

This document is accurate as at 31 December 2022. Please refer to the website and Prospectus for the latest content. This document has been produced as an appendix to the Fund's Prospectus and should be read and considered in conjunction with the current Prospectus, which can be found in the "documents" section of the website at [www.janushenderson.com](http://www.janushenderson.com). It should not be relied upon as the sole disclosure document upon which to base any investment decision(s).

## ANNEX II

### Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Pan European Absolute Return Fund  
**Legal entity identifier:** 213800SJOFGYRHL3M492

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes		No	
<input type="checkbox"/>	It will make a minimum of sustainable investments with an environmental objective: ___%	<input type="checkbox"/>	It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
<input type="checkbox"/>	in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/>	with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/>	in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/>	with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/>	It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/>	with a social objective
<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

- **What environmental and / or social characteristics are promoted by this financial product?**

The Fund promotes support for the UNGC principles (which cover matters including human rights, labour, corruption, and environmental pollution). The Fund also seeks to avoid investments in certain activities with the potential to cause harm to human health and wellbeing by applying binding exclusions. The Fund does not use a reference benchmark to attain its environmental or social characteristics.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- Overall UNGC Compliance Status of the long book
- ESG exclusionary screens applied to the long book – see *"What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?"* below for details on the exclusions.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

**How have the indicators for adverse impacts on sustainability factors been taken into account?**

Not applicable

**How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

Not applicable

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



**Does this financial product consider principal adverse impacts on sustainability factors?**

- Yes
- No

■ **What investment strategy does this financial product follow?**

This Fund seeks a positive (absolute) return, regardless of market conditions through investment in the European equity markets.

The binding elements of the investment strategy described below are implemented as exclusionary screens on long positions which are coded into the compliance module of utilising a third-party data provider on an ongoing basis. The exclusionary screens are implemented on both a pre and post trade basis enabling the sub investment advisor to block any proposed transactions in an excluded security and identify any changes to the status of holdings when third-party data is periodically updated.

■ ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager uses specific screens to its long positions, to help achieve some of the promoted characteristics. For example- to promote climate change mitigation, screens are applied to avoid investment in certain high carbon activities, and it is expected that this will result in the fund having a lower carbon profile. Another example is that to promote support for the UNGC Principles, screens are applied so that the Fund does not invest in issuers that are in breach of the UNGC Principles based on third party data and/or internal research.

The investments made by the Investment Manager comprise long and short positions. The Investment Manager applies screens to its long positions to exclude direct investment in issuers based on their involvement in certain activities. Specifically, issuers are excluded if they derive more than 10% of their revenue from thermal coal extraction, shale energy extraction, oil sands extraction, or arctic oil and gas drilling and exploration. Issuers are also excluded if they are deemed to have failed to comply with the UNGC Principles (which cover matters including human rights, labour, corruption and environmental pollution).

The Fund also applies the Firmwide Exclusions Policy (the "Firmwide Exclusions Policy"), which includes controversial weapons:

This applies to all the investment decisions made by the Management Company or Investment Manager. The Firmwide Exclusions Policy may be updated from time to time.

Presently, investment is not permitted in entities involved in the current manufacture of, or minority shareholding of 20% or greater in a manufacturer of controversial weapons, namely:

- (i) Cluster munitions;
- (ii) Anti-Personnel mines;
- (iii) Chemical weapons;
- (iv) Biological weapons.

Classification of issuers is primarily based on activity identification fields supplied by our third-party ESG data providers. This classification is subject to an investment research override in cases where sufficient evidence exists that the third-party data field is not accurate or appropriate. In any scenario where a portfolio position is identified as not meeting this exclusion criteria for any reason (legacy holding, transition holding, etc.) the Investment Manager shall be granted 90 days to review or challenge the classification of the issuer if appropriate. After this period, in the event an investment research override is not granted divestment is required immediately under normal market trading circumstances.

As part of the investment strategy applied to the long positions held in the Fund, the Investment Manager also excludes the bottom 10% of issuers based on third party ESG scoring criteria.

Furthermore, the Investment Manager carries out its review from an ESG perspective (i.e. 'extra-financial analysis') on at least 90% of the long positions.

The Investment Manager may only invest in companies that would be excluded by the screens described above if the Investment Manager believes, based on its own research and as approved by its ESG Oversight Committee, that the third-party data used to apply the exclusions is insufficient or inaccurate.

The Investment Manager may consider that the data is insufficient or inaccurate if, for example, the third-party data provider research is historic, vague, based on out of date sources, or the investment manager has other information to make them doubt the accuracy of the research.

If the Investment Manager wishes to challenge the third-party data, then the challenge is presented to a cross-functional ESG Oversight Committee who must sign off on the "override" of the third-party data.

If a third party data provider does not provide research on a specific issuer or excluded activity, the Investment Manager may invest if, through its own research, it is satisfied that the issuer is not involved in the excluded activity.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy***

There is no committed minimum rate.

- ***What is the policy to assess good governance practices of the investee companies?***

The companies in which investments are assessed by the Investment Manager to follow good governance practices.

The good governance practices of investee companies are assessed prior to making an investment and periodically thereafter in accordance with the Sustainability Risk Policy ("Policy").

The Policy sets minimum standards against which investee companies will be assessed and monitored by the Investment Manager prior to making an investment and on an ongoing basis. Such standards may include, but are not limited to: sound management structures, employee relations, remuneration of staff and tax compliance. The Investment Manager attaches particular importance to the assessment of corporate culture, values, business strategy, board composition and diversity, tax transparency, audit, controls and remuneration. Generally accepted corporate governance standards may be adjusted for smaller organisations or to take account of local governance standards where appropriate at the discretion of the Investment Manager.

The Policy can be found incorporated within Janus Henderson's "ESG Investment Policy" in the "About Us – Environmental, Social and Governance (ESG)" section of the website at [www.janushenderson.com](http://www.janushenderson.com).

In addition, the Investment Manager is a signatory to the UN Principles for Responsible Investment (UNPRI). As a signatory, the good governance practices of investee companies are also assessed by having regard to the UNPRI principles prior to making an investment and periodically thereafter.

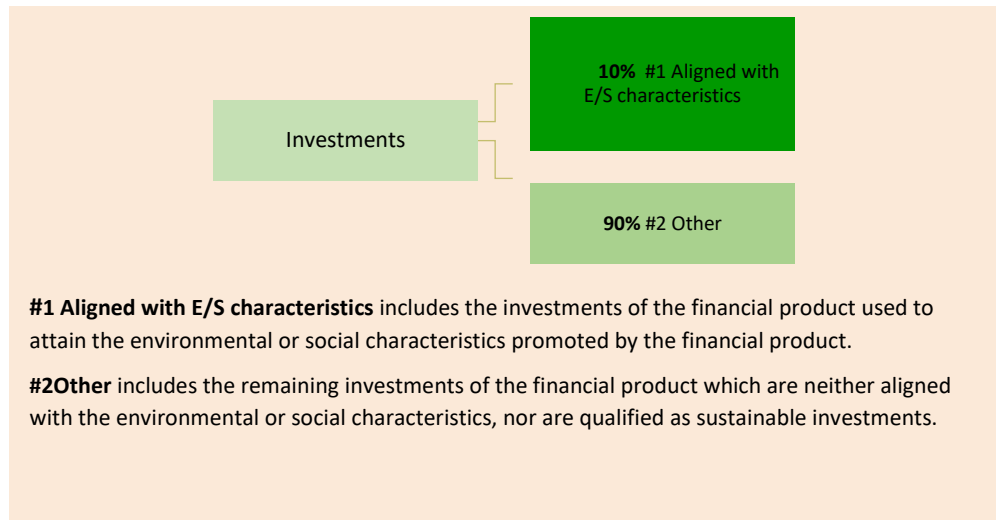
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**Asset allocation** describes the share of investments in specific assets.

## What is the asset allocation planned for this financial product?

A minimum of 10% of the deployed capital of the financial product is used to meet the environmental or social characteristics promoted by the financial product. Generally the expected range would be between 10-50% of the deployed capital, as the long investment allocation that promotes sustainable characteristics will vary across economic and stock market cycles. Other assets, which are not used to meet the environmental or social characteristics, may include cash or cash equivalents, instruments held for the purposes of efficient portfolio management e.g. temporary holdings of index derivatives and short equity positions.



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund will usually use derivatives to gain synthetic exposure to attain the environmental and social characteristics described above.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

The proportion of investments in the Fund which are aligned with the EU Taxonomy is 0%. Although the EU Taxonomy provides an ambitious framework to determine the environmental sustainability of economic activities, the EU Taxonomy does not comprehensively cover all industries and sectors, or all environmental objectives. The Investment Manager uses its own methodology to determine whether investments selected for the Fund are promoting environmental characteristics in accordance with the SFDR rules.

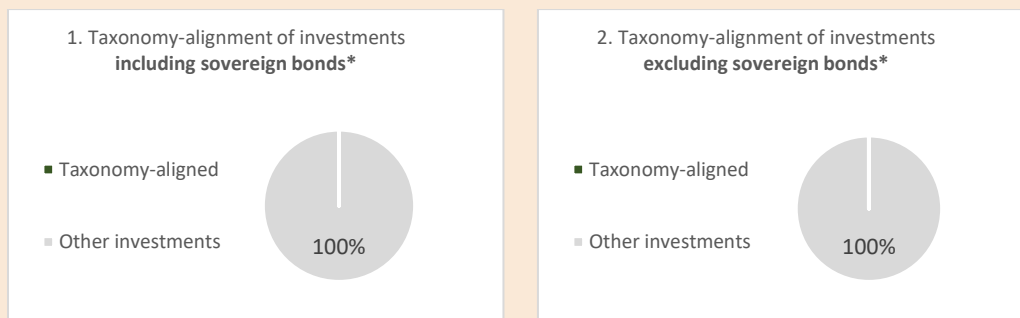


are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels

**What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



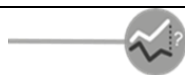
**What is the minimum share of socially sustainable investments?**

Not applicable.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Other assets may include cash or cash equivalents in addition to instruments held for the purposes of efficient portfolio management e.g. temporary holdings of index derivatives and short equity positions. No minimum environmental or social safeguards are applied to such investments.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the designated index differ from a relevant broad market index?**

Not applicable.

- **Where can the methodology used for the calculation of the designated index be found?**

Not applicable.

### Where can I find more product specific information online?



More product-specific information can be found at <https://www.janushenderson.com/en-lu/investor/eu-sfdr-pan-european-absolute-return-fund/>

Further information as to how Janus Henderson approach ESG, including Janus Henderson's "ESG Investment Policy", can be found in the "About Us –Environmental, Social and Governance (ESG)" section of the website at [www.janushenderson.com](http://www.janushenderson.com)