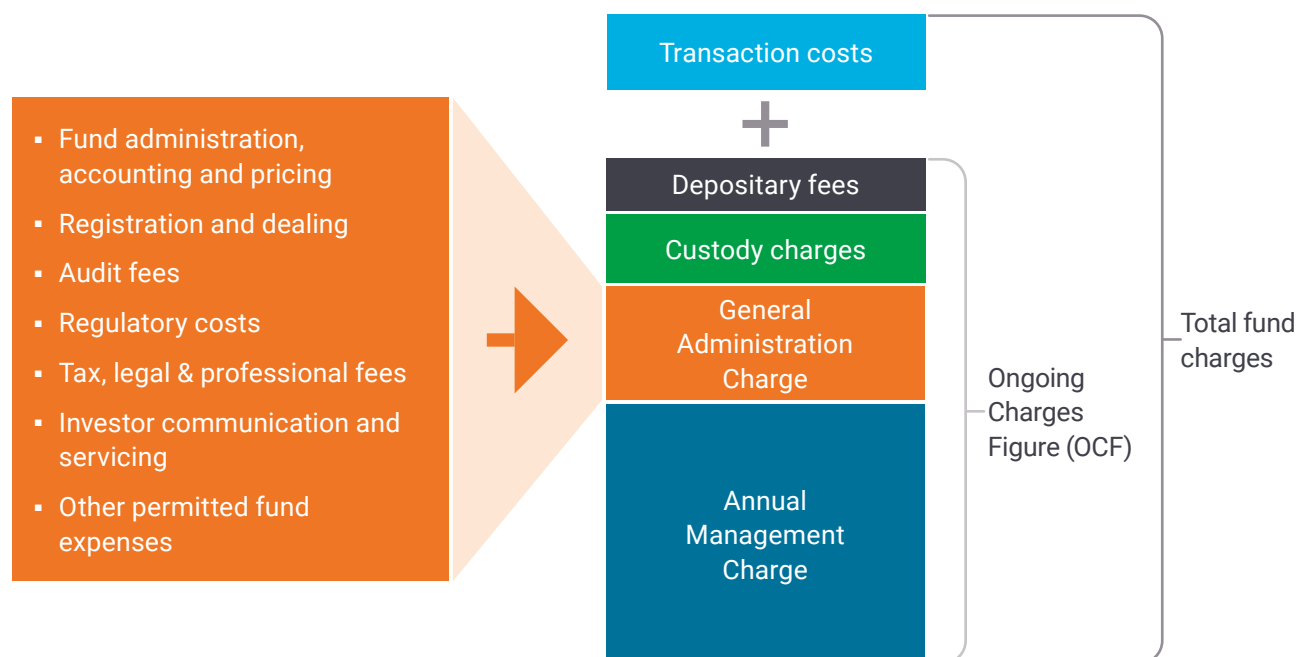


A SIMPLE GUIDE TO FUND CHARGES

Investment management can appear a complex business. When you invest in a fund, we work hard behind the scenes to pool your money with that of other investors in the fund. We employ investment professionals to build and manage the portfolios, operations teams to administer the funds, and all transaction and regulatory expenses have to be met. All of this costs money, so this guide helps you to understand the charges and expenses incurred by funds.

Charges – a visual representation

The most common charges are shown in the diagram below. The charges are deducted from the fund on a daily basis and therefore impact the value of your investment over time.



Typical charges shown for illustrative purposes, actual charges for a fund may differ, sizes of boxes are indicative and not proportionate.

The following pages provide a detailed explanation of each charge to help you understand what they cover.

Ongoing charges figure (OCF)

In the UK (and Europe) the most common way to express the annual costs charged to a fund is by using the ongoing charges figure (OCF). The OCF covers most of the costs associated with operating a fund (and the particular share class of the fund in which you are invested) and is stated as a percentage of the fund's average asset value over its financial year.

A fund with an average value of £1,000 over a year and an OCF of 1.5% would have a charge of £15 that year. Put another way, if the same fund achieved a return of 10% over the year, the OCF would reduce the return to around 8.5%.

The OCF is made up of several costs. To help you understand these, we have listed them below. Costs will vary depending on the fund and the share class.

Summary of costs/expenses	Typical range at Janus Henderson
Annual management charge (AMC) The AMC is the charge made by the fund management company. This charge includes the cost of paying the investment professionals who make the fund's investment decisions. The AMC applied to your fund depends on the share class in which you are invested. Each fund offers a choice of share classes, which are suitable for different types of investors. The share class you are invested in typically depends on the route you have taken to invest in the fund. For example, you may invest through a financial adviser or via a fund platform.	0.3% to 1.5%
General administration charge (GAC) This charge reflects a number of costs associated with administering and servicing the fund. For funds registered for sale outside the UK, registration costs will be included in this charge. Client administration costs: This includes the costs of maintaining customers' accounts, processing customers' transactions, paying out income distributions and producing six-monthly statements. Fund administration costs: This includes the costs of calculating and publishing the fund's price, maintaining the financial records (including tax matters) and producing the fund's interim and annual financial statements. The number and type of professional services used by a fund may vary by the type of fund. Auditor: All funds must have their annual financial statements audited. The auditor's cost will increase with the fund's complexity and the type of assets it holds. Legal adviser: A fund will use the services of a solicitor to advise on changes in the rules and regulations, so the level of costs may vary. Tax adviser: A fund may employ a tax adviser in countries where the local tax rules are complex or where this is required by local law. Regulatory fees: The fund must pay regulatory fees. These are used by the FCA (Financial Conduct Authority) to fund the Financial Services Compensation Scheme (FSCS), which helps to protect investors if a financial services firm they use goes out of business.	0.0% to 0.25%
Independent oversight and safekeeping of assets Depository/Trustee: A fund must appoint a depository or trustee to oversee its operation and compliance with the rules and regulations. They must be independent from the fund management company. Custodian: The independent custodian will charge for the safekeeping of a fund's assets. The cost of safekeeping is higher for more complex or higher risk investments, e.g. emerging markets.	0.01% to 0.5%
Multi-manager (not shown in diagram) Multi-manager or funds of funds invest mainly in other funds, rather than directly in shares or bonds or other assets. These funds have their own charges, like any other fund, but will also pay the charges of the underlying funds they invest in. Janus Henderson often negotiates significant discounts on these underlying charges.	0.2% to 0.65%
	0.5% to 2.25%

Past performance does not predict future returns. Charges are for illustrative purposes, actual charges for funds may differ.

Where to find the OCF for your investment

The OCF for each share class of a fund is shown on the Key Investor Information Document (KIID), on the fund factsheets, and on the fund's webpages. Please make sure you are viewing the correct share class that matches your investment because fees can differ between share classes.

What other costs are there?

Performance fees

Some funds have conditional charges that are triggered when they meet specific predefined targets. A performance fee aims to reward good fund performance. It is only paid when the performance exceeds a specified threshold. Only a small number of funds have performance fees attached to them. Details can be found on fund factsheets, KIIDs and fund web pages.



Transaction costs

The OCF does not include charges that relate to transactions as a result of the fund buying or selling bonds, shares or other assets. This is because they directly relate to activity carried out by the specific fund and may vary over time. These transaction costs might include broker commissions, transfer taxes and stamp duty. Transaction costs are reported in the annual report and accounts for the fund, which can be found in the documents section of each fund web page.



One-off charges These charges are rarely applied and typically only in extreme circumstances.

Entry charge

Sometimes known as an initial charge, this may be imposed when an investor first purchases the fund. The amount can vary but is typically 5% or less of the initial investment and is waived in almost all circumstances. It is sometimes used to discourage investment in a fund that has reached a certain size.

Switching charge

This may be imposed when an investor switches or converts between funds and share classes. It is waived in almost all circumstances.

Exit charge

Sometimes known as a redemption charge, this may be imposed when an investor exits the fund. The amount can vary but is typically 3% or less and is discretionary. It is typically only applied if an investor sells the fund within a short timeframe from having bought it (eg, less than 90 days) and is applied to discourage excessive short-term trading.



Top Tips

- ✓ You can find the ongoing charges figure (OCF) in the Key Investor Information Document (KIID) of a fund, the fund factsheets, and the report and accounts, which are on the fund pages of our website.
- ✓ Make sure you are looking at the right share class for your investment. You can select the share class using the drop-down button beneath the fund title at the top of the fund web page.
- ✓ Please read the Prospectus (on our website) for a full explanation of all charges, including what they are for.
- ✓ Try to compare the charges for different funds, using the OCF.
- ✓ Do not consider the charges alone but alongside the fund's features, for example the investment team's experience.
- ✓ Adviser charges may have to be added to fund charges depending on what you have agreed with your financial adviser.
- ✓ Charges can sometimes be discounted. Make sure you know the actual charge you will pay after any discounts.
- ✓ Platforms and wrappers such as an ISA may have additional charges or sometimes provide special negotiated reduced charges. Make sure you know what you are paying in total.
- ✓ An actively managed fund will generally have higher charges than a fund that simply tracks an index.
- ✓ A financial adviser can help you further understand charges and compare different funds. Please note an adviser may charge you separately for this advice.



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INVESTORS

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