 5537

A switch or redemption of your Shares may affect your tax position. You should therefore seek guidance from a professional adviser on any taxes that apply in the country of your respective citizenship, domicile or residence.

Please note that the Directors have discretion to apply a dilution adjustment to reflect more fairly the value of the investments in circumstances the Directors consider appropriate, with the view to protecting the interests of remaining Shareholders. Any dilution adjustment will be applied in accordance with the provisions of the Prospectus and may lower the proceeds that you receive from the sale of your Shares in the case of redemption or the value of your Shares in the case of switching.

If you choose to redeem your Shares in the Fund, we will pay the redemption proceeds to you in accordance with the provisions of the Prospectus, except that we will not impose any fee (except for any dilution adjustment, described above) if you redeem because of the changes described in this notice.

We may require documentation to verify or update your identity if we do not already hold it. We may delay payment until we receive such verification. We will normally make payment in accordance with the standing instructions we hold on file. If you have changed your bank account and not informed us, please confirm your up-to-date details in writing to Registrar and Transfer Agent at the address provided above.

If you choose to switch your Shares to a holding in a different Fund, then we will use the proceeds to purchase Shares in the Fund(s) you specify at the share price applicable to that Fund in accordance with the provisions of the Prospectus except that we will not impose any fee (except for any dilution adjustment, as described above) if you switch because of the changes described in this notice.

**If you are in any doubt about the action to be taken, please seek advice from your stockbroker, bank manager, solicitor, accountant, relationship manager or other professional adviser.**

**How to contact us**

If you have any questions, please contact the Registrar and Transfer Agent, using the details above. Investors may obtain the Prospectus, the Key Investor Information Documents ("KIID"), the Articles, as well as the annual and semi-annual reports of the Company, free of charge from the registered office and at [www.janushenderson.com](http://www.janushenderson.com).

For Swiss investors, BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich is the Swiss representative and paying agent of the Company. The Prospectus, the KIIDs, the Articles, as well as the annual and semi-annual reports of the Company, may be obtained free of charge from the Swiss representative and paying agent.

For German investors, J.P. Morgan AG, Junghofstrasse 14, 60311 Frankfurt am Main, Germany is the Paying and Information Agent, where the relevant prospectuses and key investor information, the Articles of Association and the annual and semi-annual reports are available free of charge.

For the Belgian investors, CACEIS Belgium S.A., avenue du Port 86 C b320, B-1000 Bruxelles, Belgique is the intermediary in charge of the financial service in Belgium. The KIID (in English and French), the Prospectus, the Articles of association and the annual audited accounts and report (in English) of the Company can be obtained at the registered seat of the Company, and the intermediary in charge of the financial service in Belgium.

Yours faithfully,



**Kevin Adams**  
**Chairman**

**Appendix 1  
Change of Registrar and Transfer Agent**

International Financial Data Services (Luxembourg) S.A. (“IFDS Luxembourg”) will be appointed as the Registrar and Transfer Agent of the Company, in replacement of RBC Investor Services Bank S.A., with effect from **06 April 2021**.

The appointment of IFDS Luxembourg follows a comprehensive review of our third-party servicing arrangements. By making this change, Janus Henderson Group aims to deliver a more streamlined and efficient service for clients, with greater consistency across fund ranges and jurisdictions by minimising the differences between Janus Henderson Group’s Luxembourg and Irish based fund ranges in terms of client experience.

On the basis that the Funds will also benefit from a cost reduction as a result of moving to IFDS Luxembourg, the costs of implementing the transfer of services to IFDS Luxembourg will be shared between Janus Henderson Group and the Funds.

Allocation of costs will be based on the proportional benefits to the Funds, amortised over 2 years. Such costs are non-material by reference to the Funds’ net asset value and will not have a material impact on the fees and expenses incurred by the Funds.

**Consequential Administrative Changes**

Throughout the transition to IFDS Luxembourg we will seek to minimise disruption to Shareholders. However, please note that from 06 April 2021 the following consequential administrative changes will occur:

<b>New account number</b>	You will be given a new account number to replace your existing register number. Details of your new account number will be provided to you shortly after 06 April 2021.
<b>New contact details</b>	There will be <u>new contact details for the Registrar and Transfer Agent</u> .  From <b>06 April 2021</b> , Shareholders should use the details below:  International Financial Data Services (Luxembourg) S.A, Bishops Square Redmond’s Hill Dublin 2 Ireland Telephone: +353 1 242 5453 Fax Number: +353 1 562 5537
<b>Changes to settlement period for redemption proceeds dispatched in Japanese Yen or Singapore Dollars</b>	The current settlement period for redemption proceeds dispatched in Japanese Yen or Singapore Dollars is ‘up to the fourth (4th) Business Day after the applicable Dealing Cut-Off’ due to differing time zones.  From 06 April 2021, redemption proceeds Japanese Yen or Singapore Dollars will be dispatched up to the third (3rd) Business Day after the applicable Dealing Cut-Off. Where there is a local bank or legal holiday(s) occurring in the country of the relevant payment currency within the settlement cycle, the settlement day will be up to the third (3rd) banking business day in that country after the applicable Dealing Cut-Off.
<b>Removal of de minimis on distribution payments for all Distribution Share Classes</b>	Currently, save for Sub-class 4 and Sub-class 5 Shares, all distributions to the value of less than USD50 or the equivalent in the relevant Base Currency of the Fund will be automatically reinvested for the account of the Shareholder. This de minimis will be removed such that all distributions in respect of all Distribution Share Classes regardless of value will be declared and paid to the relevant Shareholder.

<b>Settlement date amendment</b>	The settlement date relating to any subscriptions, redemptions and/or switches will no longer be delayed if there is a local bank or legal holiday(s) occurring in the country of the relevant payment currency within the settlement cycle. For all Funds, the settlement day will be up to the third (3rd) Business Day after the applicable Dealing Cut-Off in relation to the purchase, redemption or switching of Shares.
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Please note that the personal data or other information you have provided in connection with an application to subscribe for the Shares in a Fund (and at any other time during the business relationship with the Fund) may be processed by IFDS Luxembourg outside of the European Economic Area including in countries such as Canada and India. If you would like to know more about how we process your personal information and what your rights are, please read our Privacy Policy at [www.janushenderson.com](http://www.janushenderson.com).

Further comprehensive details of the arrangements with IFDS Luxembourg, including how you can interact with them and revised bank account details will be available via a document entitled 'Keeping you in the Picture' on our website, [www.janushenderson.com](http://www.janushenderson.com) or upon.

**Options available to you**

- If you agree with the above change, you do not need to take any action.
- If you do not agree with the above change, you may, at any time prior to **06 April 2021**, redeem your Shares in the Funds without any redemption charges. Redemptions will be carried out in accordance with the terms of the Prospectus.



**Appendix 2**  
**Changes to the Share Class Names of the Funds**

With effect from **06 April 2021**, we are changing the naming convention of the Share Classes in the manner set out below. The new Share Class names will enable Shareholders to identify the distribution policy, distribution frequency, currency hedging policy and currency of a Share Class by reference to the following sub-classifications:

<b>Share Class*</b>	<b>Distribution Policy**</b>	<b>Distribution Frequency</b>	<b>Currency hedging</b>	<b>Currency</b>	
<b>A</b> (previously R) <b>F</b> <b>H</b> <b>S</b> <b>X</b> (previously B) <b>E</b> <b>G</b> <b>I</b> <b>P</b> <b>Z</b>	Distribution: <b>1</b> Accumulation: <b>2</b>	Bi-annual: <b>s</b> Quarterly: <b>q</b> Monthly: <b>m</b>  <b>Annual:</b> identifiable by the absence of the distribution frequency sub-classification	Hedged Share Class: <b>H</b>  <b>Unhedged Share Class:</b> identifiable by the absence of the sub-classification	<b>EUR</b> <b>YEN</b> <b>GBP</b> <b>USD</b> <b>SGD</b> <b>CHF</b> <b>BRL</b> <b>NOK</b>	Euro Japanese Yen Sterling US Dollars Singapore Dollars Swiss Franc Brazilian Real Norwegian Krone

Please see below example of the impact of this change:

**Current**

Janus Henderson Continental European Fund Class R\$ Dist (hedged)

**New**

Janus Henderson Continental European Fund Class A1 HUSD

A mapping table confirming each new share class name is available at [www.janushenderson.com](http://www.janushenderson.com) or upon request from your usual Janus Henderson contact. Shareholders are kindly invited to refer to such table in order to become aware of the changes applicable to the Share Class(es) held by them.

**Notes**

**\* Share Class name changes:**

- Class R Shares will be renamed Class A Shares
- Class B Shares will be renamed Class X Shares

**\*\* Distribution policy updates:**

- Dividend Distribution Shares will be renamed from “Dist” to “1”. There is no change to the way in which your distribution is calculated or received.
- Dividend Accumulation Shares will be renamed from “Acc” to “2”. There is no change to the way in which your accumulated income is calculated or reflected in the Net Asset Value per Share of the Share Class concerned.

**Please note we are not changing the Funds’ risk profile, the composition of the Funds’ portfolios or the way the Funds are managed as a result of these updates. You do not need to take any action in response to these changes.**

### Appendix 3 Changes to the Performance Fee Calculation Methodology

The Company's performance fee calculation methodology for all B, E, F, G, H, I, R and S Share Classes of the Janus Henderson Fund - United Kingdom Absolute Return Fund, the Janus Henderson Fund - Global Equity Market Neutral Fund and the Janus Henderson Fund - Global Multi-Strategy Fund (the "Relevant Share Classes") will be changed with effect from **01 October 2021**.

In April 2020, European Securities and Markets Authority (ESMA) issued their Final Report (in English) on 'Guidelines on performance fees in UCITS and certain types of AIFs' (the "Guidelines"). The Guidelines aim to establish a common standard in relation to performance fee structures across the investment management industry, with the aim of providing consistent and transparent disclosures to investors, as well as providing greater clarity on the circumstances in which performance fees may be paid. In particular, the Guidelines aim to ensure that performance fee models used by investment managers comply with the following principles:

- acting honestly and fairly in conducting business activities;
- acting with due skill, care and diligence, and in investors' best interests; and
- preventing undue costs being charged to investors.

In response to these Guidelines, the Management Company has conducted a comprehensive review of the Company's existing performance fee calculation methodology and proposed certain changes, not only to comply with the Guidelines, but to also reflect developments and best industry practice regarding performance fee methodologies (the "New Methodology").

The Directors have reviewed the proposal in detail and believe the New Methodology is appropriate. The New Methodology disclosure will be available in the Prospectus from **06 April 2021** and will take effect from **01 October 2021**. Please note that the New Methodology remains based on a High Water Mark principle – where the Relevant Share Class' performance reference period is equal to its whole life and cannot be reset – so performance fees cannot be accrued or paid more than once for the same level of outperformance.

There is no change to the Performance Fee rate (20% of the outperformance of the Share Class relative to the Hurdle NAV, subject to the High Water Mark) payable by the Relevant Share Classes as a result of the New Methodology.

#### **Summary of the Key Changes in the New Methodology**

The New Methodology is intended to:

- better align the interests of Shareholders with the Investment Manager, with Shareholders paying a performance fee more in line with the performance that they have experienced;
- reduce certain distortions to the Performance Fee accrual that can arise from large subscriptions and redemptions;
- minimise the need for manual intervention to the performance fee calculation to avoid potential conflicts of interest between Shareholders and the Investment Manager;
- provide more transparency and clarity to Shareholders on how the model works and the circumstances under which a performance fee is payable.

Certain differences of the New Methodology are highlighted below, ahead of the new disclosure being available:

- Crystallisation of performance fee (meaning the point at which any performance fee becomes payable to the Investment Manager) may occur on any net redemption on a Dealing Day and at the end of each Performance Period (which will be referred to as "Crystallisation Period" under the New Methodology) – Crystallisation currently only occurs on any gross redemption on a Dealing Day and at the end of each Performance Period;

- The Performance Period (which will be referred to as “Crystallisation Period” under the New Methodology) will be the 12 month period starting 1 October and ending 30 September the following year – this is currently three calendar months at the end of March, June, September and December, except for Janus Henderson Fund - Global Multi-Strategy Fund whose Performance Period is already 12 months.

**Options available to you**

- If you agree with the above changes, you do not need to take any action.
- If you do not agree with the above changes, you may, at any time prior to **30 September 2021**, switch or redeem your Shares in the Funds without any charges. Switches or redemptions will be carried out in accordance with the terms of the Prospectus. **Please note that crystallisation of a performance fee may occur if you switch to another Fund or redeem, where relevant conditions of the current performance fee methodology are met.**

#### Appendix 4 Change of Securities Lending Agent

J.P. Morgan Bank Luxembourg S.A (“JPM”) will be appointed as the Securities Lending Agent of the Company, in replacement of BNP Paribas Securities Services, London Branch (“BPSS”), with effect from **06 April 2021**.

The appointment of JPM follows a comprehensive review of Janus Henderson Group’s third-party servicing arrangements. Following an extensive due diligence process, JPM has been appointed based on increased revenue potential from securities lending for the benefit of the Funds (as described below) and their more comprehensive securities lending programme offering in terms of global reach, dedicated servicing and number of borrowers within their programme. By making this change, Janus Henderson Group also aims to deliver a more streamlined and efficient service for clients, with greater consistency across fund ranges and jurisdictions by minimising the differences between our Janus Henderson Group’s Luxembourg and Irish based fund ranges in terms of client experience.

The change of Securities Lending Agent will result in an increase of the portion of the securities lending revenue that is retained by the Funds from 85% to 92%\*, with a maximum of 8% being retained by JPM to cover the direct and indirect costs of running the lending programme and providing the requisite operational and collateral infrastructure, plus the compliance and risk oversight. The additional availability of the cash collateral management services within the JPM programme provides increased revenue opportunities for the Funds that are not currently available with BPSS.

*\* Please note, JPM charges a fee of up to 0.05% of the reinvested cash collateral for its cash collateral management services. This fee is deducted from the cash collateral reinvestment return before any securities lending revenue is then apportioned between the relevant Fund and JPM.*

As a result of the above appointment, there will be changes to the Fund’s collateral management policy to reflect the way JPM will be running the securities lending programme for the Company. These changes are set out in Appendix 5 - ‘Updates to Disclosures relating to Securities Financing Transactions and of Reuse (“SFTR”), Collateral Management Policy for Securities Lending and OTC derivatives and Counterparty Ratings Disclosures’.

For the avoidance of doubt, there is no change to the maximum proportion (i.e. 50%) and maximum expected proportion (i.e. 30%) of the Funds’ net asset value which may engage in securities lending as currently disclosed in the Prospectus.

##### **Options available to you**

- If you agree with the above change, you do not need to take any action.
- If you do not agree with the above change, you may, at any time prior to **06 April 2021**, redeem your Shares in the Funds without any redemption charges. Redemptions will be carried out in accordance with the terms of the Prospectus.

**Appendix 5**  
**Updates to Disclosures relating to Securities Financing Transactions and of Reuse (“SFTR”), Collateral Management Policy for Securities Lending and OTC derivatives and Counterparty Ratings Disclosures**

The table below summarises the change in the Funds’ use of securities financing transactions and updates to the Company’s policies in respect of (i) collateral management and (ii) counterparty selection in terms of credit rating assessments, in relation to securities financing transactions and over-the-counter (“OTC”) derivatives in which the Funds may engage in accordance with their investment policies.

**Please note there is no change to the Funds’ risk profile, the composition of the Funds’ portfolio or the way the Funds are managed as a result of these updates.**

<b>Securities Financing Transactions</b>	
<b>Current</b>	The Company and the Funds are not involved in, and do not enter into repurchase or reverse repurchase transactions.
<b>With effect from 06 April 2021</b>	<p>The Funds will not enter into reverse repurchase transactions (as a buyer) other than those that may be entered into by the Securities Lending Agent on behalf of the Funds for reinvestment of cash collateral.</p> <p>The Funds will continue to not enter into repurchase transactions (as a seller).</p> <p>For the avoidance of doubt, the Funds may continue to engage in securities lending and total return swaps as currently disclosed in the Prospectus.</p>
<b>Collateral management policy - Reuse and reinvestment of collateral for securities lending</b>	
<b>Current</b>	<p>Cash can be posted and may be accepted as collateral. If cash collateral is received, it may not be reinvested.</p> <p>Non-cash collateral may not be re-used by the Company.</p>
<b>With effect from 06 April 2021</b>	<p>Non-cash collateral received will not be sold, re-invested or pledged.</p> <p>Cash collateral received may only be reinvested in the following ways:</p> <ul style="list-style-type: none"> <li>- Placed on deposit with eligible credit institutions;</li> <li>- invested in high-quality government bonds;</li> <li>- used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis; or</li> <li>- invested in eligible short-term money market funds.</li> </ul> <p>Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral.</p>
<b>Collateral management policy - Reuse and reinvestment of collateral for OTC derivatives (including Total Return Swaps)</b>	
<b>Current</b>	<p>Cash can be posted and may be accepted as collateral. If cash collateral is received, it may not be reinvested.</p> <p>Non-cash collateral may not be re-used by the Company.</p>
<b>With effect from 06 April 2021</b>	<p>Non-cash collateral received will not be sold, re-invested or pledged.</p> <p>Cash collateral received may only be reinvested in the following ways:</p>

	<ul style="list-style-type: none"> <li>- placed on deposit with eligible credit institutions;</li> <li>- invested in high-quality government bonds;</li> <li>- or invested in eligible short-term money market funds.</li> </ul> <p>Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral.</p>
<b>Collateral management policy - Haircuts for Securities Lending</b>	
<b>Current</b>	The margin applied to collateral transactions will range from <b>102.5% to 110%</b> of the value of securities on loan (depending on the combination of securities on loan and the type of collateral received).
<b>With effect from 06 April 2021</b>	The margin applied to collateral transactions will range from <b>102% to 110%</b> of the value of securities on loan (depending on the combination of securities on loan and the type of collateral received).
<b>Counterparty Selection - Counterparty Ratings</b>	
<b>Current</b>	Counterparties will <b>normally</b> carry a minimum “A” rating from at least one of Fitch, Moody’s and Standard & Poor’s.
<b>With effect from 06 April 2021</b>	<p>Counterparties will typically have a minimum <b>investment grade</b> long-term credit rating (i.e. BBB- or higher by Standard &amp; Poor’s, Baa3 or higher by Moody’s, BBB- or higher by Fitch).</p> <p>Please note the minimum long-term credit rating requirement as stated in the Prospectus is subject to change, in which case the Prospectus will be updated accordingly at the next available opportunity.</p> <p>All counterparties will continue to be subject to approval and review by the Investment Manager’s Counterparty Risk Committee and comply with all eligibility requirements including the prudential rules considered by the CSSF as equivalent to EU prudential supervision rules.</p>

**Options available to you**

- If you agree with the above changes, you do not need to take any action.
- If you do not agree with the above changes, you may, at any time prior to **06 April 2021**, redeem your Shares in the Funds without any redemption charges. Redemptions will be carried out in accordance with the terms of the Prospectus.