

# **Janus Henderson Preference & Bond Fund Scheme of Arrangement proposal information pack**

23 February 2021

**This information pack is important and requires your immediate attention. It includes formal notice of an extraordinary general meeting of investors.**

If, after reading this document, you wish to exercise your rights under it, you are requested to complete and return the enclosed voting form by post or, if details have been provided in the covering letter, online no later than 9:15 a.m. on 9 March 2021.

You should consult a professional adviser if you require any assistance in assessing the options set out in this information pack.

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# Part A

## Notification to investors

① In this section capitalised terms have the meanings set out in the Glossary

### Opportunity to move your investment from your Current Fund to the Receiving Fund

You are invested in the Janus Henderson Preference & Bond Fund (the/your '**Current Fund**'). We are writing to offer you the opportunity to move your holdings in your Current Fund into the Janus Henderson Fixed Interest Monthly Income Fund (the '**Receiving Fund**') as part of a scheme of arrangement (the '**Scheme**') and to set out the options you have and the actions you may need to take.

Investors will have the opportunity to vote on the proposal at an extraordinary general meeting (the '**EGM**') by completing the attached Voting Form or voting online if details have been provided.

Please read this information pack carefully, it provides full details of the proposal. If there is anything about which you are uncertain, we recommend you should consult a financial adviser.

#### Reasons for the proposed Scheme

As part of our continued review of our fund range, we have identified a considerable overlap with the main features of the Current Fund and the Receiving Fund (these are set out in more detail in Part C). Both Funds invest across a broad spectrum of bonds and over time the portfolios have become increasingly aligned as they are managed by the same portfolio management team. We therefore believe that it is appropriate to merge the Funds in order to simplify our range of UK domiciled funds.

We do not believe that the Scheme will change the existing risk profile for Shareholders in the Current Fund.

#### Terms of the proposal

Should the proposal be approved by investors, your Current Shares will be exchanged for New Units in the Receiving Fund on 18 March 2021 (the 'Effective Date'). Following this, a letter confirming your new holding will be sent to you within 14 business days of the Effective Date. Your holding in the Receiving Fund will have the same value immediately post-Scheme, although the number of shares held will differ owing to the price differences between the funds. Janus Henderson will pay all of the

administrative costs of implementing the proposal and we do not expect any additional transaction costs resulting from the Scheme (if approved by Shareholders).

This information pack sets out the full terms of the proposed Scheme, details of the procedure by which the Scheme will be carried out and the action you should take.

### **Your vote counts**

Your vote is important, and we urge you to participate in the EGM. In order for the Scheme to be approved, the proposal requires at least 75% of the votes cast at the Extraordinary General Meeting (EGM) to be held on 11 March 2021 to be in favour. So it is important that you exercise your right to vote. We recommend that you read the contents of this pack carefully as it explains how the Scheme will affect you.

It is important that you complete and return the enclosed Voting Form. You can return this to us using the reply-paid envelope provided to Henderson Investment Funds Limited, c/o Corporate Mailing Solutions Limited, Unit 4b, Chelmsford Road Industrial Estate, Great Dunmow, Essex CM6 1HD United Kingdom or alternatively you can vote on-line using the log in details and password, if these have been provided in the covering letter.

Your Voting Form must arrive by post or be completed on-line no later than 9:15 a.m. on 9 March 2021.

If you are uncertain as to how to respond to this document, you should consult a professional adviser. If you have any queries concerning the proposed Scheme, please contact us using the details provided in the covering letter.

Yours faithfully,



Anita Nielsen  
Head of Fund Operations (Europe & Asia Pacific)  
For and on behalf of  
Henderson Investment Funds Limited

# Part B

## Details of the proposal

**i** In this section capitalised terms have the meanings set out in the Glossary

### Why we are proposing the Scheme of Arrangement

As part of our continued review of our fund range, we have identified considerable overlap with the main features of the Current Fund and the Receiving Fund (further details are provided in Part C). Both Funds invest in a broad range of bonds of varying quality. They have a high commonality of investments which means the key risks and the past performance of the two funds are similar. Looking at the top 10 holdings of the funds, their sector breakdowns and the credit rating breakdown of the investments (as regularly reported on the fund's factsheets) shows this similarity. The funds also both have the same performance target, to outperform the IA Sterling Strategic Bond Sector average after the deduction of charges, over any 5 year period.

The Receiving Fund does have a more income focussed objective, as indicated by the name. However, as part of the Scheme we will be making available new income unit classes that will continue to offer quarterly distributions (to match the distribution frequency of all Current Shares). If the Scheme goes ahead then, in the future, investors may switch between quarterly and monthly distributing income classes, a facility that we think investors may find appealing.

The funds both have the same synthetic risk and reward indicator (SRRI) number – 4 out of 7, as shown on the Key Investor Information Documents (KIIDs). This indicates that, on a scale of 1 to 7, with 7 being the higher risk and potentially higher reward, the funds have shown greater and/or more frequent variations in net asset value over the past 5 years than those in lower categories. The funds both have the same management fees and the ongoing charges are also very similar.

Given these similarities we therefore believe that it is appropriate to merge the Funds in order to simplify our range of UK domiciled funds. A comparison of the features of your Current Fund and the Receiving Fund is set out in Part C, including their objectives, policies and operating costs.

### Your options

*If you are an Investor, you have a right to vote on the proposal for the Scheme as long as you still hold Current Shares on 16 February 2021. You can also exercise any of the options set out below at any time. However, you may wish to wait for the outcome of the vote before you decide.*

*Please note that Janus Henderson makes no recommendation as to whether or not you should exercise any of your options. You may wish to consider your options in consultation with a professional adviser.*

We also recommend that you read and understand the Key Investor Information Document (KIID) for the Receiving Fund which is available from the document library on our website ([www.janushenderson.com](http://www.janushenderson.com)) or is available upon request from us via the contact details provided in the covering letter.

**Option 1: Take no further action.** If you take no further action, and the Scheme is approved, you will receive New Units in the Receiving Fund. Alternatively, if the Scheme is not approved, you will continue to hold your Current Shares.

**Option 2: Switch your investment into another Janus Henderson fund.** You are entitled to switch your Current Shares for shares/units in another Janus Henderson UK-domiciled fund, free of any charges should you not wish to proceed with the Scheme.

- *Janus Henderson ISA Investors*  
If you hold Current Shares through a Janus Henderson ISA, switching to another fund within the Janus Henderson range will not affect the tax status of your ISA.
- *Other investors*  
A switch will be treated as a 'disposal' for UK tax purposes and you may be liable to capital gains tax on any gains arising from the switch of your Current Shares.

You must ensure that you read the relevant KIID before switching. All KIIDs are available from the document library on our website ([www.janushenderson.com](http://www.janushenderson.com)) or are available upon request from us using the contact details provided in the covering letter.

**Option 3: Redeem (sell) your investment.** In addition to the options above, you may redeem (or sell) some or all of your Current Shares.

- *Janus Henderson ISA Investors*  
If you redeem your Current Shares, the proceeds of redemption will no longer benefit from a tax-exempt status. If you decide to reinvest these proceeds into an ISA, they will count towards your annual ISA allowance for the current tax year. If your ISA consists entirely of your Current Shares, and you redeem them all, your ISA plan with us will close after the redemption.
- *Other investors*  
A redemption will be treated as a 'disposal' for UK tax purposes and you may be liable to capital gains tax on any gains arising from the redemption of your Current Shares.

To exercise Option 2 or 3 please contact us using the details provided in the covering letter. Please note that any instructions to deal must be made before 12:00pm noon on 18 March 2021.

## Voting at the EGM

We invite Investors to vote on the proposed Scheme by completing a Voting Form. At least 75% of the votes cast must approve the Scheme for it to take place. If the proposal is approved, the Scheme will take place on the Effective Date of 18 March 2021 and it will bind all Investors in the Current Fund at that time whether or not they voted in favour of it or voted at all.

Attachment 1 to this Information Pack is a formal EGM Notice. However, due to concerns surrounding the safety of Investors in the light of the COVID-19 pandemic, we do not expect that it will be possible

for Investors to attend the EGM in person. As such, you are required to place a distanced vote using the enclosed Voting Form or by voting online. The EGM Notice sets out the wording of the proposal that Investors will vote on at the EGM (also known as a 'resolution').

The minimum number of participants for the EGM is two Investors, which can include Investors represented by a proxy (those who are voting using a Voting Form). This minimum number of participants is known as the 'quorum'. At the time of the EGM, Janus Henderson will exclude anyone it knows no longer holds shares in the Current Fund from voting or counting in the quorum.

Details of the outcome of the EGM will be available on the Current Fund's web page on our website at [www.janushenderson.com](http://www.janushenderson.com) the day after the meeting.

## **If the Scheme goes ahead**

The Scheme will be governed by the detailed Scheme Terms in Part D. If the proposal is approved, on 18 March 2021, all of the property of the Current Fund will be transferred to the Receiving Fund and we will issue New Units in place of any Current Shares. Please see Part C for information on the class of units to be issued if the Scheme proceeds.

### **Dealings in your Current Shares**

In order to facilitate the Scheme, dealings in your Current Fund will be suspended after 12:00 noon on 18 March 2021. We will continue to process requests to buy, sell, switch or convert Current Shares in the normal way until 12:00 noon on the 18 March 2021. If the Scheme proceeds, and you send a request after this time, we will reject this instruction and new instructions in respect of New Units should be submitted post dealing resuming on 22 March 2021. The first dealing point in the Receiving Fund following the Scheme, and at which you will be able to deal in your New Units, will be 22 March 2021.

You will receive confirmation of the New Units you hold in the Receiving Fund within 14 days of the Effective Date. You may deal in your New Units before you receive the letter of notification confirming the allocation of New Units to you.

Any mandates, or other standing instructions (for example, regular savings) which you have given us in relation to your Current Shares, will be carried forward and will be deemed to apply to your New Units. If you do not want to carry these mandates forward, please contact us using the details provided in the covering letter.

### **Treatment of income**

The Current Fund's investments generate income. If you hold 'accumulation shares', this income is reflected in the price of your shares. If you hold 'income shares' you will be entitled to be paid the distributable income attributed to such shares on any relevant interim and/or annual allocation dates.

In order to ensure income is effectively allocated, we will introduce an additional accounting date for the Current Fund ending at 12:00 noon on the Effective Date. This will allow us to allocate any income that has built up between the start of the accounting period and the Effective Date.

If you hold 'accumulation shares', this income will then be reflected in the value of the New Units you receive under the Scheme. If you hold 'income shares', this income will be paid to you as soon as reasonably practicable after the Effective Date and in any event within two months of the Effective Date.

## Taxation

<p><i>UK Investors</i></p> <p><i>(If you are a Janus Henderson ISA Holder, see below instead)</i></p>	<p><i>This is a summary of our understanding of the current UK legislation and HM Revenue and Customs' practice relevant to UK resident investors regarding the issue of New Units in relation to the Scheme. It may be subject to change. If you are in any doubt about your potential liability to tax, you should consult a professional adviser.</i></p> <p>We do not expect a difference in the tax treatment between a holding in the Current Shares in your Current Fund and a holding in the New Units in the Receiving Fund.</p> <p>Based on our understanding of the tax legislation and confirmations from UK tax authorities, the Scheme should not involve a 'disposal' of shares for UK capital gains tax purposes, whatever the size of your investment. New Units issued to you under the Scheme, should have the same acquisition cost and acquisition date for capital gains tax purposes as your Current Shares.</p> <p>We do not expect UK stamp duty reserve tax or stamp duty or equivalent overseas taxes to be payable in respect of the transfer of the property of your Current Fund to the Receiving Fund under the Scheme.</p> <p>Any redemption or switch is likely to be treated as a 'disposal' of your Current Shares for tax purposes and may give rise to capital gains tax on any gains arising from the redemption or switch of your Current Shares.</p> <p><b>If you are in any doubt about your potential liability to tax, you should consult a professional adviser.</b></p>
<p><i>Janus Henderson ISA Holders</i></p>	<p>Your Current Shares and the New Units will both be held within your ISA and are protected from UK tax on their income and capital gains by its tax-exempt status.</p>
<p><i>Non-UK Investors</i></p>	<p>The tax consequences of the Scheme may vary depending on the law and regulations of your country of residence, citizenship or domicile. If you are in any doubt about your potential liability to tax, you should consult a professional adviser.</p>

**We would remind investors that Janus Henderson is not responsible or liable for any personal tax which arises in relation to Investors' dealings in the Current Shares (including the Scheme, any tax liabilities that may arise as a result from the Scheme, and being moved to the New Units).**



## If the Scheme does not go ahead

If the Scheme does not go ahead, the Current Shares assets will not be moved to the New Units by way of a scheme of arrangement and you will continue to hold the Current Shares in your Current Fund.

## Other information available to you

The following documents are from the document library on our website <https://www.janushenderson.com/en-gb/investor/documents/> (items 1 -7) or on request:

1. the instrument of incorporation for your Current Fund
2. the prospectus for your Current Fund;
3. the Key Investor Information Documents (KIIDs) relating to the Current Shares;
4. the latest report and accounts for your Current Fund;
5. the trust deed for the Receiving Fund;
6. the prospectus for the Receiving Fund;
7. the Key Investor Information Documents (KIIDs) relating to the New Units;
8. the confirmation letter from the Financial Conduct Authority to our law firm, Eversheds Sutherland (International) LLP; and
9. the confirmation letter from HM Revenue and Customs to our law firm, Eversheds Sutherland (International) LLP

## Summary of the key milestones

<b>16 February 2021</b>	The date at which a person must hold shares in the Current Fund in order to be eligible to vote (i.e. to qualify as an 'Investor')
<b>9:15 a.m. 9 March 2021</b>	The point by which you must have voted online or by which we must receive your completed Voting Form
<b>9:15 a.m. 11 March 2021</b>	The time and date of the EGM
<b>9:15 a.m. 12 March 2021</b>	Outcome of the vote at the EGM is available on our website

**12:00 noon,  
18 March 2021**

The last point for dealing in the Current Fund and the end of its additional accounting period

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**12:01pm.  
18 March 2021**

The point at which the Scheme is effective

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**9:00 a.m.  
22 March 2021**

The point at which dealing in the New Units of the Receiving Fund becomes available

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## Part C

### Comparison of your Current Fund and the Receiving Fund

**i** In this section capitalised terms have the meanings set out in the Glossary

#### Investment management

Below we have set out a comparison of various characteristics of your Current Fund and the Receiving Fund. This includes a comparison of the investment objectives and policies where we have aligned equivalent paragraphs where possible for comparability.

	<b>Your Current Fund</b> <b>Janus Henderson Preference &amp; Bond Fund</b>	<b>The Receiving Fund</b> <b>Janus Henderson Fixed Interest Monthly Income Fund</b>
<b>Investment objective</b>	<p>The Fund aims to provide a return, from a combination of income and capital growth over the long term.</p> <p>Performance target: To outperform the IA Sterling Strategic Bond sector average, after the deduction of charges, over any 5 year period.</p>	<p>The Fund aims to provide a high income.</p> <p>Performance target: To outperform the IA Sterling Strategic Bond sector average, after the deduction of charges, over any 5 year period.</p>
<b>Investment policy</b>	<p>The Fund invests at least 80% of its assets in a global portfolio of bonds of any quality, including high yield (non-investment grade) bonds, issued by governments or companies. Where investments are made in assets in currencies other than Sterling, the Fund will seek to hedge at least 80% of those assets back to Sterling to largely remove the risk of currency exchange rate movements.</p> <p>In certain market conditions, the Fund may invest more than 35% of</p>	<p>The Fund invests at least 80% of its assets in a global portfolio of bonds of any quality, including high yield (non-investment grade) bonds, issued by governments, companies or any other type of issuer. Where investments are made in assets in currencies other than Sterling, the Fund will seek to hedge at least 80% of those assets back to Sterling to largely remove the risk of currency exchange rate movements.</p> <p>In certain market conditions, the Fund may invest more than 35% of</p>

	<b>Your Current Fund</b> <b>Janus Henderson Preference &amp; Bond Fund</b>	<b>The Receiving Fund</b> <b>Janus Henderson Fixed Interest Monthly Income Fund</b>
	<p>its assets in government bonds issued by any one body.</p> <p>The Fund may also hold other assets including bonds of other types from any issuer, preference shares, Collective Investment Schemes (including those managed by Janus Henderson), cash and money market instruments.</p> <p>The investment manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the Fund's objective, to reduce risk or to manage the Fund more efficiently.</p> <p>The Fund is actively managed with reference to the IA Sterling Strategic Bond sector average, which is based on a peer group of broadly similar funds, as this forms the basis of the Fund's performance target. The investment manager has complete freedom to choose individual investments for the Fund and to vary allocations between different types of bonds.</p>	<p>its assets in government bonds issued by any one body.</p> <p>The Fund may also hold other assets including preference shares, Collective Investment Schemes (including those managed by Janus Henderson), cash and money market instruments.</p> <p>The investment manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the Fund's objective, to reduce risk or to manage the Fund more efficiently.</p> <p>The Fund is actively managed with reference to the IA Sterling Strategic Bond sector average, which is based on a peer group of broadly similar funds, as this forms the basis of the Fund's performance target. The investment manager has complete freedom to choose individual investments for the Fund and to vary allocations between different types of bonds.</p>
<b>Investment Strategy</b>	<p>The investment manager looks to create a diversified portfolio of bonds that can deliver a quarterly income. Free from a benchmark but with a strong focus on income generation, the portfolio managers search for investment opportunities across the entire spectrum of fixed income assets in the developed world using macroeconomic research and company analysis. The portfolio is then actively managed to include the most suitable investments for the</p>	<p>The investment manager aims to build a diverse portfolio of high yielding fixed interest securities to provide a reliable monthly income over the long term with an acceptable level of risk. With no formal index benchmark to follow, but with a strong focus on income generation, the portfolio managers actively respond to economic and market conditions and alter the portfolio to benefit from the best available sources of income in the developed fixed income markets through careful</p>

	<b>Your Current Fund Janus Henderson Preference &amp; Bond Fund</b>	<b>The Receiving Fund Janus Henderson Fixed Interest Monthly Income Fund</b>
	prevailing market and economic environment.	macroeconomic research and company analysis.
<b>Benchmarks</b>	N/A	N/A
<b>IA Sector</b>	IA Sterling Strategic Bond Sector	IA Sterling Strategic Bond Sector
<b>Portfolio Size (£m 31/01/21)</b>	£833.4	£936
<b>Portfolio Manager(s)</b>	Jenna Barnard, John Pattullo & Rebecca Young	Jenna Barnard, John Pattullo & Nicholas Ware
<b>Key risks</b>	<ul style="list-style-type: none"> <li>• Default Risk</li> <li>• Interest Rates</li> <li>• High Yield Bonds</li> <li>• Derivatives and Leverage</li> <li>• Currency Hedging</li> <li>• Liquidity</li> <li>• Charges to Capital</li> </ul>	<ul style="list-style-type: none"> <li>• Default Risk</li> <li>• Interest Rates</li> <li>• High Yield Bonds</li> <li>• Derivatives and Leverage</li> <li>• Currency Hedging</li> <li>• Liquidity</li> <li>• Charges to Capital</li> </ul>
<b>Synthetic risk and reward indicator (SRI) number</b>	4	4

## Share/unit classes and fees

Below we have set out a comparison of your Current Shares and the New Units you would receive if the Scheme proceeds. Please note that as part of the Scheme, some of the New Units will be launched as new classes (AQ Inc, EQ Inc, GQ Inc, IQ Inc).

	<b>Your Current Shares in Janus Henderson Preference &amp; Bond Fund</b>	<b>The New Units in Janus Henderson Fixed Interest Monthly Income Fund</b>
<b>Share/unit class</b>	Class A Inc Class E Inc Class G Inc / G Acc Class I Inc / I Acc Class Z Acc	Class AQ Inc Class EQ Inc Class GQ Inc / G Acc Class IQ Inc / I Acc Class Z Acc
<b>Pricing basis</b>	Single Priced	Single Priced
<b>Investment minimums</b>		
<b>Initial:</b>	Class A Inc £1,000 Class E Inc £1,000 Class G Inc / G Acc £20,000,000 Class I Inc / I Acc £3,000,000 Class Z Acc £10,000,000	Class AQ Inc £1,000 Class EQ Inc £1,000 Class GQ Inc / G Acc £20,000,000 Class IQ Inc / I Acc £3,000,000 Class Z £10,000,000
<b>Subsequent</b>	Class A Inc £100 Class E Inc £100 Class G Inc / G Acc £2,000,000 Class I Inc / I Acc £10,000 Class Z £1,000,000	Class AQ Inc £100 Class EQ Inc £100 Class GQ Inc / G Acc £2,000,000 Class IQ Inc / I Acc £10,000 Class Z Acc £1,000,000
<b>Minimum Holding</b>	Class A Inc £1,000 Class E Inc £1,000 Class G Inc / G Acc £20,000,000 Class I Inc / I Acc £3,000,000 Class Z Acc £10,000,000	Class AQ Inc £1,000 Class EQ Inc £1,000 Class GQ Inc / G Acc £20,000,000 Class IQ Inc / I Acc £3,000,000 Class Z Acc £10,000,000
<b>Minimum Redemption:</b>	Class A Inc £100 Class E Inc £100 Class G Inc / G Acc £2,000,000 Class I Inc / I Acc £10,000 Class Z Acc £1,000,000	Class AQ Inc £100 Class EQ Inc £100 Class GQ Inc / G Acc £2,000,000 Class IQ Inc / I Acc £10,000 Class Z Acc £1,000,000

	<b>Your Current Shares in Janus Henderson Preference &amp; Bond Fund</b>	<b>The New Units in Janus Henderson Fixed Interest Monthly Income Fund</b>
<b>Headline fees and expenses</b>		
<b>Initial:</b>	Class A Inc 4% Class E Inc 4% Class G Inc / G Acc 0% Class I Inc / I Acc 0% Class Z Acc 0%	Class AQ Inc 4% Class EQ Inc 4% Class GQ Inc / G Acc 0% Class IQ Inc / I Acc 0% Class Z Acc 0%
<b>Janus Henderson's Annual Management Charges</b>	Class A Inc 1.25% Class E Inc 0.75% Class G Inc / G Acc 0.50% Class I Inc / I Acc 0.60% Class Z Acc 0%	Class AQ Inc 1.25% Class EQ Inc 0.75% Class GQ Inc / G Acc 0.50% Class IQ Inc / I Acc 0.60% Class Z Acc 0%
<b>Ongoing Charge Figure</b>	Class A Inc 1.41% Class E Inc 0.91% Class G Inc / G Acc 0.55% Class I Inc / I Acc 0.69% Class Z Acc 0.04% (actual figures based on the last published expenses at 30 June 2020)	Class AQ Inc* 1.42% Class EQ Inc* 0.92% Class GQ Inc / G Acc* 0.55% Class IQ Inc* / I Acc 0.70% Class Z Acc 0.04% (*estimated figures for new share classes are based on the last published expenses at 1 September 2020)

## Legal structure

	<b>Your Current Fund Janus Henderson Preference &amp; Bond Fund</b>	<b>The Receiving Fund Janus Henderson Fixed Interest Monthly Income Fund</b>
<b>Structure of the fund</b>	The Current Fund is a sub-fund of its parent vehicle, Janus Henderson UK & Europe Funds	The Receiving Fund is a single-fund (standalone) structure
<b>Type of legal vehicle structure</b>	Open-ended investment company (OEIC)	Unit trust
<b>Nature of your interest in the fund</b>	You hold Current Shares. The right represented by shares is a proportionate ownership of the	You would hold New Units. The right represented by units is that of a beneficial interest under a trust to a

	<b>Your Current Fund Janus Henderson Preference &amp; Bond Fund</b>	<b>The Receiving Fund Janus Henderson Fixed Interest Monthly Income Fund</b>
	company which itself owns the scheme property.	portion of the property of the scheme.
<b>Regulatory regime</b>	Authorised and regulated by the Financial Conduct Authority	Authorised and regulated by the Financial Conduct Authority
<b>Operator</b>	Henderson Investment Funds Limited is the authorised corporate director of your Current Fund	Henderson Investment Funds Limited is the authorised fund manager of the Receiving Fund (an equivalent role)
<b>Depository/Trustee</b>	NatWest Trustee and Depository Services Limited is the independent depository of your Current Fund. It is responsible for the safekeeping of the Current Fund's property	NatWest Trustee and Depository Services Limited is the independent trustee and depository of the Receiving Fund. It is responsible for the safekeeping of the Receiving Fund's property

## Practical considerations

	<b>Your Current Shares in the Janus Henderson Preference &amp; Bond Fund</b>	<b>The New Units in the Janus Henderson Fixed Interest Monthly Income Fund</b>
<b>Fund base currency</b>	GBP	GBP
<b>Valuation points</b>	12:00pm	12:00pm
<b>Cut-off point</b>	12:00pm	12:00pm
<b>Dealing days</b>	Daily, on any UK Dealing Day (as defined in the prospectus)	Daily, on any UK Dealing Day (as defined in the prospectus)
<b>Settlement period</b>	T+4	T+4
<b>Annual and interim accounting reference dates</b>	30 June – Annual 31 December – Interim	1 March – Annual 1 September - Interim
<b>Income payment/accumulation Dates</b>	31 August – Annual 30 November - Interim 28 February – Interim	30 April – Annual 31 July – Interim 31 October – Interim



	<b>Your Current Shares in the Janus Henderson Preference &amp; Bond Fund</b>	<b>The New Units in the Janus Henderson Fixed Interest Monthly Income Fund</b>
	31 May – Interim	31 January – Interim
<b>Income Distribution Frequency</b>	Quarterly	Quarterly (other available unit classes distribute monthly)
<b>Anti-dilution mechanism</b>	Swing pricing	Swing pricing

# Part D

## Scheme of Arrangement Terms

**i** In this section capitalised terms have the meanings set out in the Glossary

The following section sets out the legal process for the Scheme.

### **1. Interpretation**

- 1.1 References to paragraphs are to paragraphs of these Scheme Terms.
- 1.2 The Glossary is deemed to form part of these Scheme of Arrangement Terms
- 1.3 If there is any conflict between these Scheme Terms and your Current Fund's constitutional documents, then these Scheme Terms will prevail.

### **2. Investor EGM**

- 2.1 The Scheme, and the transfer of the assets of the Current Fund into the Receiving Fund in exchange for New Units are conditional on the passing of an extraordinary resolution (i.e. 75% of the votes cast) at the EGM by which the Investors approve the Scheme in relation to the Current Shares and instruct Janus Henderson and NatWest to implement the Scheme.
- 2.2 If an extraordinary resolution is passed at the EGM, the Scheme will be binding on all Investors in the Current Fund (whether or not they voted in favour of the resolution, or voted at all) and the Scheme will be

implemented in relation to the Current Fund as set out in the following paragraphs. If the extraordinary resolution is not passed, the Scheme will not be implemented. The Current Fund will continue to be operated by Janus Henderson and Investors will continue to hold the Current Shares.

### **3. Effective Date**

- 3.1 If approved by Investors, Janus Henderson intends for the Scheme to become effective on the Effective Date (18 March 2021).

### **4. Last dealings in your Current Fund**

- 4.1 The last dealing in the Current Shares prior to the Scheme will be at 12.00pm noon on 18 March 2021.
- 4.2 Any dealing instructions in respect of Current Shares received after 12:00pm noon on 18 March 2021 will be rejected, and new instructions in respect of New Units should be submitted post dealing resuming on 22 March 2021.

**5. Income allocation and distribution arrangements**

5.1 The additional interim accounting period of the Current Fund will end at 12 noon on the Effective Date.

5.2 All income (actual or estimated) that has accrued in the interim accounting period and is:

5.2.1 available for allocation in relation to accumulation shares, will be transferred to the capital account of the Current Fund, allocated to the accumulation shares, and reflected in the value of those shares (and used to calculate the number of the New Units under the Scheme); and

5.2.2 available for distribution in relation to income shares, will be allocated to the income shares, transferred to the distribution account, and, within two months, distributed to Investors.

5.3 Any interest earned on income while held by NatWest as the depositary of the Current Fund, will be treated as the property of the Current Fund but will not increase the number of New Units to be issued in the Receiving Fund under the Scheme.

5.4 Any unclaimed distributions relating to previous accounting periods (and any interest on those distributions), will be held by NatWest as the depositary of the Current Fund. NatWest will hold those distributions and any interest on those distributions in a separate designated account since the distribution and interest are not to form part of the scheme property of the Receiving Fund.

5.5 However, any non-ISA distributions

which are unclaimed 6 years after the original payment dates (together with any interest arising on these distributions) will be transferred by NatWest (or by any successor as depositary) to the Receiving Fund (and will become part of its capital property). The designated account will be closed when the last distribution is claimed or, if earlier, on the expiry of 6 years following the original payment of the distributions relating to the accounting period ending on the Effective Date.

**6. Calculation of the value of the Current Shares and the New Units**

6.1 Based on valuations made in accordance with the constitutional documents of your Current Fund and the Receiving Fund:

6.1.1 the value of the property of the Current Fund will be calculated in accordance with its prospectus as at 12 noon on the 18 March 2021; and

6.1.2 the value of the property of the Receiving Fund will be calculated in accordance with its prospectus as at 12 noon on the 18 March 2021.

6.2 The value of the Current Fund and the value of the Receiving Fund will be used to calculate the number of New Units to be issued to Investors.

**7. Transfer of property from the Current Fund to the Receiving Fund and issue of New Units**

7.1 Janus Henderson will arrange for New Units to be issued to Investors (who are registered as holding Current Shares on the Effective Date) free of any initial charge.

7.2 Janus Henderson will, in consultation with NatWest, calculate an amount necessary to meet the actual and contingent liabilities of the Current Fund after the Scheme (the **Retained Amount**). The Retained Amount is to be retained by NatWest for the purposes of discharging those liabilities.

7.3 The property of the Current Fund will become part of the property of the Receiving Fund in exchange and in full payment for the issue of New Units. NatWest will cease to hold the property of the Current Fund (less the Retained Amount) as attributable to the Current Fund, and will hold the property as attributable to the Receiving Fund and NatWest will ensure that any necessary transfers or re-designations are carried out.

7.4 The Current Shares will be deemed to be cancelled and will cease to be of any value as at 12 noon on the Effective Date.

7.5 Investors will be treated as exchanging their Current Shares for New Units.

## **8. Basis for the issue of New Units**

8.1 The price of New Units to be issued under these Scheme Terms will be the price based on the value of the Receiving Fund as at 12 noon on 18 March 2021.

8.2 New Units will be issued to each Investor in proportion to that Investor's individual entitlement to the value of the Receiving Fund as at 12 noon on 18 March 2021.

8.3 The formula used in calculating an Investor's entitlement to New Units will be available on request.

8.4 The number of New Units to be issued to each Investor will (if necessary) be

rounded up to the nearest denomination of New Units at the expense of Janus Henderson which will, on the Effective Date, accordingly pay into the Receiving Fund an amount equal to the value of the additional New Units issued as a result of the rounding up.

## **9. Retained Amount**

9.1 The Retained Amount and any income arising on it shall continue to be held by NatWest as property relating to the Current Fund, and will be used by NatWest to pay outstanding liabilities attributable to the Current Fund in accordance with these Scheme Terms, regulatory requirements and the Current Fund's the instrument of incorporation and prospectus.

9.2 If, on the completion of the payment of all outstanding liabilities, there are any surplus monies remaining in the Retained Amount, they, together with any income arising therefrom, shall be transferred to the Receiving Fund to be held by NatWest as attributable to the Receiving Fund but no further issue of New Units shall be made as a result.

9.3 If the Retained Amount is insufficient to meet all the liabilities of the Current Fund, such excess liabilities shall be paid in accordance with the instrument of incorporation of the Receiving Fund.

## **10. Notification of the New Units in issue under these Scheme Terms**

10.1 Certificates will not be issued in respect of New Units.

10.2 Janus Henderson intends to notify each Investor (or, in the case of joint holders, the first named holder on the register) of the number of New Units

- issued to that Investor within 14 days following the Effective Date.
- 10.3 Transfers or redemptions of New Units issued under these Scheme Terms may be carried out from the next dealing day after the Effective Date (22 March 2021), in accordance with the terms of the prospectus of the Receiving Fund.
- 11. Mandates and other instructions in respect of New Units**
- 11.1 Mandates and other instructions to Janus Henderson that are in force on the Effective Date in respect of Current Shares will be deemed to be effective in respect of New Units following the Scheme. Investors may change these mandates or instructions at any time.
- 12. Costs, charges and expenses**
- 12.1 Up to and including the Effective Date, Janus Henderson will continue to receive its usual fees and expenses out of the property of the Current Fund for being the manager of the Current Fund. NatWest will also be entitled to expenses properly incurred in connection with carrying out its responsibilities under these Scheme Terms.
- 12.2 Janus Henderson will bear the costs of preparing and implementing the Scheme under these Scheme Terms. No additional transaction costs are expected to arise as a result of the Scheme.
- 13. Janus Henderson and NatWest to rely on register**
- 13.1 Janus Henderson and NatWest are entitled to assume that all information contained in the register of Investors of the Current Fund on the Effective Date is correct, and will use that information to calculate the number of New Units to be issued and registered under these Scheme Terms.
- 13.2 Janus Henderson may act and rely on any certificate, opinion, evidence or information provided to it by its professional advisers or by the auditors of your Current Fund in connection with these Scheme Terms and will not be liable or responsible for any resulting loss.
- 14. Impact on the Receiving Fund**
- The Scheme will cause the net asset value and number of units in the Receiving Fund to increase. Other than this, there is no expected impact on the Receiving Fund.
- 15. Alterations to these Scheme Terms**
- These Scheme Terms may be amended by Janus Henderson with the consent of NatWest.
- 16. Governing law**
- These Scheme Terms are governed by and will be construed in accordance with the laws of England and Wales.

Dated 23 February 2021

## Part E

### Glossary

<b>‘Current Fund’</b>	Janus Henderson Preference & Bond Fund, a sub-fund of Janus Henderson UK & Europe Funds
<b>‘Current Shares’</b>	shares in the Current Fund
<b>‘Effective Date’</b>	18 March 2021
<b>‘EGM’</b>	the extraordinary general meeting of Investors as detailed in the EGM Notice
<b>‘EGM Notice’</b>	the notice of the shareholder meeting labelled “Attachment 1” calling attention to the extraordinary general meeting of Investors on 11 March 2021
<b>‘Investor’</b>	each person who is a holder of the Current Shares (as at 16 February 2021) and who, for the purposes of the Scheme Terms only, remains a holder until the Effective Date
<b>‘Janus Henderson’</b>	Henderson Investment Funds Limited as the authorised corporate director of your Current Fund
<b>‘NatWest’</b>	as the context requires, either: NatWest Trustee & Depositary Services Limited:  (a) as depositary of the Current Fund; or  (b) as trustee and depositary of the Receiving Fund
<b>‘New Units’</b>	units in the Receiving Fund that will be issued under the Scheme
<b>‘Receiving Fund’</b>	Janus Henderson Fixed Interest Monthly Income Fund, a standalone authorised unit trust
<b>‘Scheme’</b>	the process under which property of your Current Fund relating to the Current Shares is transferred to the Receiving Fund in exchange for the issue of the New Units to Investors

*we also refer to 'Scheme of Arrangement' which has a corresponding meaning*

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<b>'Scheme Terms'</b>	the technical and legal terms governing the Scheme set out in Part D
<b>'Voting Form'</b>	the voting form included as Attachment 2

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**We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.**

# Attachment 1

## Notice of meeting of investors in Janus Henderson Preference & Bond Fund

 Please see read the notes on the following page

### **Notice of an extraordinary general meeting of Janus Henderson Preference & Bond Fund, a sub-fund of Janus Henderson UK & Europe Funds**

This document notifies you that Henderson Investment Funds Limited will hold an extraordinary general meeting of the shareholders of Janus Henderson Preference & Bond Fund, a sub-fund of Janus Henderson UK & Europe Funds at 201 Bishopsgate, London EC2M 3AE United Kingdom on 11 March 2021 at 9:15 a.m. The purpose of the meeting is to consider the extraordinary resolution below and, if shareholders agree, to pass it.

#### **Extraordinary resolution**

**THAT**, the scheme of arrangement (the '**Scheme**') between Janus Henderson Preference & Bond Fund, a sub-fund of Janus Henderson UK & Europe Funds and Janus Henderson Fixed Interest Monthly Income Fund, the terms of which are set out in the 'Scheme Proposal Information Pack' dated 23 February 2021 is hereby approved and that Henderson Investment Funds Limited (as authorised corporate director) and NatWest Trustee and Depositary Services Limited (as trustee and depositary) are hereby instructed to implement the Scheme in accordance with its terms.

**Henderson Investment Funds Limited  
as Authorised Corporate Director of Janus Henderson Preference & Bond Fund**

Issued on 23 February 2021



## Notes:

1. A shareholder who is entitled to vote at the meeting must appoint the chairperson to attend the meeting as their representative and vote instead of them (a proxy).
2. A form of proxy (labelled '**Voting Form**') is attached and shareholders are requested to complete and return it in the reply paid envelope so that it arrives at Henderson Investment Funds Limited, c/o Corporate Mailing Solutions Limited, Unit 4b, Chelmsford Road Industrial Estate, Great Dunmow, Essex CM6 1HD United Kingdom not less than 48 hours before the time appointed for the holding of the meeting. Forms of proxy will only be valid if properly and fully completed in accordance with the instructions on the form and accompanying notes. Given the potential for postal delays we encourage you to act promptly if you wish to participate in the vote.
3. In the case of joint shareholders, the vote of the senior who tenders a vote by proxy will be accepted to the exclusion of the votes of the other joint shareholders and for this purpose seniority will be determined by the order in which the names stand in the register of shareholders.
4. The minimum number of participants (quorum) for a meeting of shareholders is any two shareholders represented by proxy.
5. A shareholder entitled to more than one vote does not have to use any or all of their votes or cast all of their votes in the same way.
6. The majority required for the passing of the extraordinary resolution is 75 percent or more of the total of votes cast (whether for or against the resolution).
7. At the meeting, the vote will be taken by poll. On a poll, each share's voting rights is determined by that share's price in relation to the total price of all shares.