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Janus Henderson  
INVESTORS

**Best Execution Policy**  
Version: 1.3

Effective Date: November 2017



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## 1. Document control

Title	Best execution policy
Policy description	This policy sets out Janus Henderson Group's approach to achieving best execution for its clients and satisfies the regulatory requirement for an order execution policy.
Version	1.3

<b>Sponsor</b>	Chief Investment Officer
<b>Policy owners</b>	Global Head of Equities Trading Global Head of Fixed Income Trading
<b>Governance approval</b>	Best Execution Forum
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<b>Date approved</b>	14 November 2017
<b>Approvers</b>	Global Head of Equities Trading Global Head of Fixed Income Trading Head of Investment Management Compliance (Americas) Head of Investment Management Compliance (UK & Europe) Head of Risk & Compliance (Pan-Asia) Legal / General Counsel (Americas)
<b>Date last reviewed</b>	10/11/2017
<b>Review due date</b>	13/11/2018

### Referenced documents

Document name	Contact
Intech Best Execution Policy	Intech Chief Compliance Officer
JHG Conflicts of Interest Policy	JHG Conflicts of Interest Officer

### 2. Scope

The Best Execution policy (the “Policy”) applies globally to Janus Henderson Group (JHG) and its subsidiaries except Intech Investment Management LLC (“Intech”) for which a specific policy is in place.

This document sets out JHG’s best execution policy and associated arrangements in respect of financial instruments covered by the Markets in Financial Instruments Directive (MiFID). These financial instruments include but are not limited to:

- Equities, eg shares in companies, typically listed on an exchange
- Fixed income products eg government and corporate bonds
- Money market instruments eg cash deposits or other cash like instruments
- Units in collective investment schemes eg funds, both regulated and unregulated
- Foreign Exchange
- Commodity Derivatives
- Derivatives of these instruments

JHG principally provides discretionary investment management services to its clients, during the course of which the firm will execute orders on behalf of clients to invest or divest clients’ money. Investments may be made in a combination of the instruments listed above.

This policy describes how JHG achieves best execution when placing orders as agent on behalf of clients and reflects the firm’s obligations in taking sufficient steps to obtain the best possible client outcomes. The process by which we deliver Best Execution will vary from asset class to asset class and this policy intends to describe what those factors are, how we rank them and how we will provide best execution to clients in each of our asset classes.

### 3. Definitions

**Best Execution** – Take all sufficient steps to obtain, when executing orders, the best possible result for our clients taking into account the execution factors.

**Execution Factors** – The factors that will be considered, when executing orders, in order to obtain the best possible result for our clients:

- Price
- Cost of the transaction
- Speed
- Likelihood of execution and settlement
- Size of the transaction
- Nature of the transaction
- Liquidity of the market
- Any other considerations such as: anonymity of the transaction, execution venue, prevailing market conditions and financial stability of the counterparty

**Execution Venues** – A source of liquidity for the relevant financial instrument. In some cases there will only be one execution venue for a specific financial instrument (particularly for funds and structured products). The types of execution venues used by JHG’s approved counterparties consist of the following:

- Regulated markets
- Electronic Crossing Networks / Alternative Trading Systems
- Multilateral Trading Facilities (MTFs)
- Organised Trading Facilities (OTFs)
- Electronic Communication Networks (ECNs)

- Systematic Internalisers (counterparties using internal pools of liquidity) / Central Risk Book
- Third party investment firms, counterparties, and/or affiliates acting as a Market Maker or other liquidity providers including non EU entities performing similar functions
- Request For Quote (RFQ) platforms

## 4. Regulatory Requirements

Various regulators have articulated regulatory requirements relating to Best Execution, the list below is not exhaustive but summarises the main regulatory regimes which Janus Henderson Group is subject to.

### Europe

**Financial Conduct Authority (United Kingdom)** – COBS 11.2A – A firm must take all sufficient steps to obtain, when executing orders, the best possible result for its clients taking into account the execution factors.

<https://www.fca.org.uk/publication/policy/ps17-14.pdf> (Chapter 13)

**Commission de Surveillance du Secteur Financier (Luxembourg)** – Regulation 10-04 - Management Companies shall implement and establish an order execution policy and take all reasonable steps to obtain the best possible result when executing orders on behalf of its clients.

[https://www.cssf.lu/fileadmin/files/Lois\\_reglements/Legislation/RG\\_CSSF/RCSSF\\_No10-04\\_eng.pdf](https://www.cssf.lu/fileadmin/files/Lois_reglements/Legislation/RG_CSSF/RCSSF_No10-04_eng.pdf)

**European Securities and Markets Authority** – Markets in Financial Instruments (MiFID II) Directive 2017/65/EU – MiFID will require that firms take all sufficient steps to obtain the best possible result in the execution of an order for a client. The best possible result is not limited to execution price but also includes cost, speed, likelihood of execution and likelihood of settlement and any other factors deemed relevant.

<https://ec.europa.eu/transparency/regdoc/rep/3/2016/EN/3-2016-2398-EN-F1-1.PDF>

### United States of America

**Securities and Exchange Commission** – Investment Advisers Act of 1940: Section 206 – Under the Investment Advisers Act, courts have imposed on advisers a fiduciary duty that includes an affirmative duty of "utmost good faith, and full and fair disclosure of all material facts" and an affirmative obligation "to employ reasonable care to avoid misleading" clients. This fiduciary obligation has long been interpreted to include the duty to seek best execution under Section 206 of the Act, which generally prohibits adviser fraud.

<https://www.sec.gov/about/laws/iaa40.pdf>

**Securities and Exchange Commission** – Section 28(e) of the Securities Exchange Act of 1934: 17 CFR – Part 241 Release No. 34-23170 – V. Best Execution Obligations – As a fiduciary, a money manager has an obligation to obtain "best execution" of clients' transactions under the circumstances of the particular transaction. The money manager must: execute securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favourable under the circumstances. A money manager should consider the full range and quality of a broker's services in placing brokerage including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility, and responsiveness to the money manager. The Commission wishes to remind money managers that the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution for the managed account. In this connection, money managers should periodically and systematically evaluate the execution performance of broker-dealers executing their transactions

<https://www.sec.gov/rules/interp/34-23170.pdf>

<https://www.sec.gov/about/laws/sea34.pdf>

### Pan-Asia

**Australian Securities & Investments Commission** – ASIC Market Integrity Rules (Competition in Exchange Markets) 2011: Part 3.1 Best execution obligation (rg-223) – A market participant must take

reasonable steps when handling and executing an order in relevant products to obtain the best outcome for its client. For a retail client, the best outcome means the best total consideration (which market participants may interpret as best price), taking into account client instructions. For wholesale clients other outcomes may be relevant, including speed, likelihood of execution and any other relevant considerations (or any combination of these outcomes)

<http://download.asic.gov.au/media/3225864/rg223-published-4-may-2015.pdf>

**Securities & Futures Commission (Hong Kong)** – Fund Manager Code of Conduct: II.3.2 Best Execution – A Fund Manager should execute client orders on the best available terms, taking into account the relevant market at the time for transactions of the kind and size concerned.

<http://www.sfc.hk/web/EN/assets/components/codes/files-previous/web/codes/fund-manager-code-of-conduct/Fund%20Manager%20Code%20of%20Conduct%20-%202003-04-01%2000:00:00.pdf>

**Financial Services Agency (Japan)** – Financial Instruments and Exchange Act – Article 40-2-1 (Best Execution Policy) – A Financial Instruments Business Operator, shall establish a policy and method for executing orders from customers for sales and purchase of Securities and Derivative Transactions under the best terms and conditions.

<http://www.fsa.go.jp/common/law/fie01.pdf>

**Investment Management Association of Singapore** – Code of Ethics & Standards of Professional Conduct: 4.3 Best Execution – Members when executing orders, or who place orders with other entities for execution when providing the service of portfolio management, or who transmit orders to other entities for execution when providing the service of reception and transmission of orders, must have arrangements in place to take all reasonable steps to obtain the 'best possible result' for their clients. The best possible result should be determined with regard to the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order.

<http://www.imas.org.sg/uploads/media/2012/10/25/24 IMAS Code of Ethics May10.pdf>

## 5. Policy

### 5.1 Execution Strategy

- 5.1.1 Orders will be processed in a timely manner
- 5.1.2 Orders will generally be processed by the trading desk that has the most relevant information about the market and/or instrument of each particular transaction
- 5.1.3 When determining the strategy for placing orders for execution in the market, JHG will take into consideration certain execution factors, as described in section 3 “Definitions”, dependent upon the characteristics of the order and the prevailing market conditions
- 5.1.4 JHG must take all sufficient steps to obtain, when executing orders on its clients' behalf, the best possible results, taking into account all the execution factors and compliance with the requirements highlighted in the Conflicts of Interest policy<sup>1</sup>
- 5.1.5 In determining the relative importance of the execution factors, JHG will take into account each client's objectives, the specific financial instruments to which the order relates, the execution venues or counterparties available for such orders and the prevailing market conditions. Execution factors may from time to time be competing and JHG will use its commercial experience and judgment in all cases; this may mean choosing not to execute the trade if we believe that it is in the clients' interest.

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<sup>1</sup> In particular, JHG does not consider counterparty's sale of shares of its sponsored funds or gifts and entertainment received from registered representatives of an approved counterparty when choosing counterparty to effect a transaction.

5.1.6 When trading financial instruments on behalf of our clients, we will normally use our discretion to decide which financial instruments to trade, the size and speed at which we wish to trade, the venues on which those instruments will be traded and how to access those venues. By investing with JHG, clients are giving their consent to trade from time to time outside regulated markets, Systematic Internalisers / Central Risk Book, Organised Trading Facilities (OTF) and Multilateral Trading Facilities (MTF). In these cases, JHG's commitment to obtain the best possible client outcomes will remain a key focus and we will therefore ensure that we do not take unreasonable risks with our client funds.

### 5.2 Counterparty Management

- 5.2.1 JHG identifies preferred counterparties who have the skills and capabilities to provide cost-effective, efficient and timely trade execution
- 5.2.2 A commensurate level of independent due diligence, including an assessment of potential conflicts of interest, is carried out before a counterparty is approved and added to the approved counterparty list. This includes reviewing their Best Execution policy.
- 5.2.3 JHG places orders to be executed with approved counterparties. The list of approved counterparties is reviewed regularly and changes over time. A list of our liquidity providers, in which we place significant reliance, is included in the appendix to this policy.
- 5.2.4 The performance of counterparties in providing best execution for JHG's clients is evaluated regularly
- 5.2.5 Commissions paid to counterparties are subject to a regular analysis and oversight review. This enables to ensure that these payments remain commensurate with the service received and do not affect our counterparties ability to supply Best Execution and our ability to deliver positive client outcomes.

### 5.3 Best Execution Monitoring & Oversight

- 5.3.1 Management information is in place to analyse the Equity transaction process from fund manager decision, through trader instruction to execution by our counterparties, providing trade efficiency monitoring data on all commission-bearing trades and allowing JHG to see where value is being added and where the costs lie. The explicit costs of trading are recorded as a matter of course.
- 5.3.2 A transaction cost analysis ("TCA") is regularly carried out for Equities and enables to measure implicit costs, such as market impact, timing and opportunity cost, and highlights how efficient the transaction process is at capturing the implicit value identified by the fund manager. TCA reports are produced on a regular basis and discussed with the Equities Fund Managers and Head of Investment Desks; any concerns are addressed by the Global Head of Equities trading.
- 5.3.3 Management information is in place to analyse the Fixed Income, Asset Backed Securities and Loans transaction process, ensuring that competing quotes have been obtained where relevant and that exceptions are reviewed where applicable, for example where the best quotes have not been selected. Counterparty concentration reports are produced on a regular basis and discussed with the Fund Managers and Head of Investment Desks; any concerns are addressed by the Global Head of Fixed Income trading.
- 5.3.4 A transaction cost analysis ("TCA") and peer review are regularly carried out for FX and enable to measure implicit costs, such as market impact, timing and opportunity cost, and highlight how efficient the transaction process is at capturing the implicit value identified by the Fund Managers.

- 5.3.5 A governance meeting is held on a quarterly basis in order to review adherence to the best execution policy. It is attended by senior investment, compliance and risk employees who review the management information available for all traded instrument types and discuss any concerns or issues.

### 6. Exception to this Policy

- 6.1.1 Clients may instruct us to execute a specific order or group of orders in a certain way and/or with a specific set of counterparties. Depending on the specifics of the order the client has given us, we may not be able to achieve best execution because the order may prevent us from doing so. In those circumstances, we will try to achieve the best possible outcomes we can whilst following our client's requirements.
- 6.1.2 JHG may place trades with sponsors or their affiliated counterparties because trading commissions are included in the fee the client pays to the sponsor. There may be circumstances however when JHG, in seeking best execution, executes trades through counterparties or other security intermediaries other than the sponsors or their affiliated broker-dealers.
- 6.1.3 In certain special circumstances we may deviate from this policy as external and/or internal events may not allow us to. Such events include extreme volatility in markets, power outages and disruptions in the order management and execution systems, and other circumstances that are beyond our control.
- 6.1.4 For clients not falling within the protections of MiFID II, JHG may execute transactions with counterparties for a higher commission than another broker-dealer would have charged if JHG determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and/or research services provided by that particular broker-dealer. In determining the reasonableness of a commission, JHG may view the value of the services provided either in terms of that particular transaction or the value of the services provided to JHG as they relate to the overall responsibilities of JHG as an investment adviser.

### 7. Roles and Responsibilities

Janus Henderson Group operates a three lines of defence model. In relation to this policy, this means that the three lines of defence have the following responsibilities.

- First line of defence:
  - Achieving best execution and being able to demonstrate it
  - Establishing an adequate level of systems, controls and expertise to meet requirements set out in this policy
  - Cascading the policy requirements and providing training where applicable
- Second line of defence:
  - Ensuring that the policy adequately sets out JHG's regulatory responsibilities; promptly communicating changes in regulatory requirements where applicable
  - Reviewing and providing sign-off on first line of defence activities where relevant
  - Monitoring and testing activities undertaken by the first line of defence to ensure that the level of systems and controls in place within the first line of defence is adequate to meet the requirements set out in this policy
  - Providing advice and guidance to the first line of defence when setting requirements within this policy or implementing systems and controls
- Third line of defence:
  - Providing independent assurance on the adequacy of the systems and controls in place within the first and the second lines of defence to meet the requirements set out in this policy

### 8. Policy Maintenance

This document will be reviewed on an annual basis or more frequently in case of material changes.

## 9. Version Control

Version	Implemented by	Revision date	Approved by	Approval date	Reason
1.0	Senior Manager Compliance Advisory	15/02/2016	Investment Performance & Risk Committee	22/02/2017	Policy Refresh
1.1	Senior Manager Compliance Advisory	21/07/2016	Head of Secured Credit	22/07/2016	Minor update to reflect new front office governance arrangements and more detail regarding Secured Loans and ABS
1.2	Senior Manager Compliance Advisory	15/09/2016	Best Execution Forum	05/09/2016	Addition to Geneva exclusion related to directed trading, cleared OTC taking priority and rationale removed from Secured Loans
1.3	Front Office Governance & Controls Manager	10/11/2017	Best Execution Forum	14/11/2017	Review of the policy and alignment to MiFID 2 requirements

## Appendix

### A. Equities – Shares and Depository Receipts

#### Approach

- Equity orders will normally be executed by our counterparties, through recognized investment exchanges, multilateral trading facilities, and Systematic Internalisers / Central Risk Book. In achieving Best Execution, we will consider the reason for the order, the market or venue on which the instrument is available, the size of the order relative to the instruments availability (“liquidity”) and the specific instructions of the portfolio manager responsible for the trade.
- A fund manager, when placing a deal, may communicate their strategy, which allows the centralised trading desk to select the most appropriate execution process. The centralised trading desk is tasked with sourcing liquidity so all trades are dealt on the most relevant venue(s). JHG’s trading methods will include agency, net, execution-only, programme trading, capital commitment, internal crossing and Algorithmic computer-based trading, but this list is not exhaustive.

Note: This section also applies to trading in Exchange Traded Funds (ETFs)

#### Execution Factors

##### Liquid Equities – (80-2000+ trades per day)

- **Price and cost** will normally be the determining factors but other reasons may mean for example that certainty of completion takes priority

##### Illiquid Equities – (0-79 trades per day)

- **Price, size of order and cost** will normally be the determining factors but other reasons may mean for example that certainty of completion takes priority

#### MiFID II relevant information:

##### Counterparties on which Janus Henderson Group places significant reliance:

- |                                 |                        |
|---------------------------------|------------------------|
| • ABG Sundal Collier            | • ITG                  |
| • Bank of America Merrill Lynch | • Jefferies            |
| • Barclays Capital              | • JP Morgan            |
| • BTIG                          | • Liquidnet            |
| • Citigroup                     | • Macquarie Group      |
| • CLSA                          | • Morgan Stanley       |
| • Credit Suisse                 | • Royal Bank of Canada |
| • Deutsche Bank                 | • Redburn              |
| • Exane – BNP Paribas           | • Sanford Bernstein    |
| • Goldman Sachs                 | • Societe Generale     |
| • HSBC                          | • UBS                  |
| • Instinet – Nomura             |                        |

## B. Debt Instruments – Bonds

### Approach

- Fixed Income orders will generally be directed by JHG to our counterparties or executed through an electronic trading platform or via telephone dealing facilities depending on the size and complexity of the order
- When we trade in Fixed Income we will look to obtain a reasonable number of competitive quotes through our trading screens to ensure that we are obtaining the best price
- A review of up to date information in the market on spreads and government bond prices is undertaken in order to determine the depth of liquidity in the relevant corporate bonds. A minimum of two counterparties are normally selected however, where there are liquidity constraints and we believe this might negatively affect the outcome, only one may be used.

Note: This section also applies to Exchange Traded Notes

### Execution Factors

#### Government and Corporate Bonds

- **Size of order, price and cost** will normally be the most significant factors; however execution speed or the lack of venues or counterparties offering the relevant instrument may mean that our investigation into price is not as varied as it might be in other circumstances

### MiFID II relevant information:

#### Counterparties on which Janus Henderson Group places significant reliance:

- |                                 |                          |
|---------------------------------|--------------------------|
| • Bank of America Merrill Lynch | • Liquidnet              |
| • Barclays Capital              | • Lloyds TSB Bank        |
| • BNP Paribas                   | • Market Axess           |
| • Citigroup                     | • Mizuho                 |
| • Credit Agricole CIB           | • Morgan Stanley         |
| • Credit Suisse                 | • Nomura                 |
| • Daiwa Securities              | • Royal Bank of Canada   |
| • Deutsche Bank                 | • Royal Bank of Scotland |
| • Goldman Sachs                 | • Societe Generale       |
| • HSBC                          | • Stifel Nicolaus        |
| • Hypovereinsbank               | • UBS                    |
| • Jeffries                      | • Wells Fargo            |
| • JP Morgan                     |                          |

#### Trading venues on which Janus Henderson Group places significant reliance

- Tradeweb
- Market Axess
- Bloomberg

## C. Debt Instruments – Money Market Instruments

### Approach

- We instruct investments in Fixed Term Deposits (FTDs), call accounts and Certificates of Deposit (CDs) to diversify our risk away from our funds' operational custodial counterparties, and alongside Floating Rate Notes (FRNs) as an investment in their own right for our cash based funds. FTDs are typically dealt direct with our pre-approved deposit counterparty banks, whereas a selection of money market brokers provides access to CD market liquidity.
- The fund mandate dictates both the money market instruments (eg call accounts, FTDs and CDs) and the individual liquidity exposure period and the overall fund average exposure
- JHG also maintains firm-wide counterparty exposure limits. For both pure investment strategies and other cash transactions, the relevant trade is chosen based on the best market rate available that also ensures adherence with exposure and diversification requirements. This can result in directing trades away from certain counterparties if our overall, or fund-specific, exposure to that counterparty is too high, even if the price or other terms offered by that counterparty might be the best available.
- Established trading practice with our counterparties is to obtain the rate applied to cash dealing and placements via a recorded telephone call or Bloomberg IB message. In either case, trading is subsequently affirmed by our outsourced back office operations, which enables separate control verification.

### Execution Factors

#### Money Market Instruments

- **Price and cost** will normally be the most significant factors; however risk diversification may mean that our investigation into price is not as varied as it might be in other circumstances

#### MiFID II relevant information:

#### Counterparties on which Janus Henderson Group places significant reliance

- ICAP Securities
- King & Shaxson
- BGC Partners
- Tradition
- Tullett Prebon Securities

## D. Exchange-Traded Derivatives (ETD) – Options and Futures

### Approach

- ETD orders will generally be directed by JHG to our counterparties or executed through an electronic trading platform or via telephone dealing facilities depending on the size and complexity of the order
- When we trade in ETDs we will look to obtain a reasonable number of competitive quotes through our trading screens to ensure that we are obtaining the best price
- When we build structured trades in instruments such as exchange traded options, we will look to obtain competitive quotes from other market participants to ensure that we are obtaining the best price. A minimum of two counterparties are normally selected however, where there are liquidity constraints and we believe this might negatively affect the outcome, only one may be used.

### Execution Factors

Equity, Emission Allowances, Commodity, Credit, Currency and Interest Rates Options and Futures admitted to trading on a trading venue

- **Price, cost and size of order** will generally be the most important factors when we trade ETDs. However other execution factors may be taken into account or, in exceptional circumstances, be considered the principal factor (eg if speed is essential, price and market impact may mean that the trade is carried out in circumstances where the price of a trade is impacted).

For example, when we build structured trades in instruments such as exchange traded options, whilst absolute and relative prices will normally be the most significant factors, execution speed, volume, market positioning, fund positioning, execution costs, risks, and liquidity will also be considered.

### MiFID II relevant information:

#### Counterparties on which Janus Henderson Group places significant reliance

- ADM Investor Services International
- BNP Paribas
- Citigroup
- Credit Suisse
- Deutsche Bank
- Goldman Sachs
- HSBC
- JP Morgan
- Macquarie
- Merrill Lynch
- Morgan Stanley
- R J O'Brien & Associates
- Societe Generale – Newedge
- UBS

## E. Over-The-Counter Derivatives (OTC) – SWAPS, Forwards, Options, Warrants and Other Derivatives

### Approach

- OTC orders will generally be directed by JHG to our counterparties or executed through an electronic trading platform or via telephone dealing facilities depending on the size and complexity of the order
- When we build structured trades OTC, we will look to obtain competitive quotes from counterparties that we have sufficient legal agreements with to ensure that we are obtaining the best price. A minimum of two counterparties are normally selected however, where there are liquidity constraints and we believe this might negatively affect the outcome, only one may be used.
- When trading cleared and non-cleared transactions at the same time, we will typically prioritise cleared transactions due to the reduction of counterparty risk and the depth of liquidity.

Note: This section applies to cleared SWAPS as well

### Execution Factors

#### Equity, Credit and Interest Rates SWAPS, Forwards and other OTC Derivatives

- **Size of order, price and cost** will be generally the most important factors by which we consider how we trade in these instruments. However, other execution factors may be taken into account or, in exceptional circumstances, be considered the principal factor (ie if speed is essential, price and market impact may mean that the trade is carried out in circumstances where the price of a trade is impacted).

#### Emission Allowances and Commodity SWAPS, Forwards and other OTC Derivatives

- **Price and cost** will be generally the most important factors by which we consider how we trade in these instruments. However, other execution factors may be taken into account or, in exceptional circumstances, be considered the principal factor (ie if speed is essential, price and market impact may mean that the trade is carried out in circumstances where the price of a trade is impacted).

Whilst absolute and relative prices will normally be the most significant factors when we build structured trades in these instruments, execution speed, volume, market positioning, fund positioning, execution costs, risks, and liquidity will also be considered.

### MiFID II relevant information:

#### Counterparties on which Janus Henderson Group places significant reliance

- |                                  |                          |
|----------------------------------|--------------------------|
| • Australia and New Zealand Bank | • HSBC                   |
| • Bank of America Merrill Lynch  | • JP Morgan              |
| • Barclays Capital               | • Morgan Stanley         |
| • BNP Paribas                    | • Royal Bank of Canada   |
| • Commonwealth Bank of Australia | • Royal Bank of Scotland |
| • Citadel                        | • Societe Generale       |
| • Citibank                       | • Standard Chartered     |
| • Credit Suisse                  | • State Street           |
| • Deutsche Bank                  | • UBS                    |
| • Goldman Sachs                  | • Westpac                |

#### Trading venues on which Janus Henderson Group places significant reliance

- Tradeweb
- Market Axess
- Bloomberg

## F. Foreign Exchange – Currency Forwards, Spots, SWAPS and Other OTC Derivatives

### Approach

- We instruct foreign exchange (FX) transactions primarily to hedge our exposure to different currencies or to allow transactions between currencies to take place, and in some instances to express directional investment views for the underlying fund. We will typically do this direct with counterparty from a selection of banks which are approved for FX trading for the appropriate underlying fund.
- All possible trades are electronically dealt through an e-trading platform where up to 10 counterparties are selected to compete for each trade. We will always try and select the maximum possible number of banks to competitively quote for each trade. Where this results in fewer than 3 competitive quotes, available prices are checked against current market levels before executing. Non-deliverable forwards (NDF) are traded over the phone, obtaining 3 competitive quotes from an approved list of banks where possible, and referencing against current market rates.
- Certain FX transactions, such as share class hedging for certain funds or portfolios, will be outsourced to the third party administrators for the relevant fund or portfolio. In these circumstances, the service provided by the third party administrator will be overseen by JHG

### Execution Factors

#### Currency Forwards, Spots, SWAPS, other OTC Derivatives

- **Price, size of the order and cost** will be generally the most important factors by which we consider how we trade in these instruments. However, other execution factors may be taken into account or, in exceptional circumstances, be considered the principal factor (ie if speed is essential, price and market impact may mean that the trade is carried out in circumstances where the price of a trade is impacted).

### MiFID II relevant information:

#### Counterparties on which Janus Henderson Group places significant reliance

- |                                  |                          |
|----------------------------------|--------------------------|
| • Australia and New Zealand Bank | • HSBC                   |
| • Bank of America Merrill Lynch  | • JP Morgan              |
| • Barclays Capital               | • Morgan Stanley         |
| • BNP Paribas                    | • Royal Bank of Canada   |
| • Commonwealth Bank of Australia | • Royal Bank of Scotland |
| • Citadel                        | • Societe Generale       |
| • Citibank                       | • Standard Chartered     |
| • Credit Suisse                  | • State Street           |
| • Deutsche Bank                  | • UBS                    |
| • Goldman Sachs                  | • Westpac                |

#### Trading venues on which Janus Henderson Group places significant reliance

- FX All
- FX Connect

## G. Contracts for Difference

### Approach

- CFD orders will be executed by our approved counterparties and communicated through electronic trading platforms or via telephone dealing facilities. In the US market, CFDs will be executed with the Financing Broker due to market convention (ie non give-up market).
- In achieving Best Execution, we will consider the reason for the order, the market or venue on which the instrument is available, the size of the order relative to the instruments availability (“liquidity”) and the specific instructions of the portfolio manager responsible for the trade. The Trader reviews the borrowing rates available from the financing broker.
- A ‘locate’ is secured from the broker for any CFD to be sold short.

### Execution Factors

- **Price and cost** will normally be the determining factors but other reasons may mean for example that certainty of completion takes priority.

### MiFID II relevant information:

#### Counterparties on which Janus Henderson Group places significant reliance:

- ABG Sundal Collier
- Bank of America Merrill Lynch
- Barclays Capital
- BTIG
- Citigroup
- CLSA
- Credit Suisse
- Deutsche Bank
- Exane – BNP Paribas
- Goldman Sachs
- HSBC
- Instinet – Nomura
- ITG
- Jefferies
- JP Morgan
- Liquidnet
- Macquarie
- Morgan Stanley
- Royal Bank of Canada
- Redburn
- Sanford Bernstein
- Societe Generale
- UBS

## H. Loans and Asset-Backed Securities

### Approach

- When trading Loans and Asset-Backed Securities (ABS), whilst we always seek to have competing quotes, this may not always be possible. For example, when looking to invest, there may be only one offer in a particular ABS tranche given the large number of distinct transactions, each backed by separate and specific collateral pools. In such instances, we will use our expert judgement based upon comparable trading or bid/offer levels from similar securities that we can see in the market.
- It is standard ABS and Loans team practice to have discussion or written correspondence on the desk about the execution level when there are not any competing quotes available, and an email is typically circulated documenting the trade

### Execution Factors

- **Price, likelihood of execution and settlement, and cost** will normally be the determining factors but other reasons may prevail depending on market conditions

### MiFID II relevant information:

#### Counterparties in which Janus Henderson Group places significant reliance

##### Secured Loans

- |                                 |                   |
|---------------------------------|-------------------|
| • Bank of America Merrill Lynch | • HSBC            |
| • Barclays Capital              | • ING Bank        |
| • BNP Paribas                   | • Jefferies       |
| • Cantor Fitzgerald             | • JP Morgan       |
| • Citigroup                     | • Lloyds TSB Bank |
| • Commerzbank                   | • Morgan Stanley  |
| • Credit Agricole               | • Nataxis         |
| • Credit Suisse                 | • Nomura          |
| • Deutsche Bank                 | • Scotia Bank     |
| • Goldman Sachs                 | • UBS             |

##### Asset-Backed Securities

- |                                 |                   |
|---------------------------------|-------------------|
| • Citigroup                     | • Santander       |
| • JP Morgan                     | • HSBC            |
| • Deutsche Bank                 | • Jefferies       |
| • Goldman Sachs                 | • Credit Suisse   |
| • BNP Paribas                   | • Credit Agricole |
| • Barclays Capital              | • Wells Fargo     |
| • Morgan Stanley                | • DZ Bank         |
| • Bank of America Merrill Lynch |                   |

## I. Collective Investment Schemes

### Approach

- Dealing terms in collective investment schemes will be dictated by the price available at the time at which we trade. This is normally obtained from the scheme issuer and is not normally comparable (ie there is only one price available at the time of trading). Typically, most of the relevant CIS trading is done at a certain time each day, as agreed with the relevant client.

### Execution Factors

- **Timing of execution, price and cost** will normally be the determining factors

### Venues in which Janus Henderson Group places significant reliance

- N/A – Scheme Issuer

### Trading venues in which Janus Henderson Group places significant reliance

- N/A – Scheme Issuer.

## J. Emission Allowances

Janus Henderson Group doesn't trade in emission allowances.

## Best Execution Policy

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### Janus Henderson Investors

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