

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.

This document is accurate as at 31 December 2023. 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. 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: Janus Henderson Flexible Income Fund
Legal entity identifier: OR1G3KQZZSOO4WWMNN67

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<div><input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/></div> Yes	<div><input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/></div> No
<div><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____%</div> <div><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div> <div><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div> <div><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ____%</div>	<div><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</div> <div><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div> <div><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div> <div><input type="checkbox"/> with a social objective</div> <div><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</div>

- What environmental and/or social characteristics are promoted by this financial product?
 - Support for UNGC principles (which cover matters including human rights, labour, corruption and environmental pollution).

- JHI leverages a proprietary ESG framework, utilising both third party data and proprietary insights, that incorporates at least 20 metrics across environmental, social, and governance factors to produce country-level ESG ratings ranging from AAA to CCC. To encourage the adoption of better environmental and/or social practices the Fund will only invest in sovereign issuers rated B or higher.
- JHI leverages a proprietary ESG framework, utilising both third party data and proprietary insights, to produce company ratings for corporate credit issuers. To encourage the adoption of better environmental and/or social practices the Fund will only invest in corporate credit issuers falling within the top 5 of the 6 ratings produced. For further information, please see below.
- JHI leverages a proprietary ESG framework, utilising both third party data and proprietary insights, to produce agency mortgage-backed securities issuer ratings. To encourage the adoption of better environmental and/or social practices the Fund will only invest in agency mortgage-backed securities issuers falling within the top 5 of the 6 ratings produced. For further information, please see below.
- Avoidance of investments in certain activities with the potential to cause harm to human health and wellbeing by applying binding exclusions.
- Climate change mitigation.

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?***

- Overall UN GC Compliance Status.
- Ratings of sovereign issuers across the portfolio based on the proprietary framework.
- Ratings of corporate issuers across the portfolio based on the proprietary framework.
- Ratings of issuers of agency mortgage-backed-securities across the portfolio based on the proprietary framework.
- ESG Exclusionary screens – 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.
- Carbon - Carbon Intensity Scope 1&2 - this represents the company's most recently reported or estimated Scope 1 + Scope 2 greenhouse gas emissions normalized by sales, which allows for comparison between companies of different sizes.

- ***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.

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.

- **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.

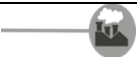
— — — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

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.



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

- ☒ Yes
- ☐ No

<u>Principle Adverse Impact</u>	<u>How is PAI considered?</u>
GHG Emissions	Exclusionary screens
Carbon Footprint	Exclusionary screens
GHG Intensity of Investee Companies	Exclusionary screens

Exposure to companies active in fossil fuel	Exclusionary screens
Violations of UNGC and OECD	Exclusionary screens
Exposure to controversial weapons	Exclusionary screens

Please see the Fund's SFDR website disclosures at: <https://www.janushenderson.com/en-ie/advisor/eu-sfdr-flexible-income-fund/> for further details on the current approach adopted and PAIs considered.

The Fund will make information available on how it has considered the PAIs in its periodic report.

■ What investment strategy does this financial product follow?

This Fund primarily seeks to obtain maximum total return, consistent with preservation of capital.

Total return is expected to result from a combination of current income and capital appreciation, although income will normally be the dominant component of total return. The Fund pursues its objective by investing in income producing securities of US Issuers which will normally make up 80%, but at all times not less than 67% of the Fund's net asset value.

The Fund is Actively Managed with reference to the Bloomberg US Aggregate Bond Index, which is broadly representative of the companies in which it may invest.

The Sub-Investment Adviser seeks to identify the best opportunities across fixed income markets using a bottom-up, fundamentally driven investment process. This approach rests on a belief that some companies have inherent strengths for creating shareholder values over time, have better prospects than their peer groups and should therefore outperform even in challenging industrial and economic circumstances. This approach drives decision making at a macro level, combined with informing risk and sector allocation decisions.

Investors should read this section in conjunction with the Fund's investment strategy (as set out in the supplement for the Fund under the heading "Investment Objective and Policies").

The binding elements of the investment strategy described below that are implemented as screens are coded into the compliance module of an order management system utilising third-party data provider(s) on an ongoing basis. The exclusionary screens are implemented on both a pre and post trade basis enabling any proposed transactions in an excluded security to be blocked and to 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 Sub-Investment Adviser will:

- Apply screens so that the Fund does not invest in issuers that are in breach of the UNGC Principles (which cover matters including human rights, labour, corruption, and environmental pollution).
- Leverage a proprietary ESG framework, utilising both third party data and proprietary insights, that incorporates at least 20 metrics across environmental, social, and governance factors to produce country-



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

level ESG ratings ranging from AAA to CCC. To encourage the adoption of better environmental and/or social practices the Fund will only invest in sovereign issuers rated B or higher.

- Leverage a proprietary ESG framework, utilising both third party data and proprietary insights, to categorise corporate credit issuers against six ratings from “Category 1” (the highest) to “Category 6” (the lowest). To encourage the adoption of better environmental and/or social practices the Fund will only invest in the top 5 of 6 category ratings, i.e. it will not invest in “Category 6” (the lowest) rated issuers as such issuers have been evaluated as having insufficient management of sustainability risks. The category ratings reflect the Sub-Investment Adviser’s view of the most relevant level of ESG risk for most companies within the sector and can help inform portfolio construction in terms of exposure to a certain sector.
- Leverage a proprietary ESG framework, utilising both third party data and proprietary insights, to categorise issuers of agency mortgage backed securities against six ratings from “Category 1” (the highest) to “Category 6” (the lowest). To encourage the adoption of better environmental and/or social practices the Fund will only invest in the top 5 of 6 category ratings, i.e. it will not invest in “Category 6” (the lowest) rated issuers as such issuers have been evaluated as having insufficient management of sustainability risks. The category ratings reflect the Sub-Investment Adviser’s view of the most relevant level of ESG risk for most companies within the sector and can help inform portfolio construction in terms of exposure to a certain sector.
- Apply screens to exclude investment in issuers if they derive more than 10% of their revenue from tobacco, or adult entertainment.
- Apply screens to exclude investment in issuers if they derive more than 10% of their revenues from oil sands extraction, arctic oil and gas, thermal coal extraction.

The Fund also applies the Firmwide Exclusions Policy, which includes controversial weapons, as detailed under the Prospectus section entitled “Investment Restrictions” in the Prospectus.

The Sub-Investment Adviser may include positions in the Fund that, based on third-party data or screens, appear to fail the above criteria, where the Sub-Investment Adviser believes that the third-party data is insufficient or inaccurate.

For the purposes of the AMF doctrine, the extra-financial analysis or rating is higher than:

- a. 90% for equities issued by large capitalisation companies whose registered office is located in "developed" countries, debt securities and money market instruments with an investment grade credit rating, sovereign debt issued by developed countries;
- b. 75% for equities issued by large capitalisations whose registered office is located in "emerging" countries, equities issued by small and medium capitalisations, debt securities and money market instruments with a high yield credit rating and sovereign debt issued by "emerging" countries.

Investors should note that a specific index is not designated as a reference benchmark to determine whether the Fund is aligned with the environmental characteristics promoted.

- ***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.

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

The companies in which investments are made are assessed by the Sub-Investment Adviser 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").

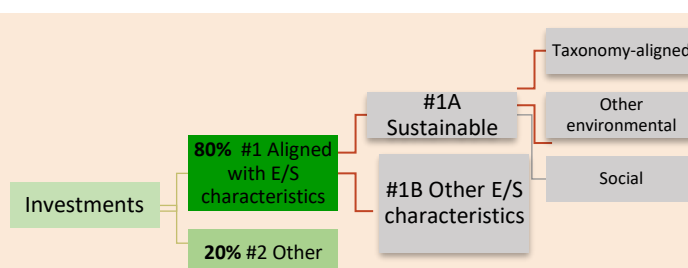
The Policy sets minimum standards against which investee companies will be assessed and monitored by the Sub-Investment Adviser prior to making an investment and on an ongoing basis. Such standards may include, but are not limited to: sound management structures, employee relations, remuneration of staff and tax compliance. The Policy can be found at www.janushenderson.com/esg-governance.

In addition, the Sub-Investment Adviser 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.

What is the asset allocation planned for this financial product?

A minimum of 80% of the investments of the financial product are used to meet the environmental or social characteristics promoted by the Fund.

The remaining investments are used for hedging or relate to cash held as ancillary liquidity. Other assets, which are not used to meet the environmental or social characteristics, may include cash or cash equivalents, derivatives for the purposes of efficient portfolio management, or derivatives for investment purposes other than those used to gain exposure to direct issuers and securitised assets other than agency mortgage-backed securities. No minimum environmental or social safeguards are applied to such investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

To the extent permitted by the investment objective and policy, the Fund may use derivatives to gain exposure to issuers that remain in the investment universe following the application of the exclusionary criteria described in our response to the question, "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?".



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



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

The proportion of investments in the Fund which are aligned with the Taxonomy is expected to be 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 Sub-Investment Adviser uses its own methodology to determine whether investments selected for the Fund are promoting environmental characteristics in accordance with the SFDR rules.

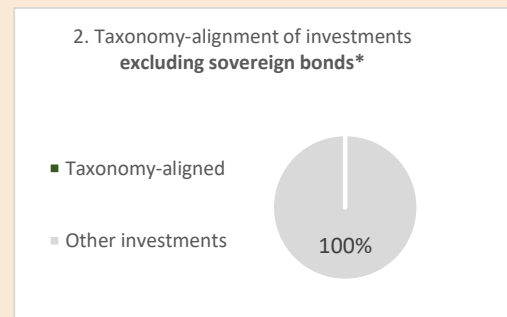
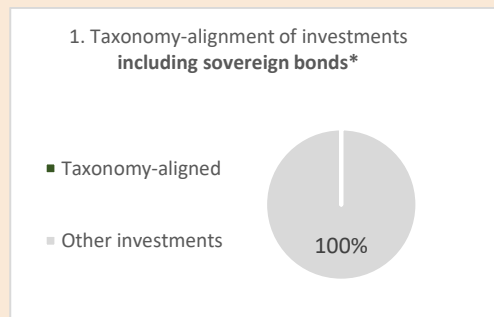
Does the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy?

- ☐ Yes:
- ☐ In fossil gas
- ☐ In nuclear energy
- ☒ No

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



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

Not applicable.

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

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



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, which are not used to meet the environmental or social characteristics, may include cash or cash equivalents, derivatives for the purposes of efficient portfolio management, or derivatives for investment purposes other than those used to gain exposure to direct issuers and securitised assets other than agency mortgage-backed securities. No minimum environmental or social safeguards are applied to such investments. 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.

- **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-ie/advisor/eu-sfdr-flexible-income-fund/>.

Further information as to how Janus Henderson approach ESG, including Janus Henderson's "ESG Investment Policy", can be found at www.janushenderson.com/esg-governance.