

## AlphaGen Capital Limited Form ADV: Part 2A Brochure

**March 31, 2019**

201 Bishopsgate  
London, UK EC2M3AE  
+44 20 7818 2111  
[www.alphagen-capital.com](http://www.alphagen-capital.com)

This brochure provides information about the qualifications and business practices of AlphaGen Capital Limited ("ACL"). If you have any questions about the contents of this brochure, please contact us at [alphageninfo@alphagen-capital.com](mailto:alphageninfo@alphagen-capital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about ACL is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration as an investment adviser does not imply a certain level of skill or training.

This document is solely for the use of professionals. Please see the complete disclosures of risks and other important information at the end of the document.

## Item 2: Material Changes

This brochure replaces the one previously provided to you. We updated, revised and expanded certain information to help you better understand our firm, the investment products we offer, and our efforts to ensure clients are treated fairly. The changes primarily apply to *Item 4 – Advisory Business*, *Item 6 – Performance Based Fees and Side by Side Management*, *Item 7 – Types of Clients*, *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss* and *Item 10 – Other Financial Industry Activities and Affiliations*. We do not believe any of these changes are material.

## Item 3: Table of Contents<sup>1</sup>

Item 2: Material Changes.....	2
Item 3: Table of Contents.....	3
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation.....	5
Item 6: Performance-Based Fees and Side-by-Side Management .....	5
Item 7: Types of Clients .....	6
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss .....	7
Item 9: Disciplinary Information.....	10
Item 10: Other Financial Industry Activities and Affiliations.....	10
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	12
Item 12: Brokerage Practices.....	15
Item 13: Review of Accounts .....	17
Item 14: Client Referrals and Other Compensation .....	18
Item 15: Custody.....	18
Item 16: Investment Discretion .....	18
Item 17: Voting Client Securities.....	18
Item 18: Financial Information.....	19

---

<sup>1</sup> The SEC requires advisers to use a certain format and include certain items in their brochure. We have therefore included those items and indicated where they are not applicable.

## Item 4: Advisory Business

AlphaGen Capital Limited (“ACL”) is a private limited company incorporated in England on September 25, 1969 (in the form of its predecessor), registered with the SEC as an investment adviser, the U.K. Financial Conduct Authority (“FCA”) as an investment adviser and fund manager, and the U.S. National Futures Association/Commodity Futures Trading Commission as a commodity pool operator. ACL is an indirect, wholly-owned subsidiary of Janus Henderson Group plc (“Janus Henderson Group”), which is a dually-listed, publicly-traded company (NYSE:JHG and ASX:JHG) conducting business as Janus Henderson Investors. Janus Henderson Group is responsible for the strategic direction of its subsidiaries, including ACL. More information about other financial industry affiliations of ACL is described in *Item 10 – Other Financial Industry Activities and Affiliations*.

ACL offer a range of alternative strategies and differentiated sources of alpha for our clients with the aim of producing strong risk adjusted returns. Our core investment capabilities include public equities (long/short and long biased), risk premia and commodities strategies spanning developed and emerging markets. We offer these strategies to U.S. and non-U.S. institutional clients and individual investors on an advisory or sub-advisory basis through the following types of products:

- private investment funds, including hedge funds, excluded from registration requirements under the Investment Company Act of 1940, as amended (the “Investment Company Act”) under an exemption or otherwise (“Private Funds”),
- non-U.S. domiciled mutual funds, trusts or similar entities (“non-U.S. Funds”), and
- separate accounts (“Separate Accounts”).

In this Brochure, we refer to the non-U.S. Funds and Private Investment Funds collectively as “Funds”. As of the date of this brochure, ACL managed, advised and/or sub-advised the following Funds:

- AlphaGen Capella Fund,
- AlphaGen Castor Fund,
- AlphaGen European Best Ideas Fund,
- AlphaGen Liquidity Risk Premium Fund,
- AlphaGen Lutra Fund SICAV.
- AlphaGen Multi Strategy Fund,
- AlphaGen Octanis Fund,
- AlphaGen Peregrine Fund
- AlphaGen Relative Value Agriculture Fund,
- Gartmore Antea Fund, and
- OC526 Offshore Fund.

When ACL serves as investment adviser, it enters into a written investment management agreement with its advisory clients. The investors in Funds are not considered ACL’s advisory clients and do not enter into investment management agreements with ACL. With respect to any Fund, this Brochure is qualified in its entirety by the Fund’s offering memorandum, operating or limited partnership agreement or similar disclosure and governing documents (collectively, the “offering documents”). Investment management agreements include provisions related to each client’s management fees, investment strategy, investment guidelines, termination rights, proxy voting and sub-adviser, if applicable.

Affiliates of ACL within the Janus Henderson Group may provide services to clients of ACL through participating affiliate arrangements, delegations, and cross-services agreements. These are described in greater detail under *Item 10 – Other Financial Industry Activities and Affiliations*.

ACL partners with Separate Account clients to tailor investment services to clients’ specific needs. ACL works with clients to formulate appropriate and agreed-upon investment guidelines. Generally, clients may impose restrictions on investing in certain issuers, types (e.g., excluding tobacco companies from a portfolio) or quantities of securities, investment instruments, asset classes, geographic regions or sectors. ACL works with clients to determine the feasibility of monitoring proposed restrictions and limitations. Clients who restrict their investment portfolios may experience potentially worse performance results than clients with

unrestricted portfolios even for clients with similar objectives. ACL reserves the right to reject or terminate any client's account that seeks restrictions which ACL is unable to implement or which may fundamentally alter the investment objective of the strategy selected by the client. Investors who participate in pooled investment vehicles such as the Funds may generally not tailor investment guidelines.

ACL does not offer traditional financial planning services. As of December 31, 2018, ACL had \$2.09 billion<sup>2</sup> in discretionary assets under management and \$0 in non-discretionary assets under management.

## Item 5: Fees and Compensation

ACL typically receives an investment management fee from the Funds and Separate Accounts for its investment advisory services. ACL's fee schedule for the Funds and Separate Accounts is between 0% (which might apply as an incentive for seed capital) and 2.0% of net asset value of the relevant Fund or Separate Account. Such fee is calculated each month before deduction of that month's fee and before deduction for any accrued performance fees as of each valuation day. Generally, the investment management fee is payable monthly in arrears and is disclosed in each Fund offering document. Fees for both the Funds and Separate Accounts may be negotiated. For certain Funds and Separate Accounts, ACL may also receive a fee based on the performance achieved by a Fund or Separate Account over a specific time period. See *Item 6 – Performance-Based Fees and Side-By-Side Management* for more information about performance-based fees.

In addition to ACL's investment management fee, clients may incur operating and transaction fees, costs and expenses associated with maintaining their accounts imposed by custodians, brokers, futures commission merchants, prime brokers and other third-parties. Examples of these charges include but are not limited to custodial fees, margin, deferred sales charges, "mark-ups" and "mark-downs" on trades, odd-lot differentials, transfer taxes, handling charges, exchange fees (including foreign currency exchange fees), interest to cover short positions, wire transfer fees, electronic fund fees, conversion fees for American Depositary Receipts ("ADRs") and other fees and taxes on brokerage accounts and securities transactions. ACL does not receive any portion of these commissions, fees or costs. See, however, *Item 12 – Brokerage Practices* for more information about commission credits and conversion fees for ADRs.

Investors in the Funds pay expenses in addition to investment management fees and performance fees, if applicable. These expenses generally include administration, organizational, research and investment expenses, such as brokerage commissions, legal, line of credit, director, accounting, audit and other professional fees and expenses. For additional detail on these fees and expenses, please refer to a Fund's offering documents.

To the extent ACL engages a sub-adviser, ACL will pay the sub-adviser a portion of the management fee that clients pay to ACL. ACL's clients do not pay any fees, commissions or expenses directly to sub-advisers. Further, to the extent ACL acts as a sub-adviser, ACL will receive a portion of the management fee, and performance fee if applicable, the end clients pay to the adviser. These clients do not pay any fees, commissions or expenses directly to ACL.

## Item 6: Performance-Based Fees and Side-by-Side Management

In addition to receiving an asset-based investment management fee, ACL may also receive a fee based on the performance achieved by a Fund or Separate Account over a specific time period. Performance fees are based on the appreciation in the net asset value achieved by a Fund or Separate Account. The Performance Fee is calculated in respect of each period of twelve months and on termination; and will typically be equal to 20% of the appreciation in the net asset value of a Fund or Separate Account during that calculation period above the base net asset value of such Fund or Separate Account.

The performance fee may create an incentive for ACL to make investments for the Funds or Separate Accounts which are riskier than would be the case in the absence of a fee based on performance. However,

---

<sup>2</sup> Unless otherwise specified, all references herein are to U.S. dollars.

this is mitigated by monitoring undertaken by Investment Risk and Financial Risk (the “Market Risk teams”) to ensure that risk and return characteristics are consistent with those agreed to by the client or investors. See *Item 13 – Review of Accounts* for more information about the reviews undertaken by the Market Risk teams.

Further, ACL may manage accounts with performance based fees in the same locations, using the same systems and staffed with the same investment and support personnel, as accounts which do not have performance-based fees. Depending on the performance of accounts with performance-based fees, ACL may obtain significantly higher fees from accounts with performance based fee structures than from other accounts without performance based fee structures. These factors could create conflicts of interest because ACL, portfolio managers and other investment personnel may have incentives to favor the performance based fee accounts over others.

ACL takes all appropriate steps to identify, manage and monitor conflicts of interests that may arise, including those that may do so as a result of managing multiple accounts with differing fees or fee structures. ACL believes that it has reasonable controls in place to mitigate potential conflicts of interest. These controls include trade allocation procedures that govern allocation of securities, including limited offerings, and average pricing of executed trades among similar accounts. ACL also generally requires accounts with substantially similar investment strategies to be managed in a similar fashion, subject to a variety of exceptions, such as particular investment restrictions or policies applicable only to certain accounts, differences in cash flows, account sizes and similar factors.

ACL monitors side-by-side conflicts through performance dispersion testing, holdings and risk dispersion testing, sequential trade analysis, cross-trade analysis and limited offering analysis. This testing and analysis is reviewed and discussed by the Side-by-Side Committee, which includes representatives Investment Risk, Financial Risk, Compliance and Operations, which may take or require further action to investigate and resolve any potential unfair treatment of clients and investors. See *Item 12 – Brokerage Practices* for additional information about potential conflicts of interest and our brokerage, allocation and valuation policies and procedures. See also *Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* for more information about ACL’s side-by-side management practices.

## Item 7: Types of Clients

ACL provides or may provide discretionary investment advisory and sub-advisory services to U.S. and non-U.S. institutional clients, including:

- pooled investment vehicles, including private funds,
- other investment advisers
- pension and profit sharing plans,
- sovereign-wealth funds and foreign official institutions,
- charitable organizations, and
- corporations or business entities other than those listed previous.

ACL may make its non-U.S. funds available in individuals and high-net worth individuals, including trusts and estates. ACL generally makes its Private Funds only available to “qualified purchasers”. The minimum initial investment in the Private Funds with respect to U.S. shares, or foreign currency equivalent for other shares, is generally \$100,000 and the minimum amount of additional investments is generally \$100,000. Per the relevant offering documents, in certain Private Funds, the minimum initial investment is generally \$1,000,000 or \$5,000,000.

ACL may, in conjunction with any Private Fund governing body, waive account minimums based on certain criteria, including product type, investment strategy, client type, client domicile, services provided, the client’s historical relationship with the firm, number of related investment accounts, account composition or size, anticipated future earning capacity, current and anticipated future assets under management, marketplace considerations, early adoption of an investment strategy or investment in a particular vehicle, client’s operational or investment limitations or restrictions, level of client servicing required and other factors as the Directors may determine generally or in any particular case, where permitted under law. ACL, in conjunction

with any Private Fund governing body, may also waive account minimums for employees, including portfolio managers, affiliates or relatives of such persons.

As shares in Private Funds are sold only to a limited number “qualified purchasers”, are not organized or created under U.S. law, and/or are not advertised or offered for purchase in the U.S., the Private Funds are not registered as “investment companies” under the Investment Company Act. The absence of registration places limits on the number and/or types of persons who may invest in the Private Funds.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

### **Analysis and Investment Strategies**

ACL offers public equities (long/short and long biased), risk premia and commodities strategies spanning developed and emerging markets and uses different investment techniques depending on the particular investment strategy. For details on specific modes and analysis and investment strategies, please refer to the offering documents or marketing materials for the particular investment strategy. Generally, ACL has a flexible, dynamic approach to the investment process, combining top-down, general macroeconomic views with fundamental bottom-up proprietary analysis. There is no overarching house style with each investment team responsible for their investment process, stock selection and portfolio construction. Fundamental research is a major source of added value in identifying investment opportunities. Key components of the research process include in-house proprietary franchise and industry analysis, as well as generation of earnings and cash flow models where applicable.

The structure of Janus Henderson Group's investment team is designed to enable talented and experienced portfolio managers to flourish and client expectations to be met or exceeded. Research analysts are embedded within teams as required, depending on the requirements of the individual investment processes. Analysts are encouraged to share and challenge each other's views to ensure there is good cross-fertilization of ideas, allowing individual investment teams to leverage the expertise of Janus Henderson Group's wider investment platform.

### **Risk of Loss**

The following is a summary of the material risks for each of ACL's significant investment strategies and significant methods of analysis. This brochure is not intended to address every potential risk of every strategy ACL offers and certain risks described below may only apply to certain strategies. Investors in Funds may find additional information about risks in the Funds' offering documents.

Investing in securities involves risk of loss that clients should be prepared to bear. There are inherent risks associated with investing in financial markets. For ACL's clients, these risks include that returns may vary and clients could lose the entire amount of their investments or recover only a small portion of their investments if their portfolio suffers substantial losses.

ACL primarily employs active strategies, and clients thus face the risk that the investment strategies employed for their portfolio may fail to produce the intended results. For example, the value of a client's portfolio may decrease if the value of one or more companies in the portfolio decreases or if a portfolio manager's belief about a company's intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of a client's portfolio could also decrease if there are deteriorating economic or market conditions.

Clients are also subject to industry risk which is the possibility that a group of related securities will decline in price due to industry-specific developments. Companies in the same or similar industries may share common characteristics and are more likely to react similarly to industry-specific market or economic developments. A portfolio's investment in multiple companies within a particular industry increases the client's exposure to industry risk.



## **Markets Risk**

Clients are subject to general markets risk. The risk of loss resulting from fluctuation in the market value of positions in a fund attributable to changes in market variables, such as interest rates, foreign exchange rates, equity and commodity prices or an issuer's creditworthiness; and as regards derivatives, through movements in markets for derivatives or the underlying asset, reference rate or index to which a derivative relates.

## **Industry Risk**

Clients are also subject to industry risk which is the possibility that a group of related securities will decline in price due to industry-specific developments. Companies in the same or similar industries may share common characteristics and are more likely to react similarly to industry-specific market or economic developments. A portfolio's investment in multiple companies within a particular industry increases the client's exposure to industry risk.

## **Credit/Counterparty Risk**

Clients are subject to credit and/or counterparty risk. Credit or counterparty risk is the risk of loss resulting from the counterparty to a transaction defaulting on its obligations prior to the final settlement of the transaction's cash flow. A portfolio may become exposed to the creditworthiness of a trading counterparty through uncollateralized exposure or over-collateralisation by that counterparty and, in the event of the insolvency of that counterparty, will rank as an unsecured creditor in relation to such amounts, which it may not recover in full, or at all.

## **Derivatives Risk**

ACL may employ investment techniques and instruments, such as trading in futures, commodities, options, swaps (including but not limited to index and single-name credit default swaps and swaptions) and various other derivative instruments (by taking long and/or short positions) for efficient portfolio management (e.g., reduction of risk, reduction of costs, generation of additional capital or income) or for investment purposes. ACL may also use a variety of currency hedging techniques, including the use of forward currency contracts, to manage currency risk. Derivatives, which are instruments that have a value derived from an underlying asset, such as stocks, bonds, commodities, currencies, interest rates, or market indices, can be highly volatile and involve risks in addition to the risks of the underlying referenced securities. Gains or losses from a derivative can be substantially greater than the derivative's original cost, and can therefore subject the portfolio to the effects of leverage. If the value of a derivative does not correlate well with the particular market or other asset class to which the derivative is intended to provide exposure, the derivative may not provide the anticipated effect. Derivatives can be less liquid (and more difficult to value) than other types of investments and entail the risk that the counterparty will default on its payment obligations. Gains or losses from a derivative can be substantially greater than the derivative's original cost, and can therefore involve leverage. In particular, certain commodity-linked investments may subject a client's portfolio to leveraged market exposure to commodities. The use of leverage can magnify the effect of any gains or losses, causing a client's portfolio to be more volatile than if it had not been leveraged.

## **Emerging Markets Risk**

ACL's strategies may have direct or indirect exposure to non-U.S. markets, including emerging markets, which can be more volatile than the U.S. markets. As a result, a client's returns may be affected to a large degree by fluctuations in currency exchange rates or adverse social, political or economic conditions in a particular country. A market swing in one or more countries or regions where a client has invested a significant amount of its assets may have a greater effect on the portfolio's performance than it would in a more geographically diversified portfolio.

The risks of investing in non-U.S. markets are heightened when investing in emerging markets (including frontier markets). Emerging markets securities involve a number of additional risks, which may result from less government supervision and regulation of business and industry practices (including the potential lack of strict finance and accounting controls and standards), stock exchanges, brokers, and listed companies,



making these investments potentially more volatile in price and less liquid than investments in developed securities markets, resulting in greater risk to investors. There is a risk in developing countries that a future economic or political crisis could lead to price controls, forced mergers of companies, expropriation or confiscatory taxation, imposition or enforcement of foreign ownership limits, seizure, nationalization, sanctions or imposition of restrictions by various governmental entities on investment and trading, or creation of government monopolies, any of which may have a detrimental effect on a client's investments. In addition, a client's investments may be denominated in foreign currencies and therefore, changes in the value of a country's currency compared to the U.S. dollar may affect the value of the investments. To the extent a client invests a significant portion of its portfolio in the securities of emerging markets issuers in or companies of a single country or region, the portfolio is more likely to be impacted by events or conditions affecting that country or region which could have a negative impact on its performance. Some of the risks of investing directly in non-U.S. and emerging market securities may be reduced when a client invests indirectly in non-U.S. securities through various other investment vehicles including derivatives, which also involve other risks. The risks of investing in emerging market countries are magnified in frontier market countries because frontier market countries generally have smaller economies and less developed capital markets than traditional emerging markets.

### **Liquidity Risk**

ACL's strategies may be exposed to liquidity risk. The risk that a position in a portfolio cannot be sold, liquidated or closed at limited cost in an appropriate time frame and that the ability of the portfolio to meet its investor redemption obligations is thereby compromised. A portfolio may be adversely affected by a decrease in market liquidity for the instruments in which it invests which may impair the portfolio manager's ability to adjust its positions making it difficult to acquire or dispose of them at the prices quoted on relevant exchanges or at all. The size of a portfolio's positions may magnify the effect of a decrease in market liquidity for such instruments. In addition, illiquid investments may incur high transaction costs, particularly in times of market stress.

### **Concentration Risk**

Certain of ACL's strategies are concentrated and invest in a limited number of securities and may also make several investments in one industry or one industry segment. As a result, the aggregate returns realized by clients could be adversely affected and made materially worse by the unfavorable performance of even one such investment, industry, or industry segment and the risk of loss is greater than that which would exist in a more diversified portfolio.

### **Commodity Risk**

ACL's strategies may also invest, directly or indirectly, in various commodity-linked investments that provide exposure to the commodities markets. Such exposure may result in greater volatility than investments in traditional securities. The value of a given commodity-linked derivative investment typically is based upon the price movements of a physical commodity (such as heating oil, livestock, or agricultural products), a commodity futures contract or commodity index, or some other readily measurable economic variable. The value of commodity-linked derivative instruments may therefore be affected by changes in overall market movements, volatility of the underlying benchmark, changes in interest rates, or other factors affecting a particular industry or commodity such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political, and regulatory developments.

### **Operational Risk**

Clients are also exposed to operational risk. The risk of loss for a portfolio resulting from inadequate internal processes and failures in relation to people, systems and third party service providers or from external events, and includes risk resulting from the trading, settlement and valuation procedures operated on behalf of a portfolio. Sources of operational risk are wide-ranging and may arise from inadequate systems, management failure, control inadequacy, fraud, human error and model risk. Potential events which may lead to increased operational risk include management changes, the development of new products, and use of third-party service providers, failures in automated systems used in key business processes, business continuity disruption, human error and changes in the legal or regulatory environment.

## Leverage

Leverage may be applied to a portfolio by utilising financial gearing, such as by borrowing funds from brokerage firms, banks and other financial institutions; and synthetic gearing through derivatives and/or other non-fully funded instruments or techniques for efficient portfolio management purposes in such circumstances where it is deemed appropriate in order to continue to implement the investment approach and to achieve the investment objective. Such leverage may be obtained on an unsecured or collateralized basis. Typically leverage will arise through the use of warrants, options, swaps, futures, forward foreign exchange contracts or contracts for difference, where cash is paid to the counterparty as margin against the current mark-to-market value of the derivative contract; as a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may even result in further loss exceeding any margin deposited.

The use of leverage therefore creates additional risks and may significantly increase the market and counterparty risk of a portfolio through non-fully funded exposure to underlying markets or securities.

## Legal and Regulatory Risk

A client's portfolio is also subject to legal and regulatory risk. Legal risk is the risk of loss due to a change in law or regulation or because a contract is not legally enforceable or documented correctly, such that its terms do not produce the intended economic outcome. This may lead to incapacity to fulfil the terms of a contract or failure to appreciate or address the inherent risks in a transaction. Potential legal risks, which may lead to loss, can be categorized as the risks of a particular type of transaction (e.g., over-the-counter trades), the risks of a proposed transaction and documentation risk.

Regulatory risk arises from non-compliance with regulations or inadvertent misinterpretation of them which may be a consequence of a change in law or regulation.

## Other Risk

In addition to the above, please see the applicable offering documents for additional risk disclosures for each individual Fund, generally within the section headed "Risk Factors", covering risks specific to each particular portfolio.

## Item 9: Disciplinary Information

This section is not applicable for ACL. ACL is not aware of any legal or disciplinary events that would be material to a client's or a prospective client's evaluation of ACL or the integrity of ACL's management.

## Item 10: Other Financial Industry Activities and Affiliations

### Material Relationships

ACL has material relationships with the following affiliated sponsors, general partners, and/or managing members (or equivalent) of pooled investment vehicles; investment advisers or broker-dealers:

- Henderson Global Investors Limited ("HGIL"),
- Henderson International (GP) LLC ("HIGP"),
- Janus Capital Management ("JCM"),
- Janus Distributors LLC, doing business as "Janus Henderson Distributors" ("JHD"),
- Janus Henderson Investors (Australia) Institutional Funds Management Limited ("JHIAIFML"), and
- Janus Henderson Investors (Singapore) Limited ("JHIS").

Janus Henderson Group is the corporate parent of ACL and each of the entities listed above.

ACL operates its investment management business through multiple affiliates, some which are investment advisers registered only with the SEC, some of which are investment advisers registered only with non-U.S. regulatory authorities, and some of which are registered with the SEC and non-U.S. regulatory authorities. ACL may use the services of one or more Janus Henderson Group subsidiaries or appropriate personnel of one or more Janus Henderson Group subsidiaries for investment advice, portfolio execution and trading, research, operational support and client servicing in their local or regional markets or their areas of special expertise, except to the extent explicitly restricted by a client, or inconsistent with applicable law. Arrangements among affiliates take a variety of forms, including but not limited to delegation, participating affiliate (as further described below), sub-advisory or other servicing agreements.

ACL may also provide certain services to Janus Henderson Group entities, including portfolio management, administrative, compliance, legal, trading, marketing and accounting services, and may receive compensation for providing these services. Additional information about the SEC registered advisers within Janus Henderson Investors identified above can be found in each adviser's respective brochure, which you can find at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

ACL maintains a "participating affiliate" arrangement (as that term is used in formal guidance issued by the staff of the SEC) with each of HGIS, JHIAIFML, and HGIL, (each a "Participating Affiliate"). The participating affiliate arrangement allows U.S. registered investment advisers to use portfolio management or research resources of advisory affiliates subject to the regulatory supervision of the registered investment adviser. Under the participating affiliate arrangement, each of the Participating Affiliates and their employees are considered "associated persons" of ACL (as that term is defined in the Investment Advisers Act of 1940, as amended) and investment professionals from the Participating Affiliates may render portfolio management, research, and other services to ACL's clients, subject to the supervision of ACL. As such, they must comply with ACL's compliance policies and procedures. See *Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* for more information. The responsibilities of ACL and the Participating Affiliates under the participating affiliate arrangement are documented in a memorandum of understanding between the entities.

In addition, ACL is a party to a global cross services agreement with other Janus Henderson Group entities. The agreement allows entities within the group to provide services to each other and for employees, including portfolio managers, of one company to act on behalf of another entity within the group. Employees who provide services pursuant to the cross services agreement are considered "dual-hatted" between relevant entities.

Employees of affiliated entities providing services to ACL's clients through participating affiliate, sub-advisory, cross services or other arrangements may have conflicts of interest in allocating their time and services between ACL's clients and their other responsibilities. ACL has adopted compliance and trading procedures intended to mitigate such conflicts and to ensure that investment decisions made by all personnel are consistent with the interests of clients.

HGIL is an FCA-registered investment adviser. HGIL serves as an investment adviser to pooled investment funds, OEICs, and certain other non-U.S. clients. HGIL is a sub-investment adviser to certain of the ACL Funds with responsibility for investing and managing clients' assets on a discretionary basis and for providing related investment management and administrative services.

HIGP is serves as general partner to one or more of the Funds and receives a performance allocation from the Funds. See *Item 6 – Performance-Based Fees and Side-By-Side Management* for more information about the conflicts this type of fee arrangement may raise.

JCM is an SEC-registered investment adviser and NFA/CFTC-registered commodity pool operator and commodity trading adviser. JCM provides investment management services, as an investment adviser or sub-adviser, to U.S. and non-U.S. institutional and individual clients through U.S. mutual funds, non-U.S. domiciled mutual funds, private investment funds, separate accounts, wrap fee programs, collective investment trusts and other proprietary accounts. JCM provides management or advisory services for certain of the Funds and may provide such services to other Funds or Separate Accounts in the future.

JHD is a U.S. company, registered with the Financial Industry Regulatory Authority (“FINRA”), which distributes shares of ACL’s Private Funds and certain other funds advised by affiliates. ACL does not execute transactions for any of its clients through JHD.

JHIS is a Singapore company, registered with the Monetary Authority of Singapore, which serves as an investment adviser to pooled investment funds, OEICs, and certain other non-U.S. clients. JHIS supports certain sales and marketing activities in Singapore for ACL and its affiliates.

JHIAFML is an Australian company, registered with the Australian Securities & Investments Commission, which serves as investment adviser to certain Australian pooled funds and separate account clients. JHIAFML supports certain sales and marketing activities in Australia for ACL and its affiliates.

There are inherent conflicts of interest when a related person provides services to an adviser and its clients, in that such arrangements may not be conducted at “arm’s length” and that ACL may have an incentive to favor a related person over an independent third party. ACL generally does not recommend non-affiliated investment advisers to clients or prospective clients. See *Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* for a discussion of ACL’s policies and procedures, which are designed to minimize conflicts of interest.

ACL may be restricted by law, regulation, or contract as to how much of a particular security it may invest in on behalf of a client, and as to the timing of a purchase or sale. For example, holdings of a security on behalf of ACL’s clients may, under some SEC or state regulations, be aggregated with the holdings of that security by its affiliates. These holdings on an aggregate basis could exceed certain regulatory reporting thresholds unless ACL, as well as its affiliates, monitors and restricts additional purchases.

### **Commodity Pool Operators and Commodity Trading Advisors**

ACL is registered as a commodity pool operator. Certain of ACL’s management persons are registered, or have an application pending to register, as an associated person of ACL or one of the foregoing entities.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics and Personal Trading**

Janus Henderson Group is committed to the highest standards of legal and ethical conduct. As part of that commitment, ACL has adopted the Janus Henderson Group Code of Business Conduct and Personal Code of Ethics, the latter of which includes its Personal Account Dealing Policy, Outside Business Activities Policy, Gifts & Entertainment Received Policy and Political Activities Policy. The Code of Business Conduct and Personal Code of Ethics apply to all ACL employees, as well as certain contractors performing extended services for ACL (collectively, “ACL Personnel”). The Code of Business Conduct and Personal Code of Ethics are designed to ensure ACL Personnel:

- place the interests of clients first,
- avoid or, where applicable, disclose actual, potential or apparent conflicts of interest,
- safeguard company and client assets,
- maintain confidentiality of company and client information,
- comply with applicable laws, regulations and rules, and
- deal fairly with clients, vendors and service providers.

In addition to setting out basic principles to guide ACL Personnel, the Personal Code of Ethics also includes general prohibitions with respect to personal trading by ACL Personnel and, in certain cases, their immediate family members. Under the Personal Code of Ethics, ACL Personnel may not:

- trade on, or cause others to trade on, material nonpublic information,

- profit, or cause others to profit, based on knowledge of completed or contemplated client transactions,
- improperly benefit by causing a client to act, or fail to act, in making investment decisions, or
- engage in fraudulent conduct in connection with the trading of securities in a client account.

ACL Personnel are required to conduct their personal investment activities in a manner consistent with their fiduciary duties to the company and its clients, including by avoiding any actual, potential or apparent conflict of interest or any abuse of their position of trust. ACL Personnel are required to disclose and provide statements for all brokerage accounts in which they have beneficial ownership and pre-clear personal transactions in covered securities, including but not limited to stocks, bonds, real estate investment trusts ("REITs") and ETPs. ACL Personnel generally may not transact in a covered security if it has been actively traded in a client account within a specified number of days and must hold covered securities for a specified period of time, with more restrictive limits for those ACL Personnel deemed to have access to current account holdings or trading activity. In addition, ACL Personnel are prohibited from trading in any securities on the restricted list and generally prohibited from participating in any initial public offerings.

Compliance monitors the activities of ACL Personnel to identify any violations of the Code of Business Conduct and Personal Code of Ethics. In addition, ACL Personnel are required to report any known or suspected violations of the Code of Business Conduct and Personal Code of Ethics. All potential deviations from or violations of the Code of Business Conduct and Personal Code of Ethics are presented to the Ethics & Conflicts Committee, which consists of members of Janus Henderson Group senior management. The Ethics & Conflicts Committee may impose any sanctions it deems appropriate, including without limitation any one or combination of the following: a letter of censure, surrender of profits, withholding of compensation, suspension of personal trading privileges or termination of employment. ACL Personnel certify annually to their receipt and understanding of the Code of Business Conduct and the Personal Code of Ethics and their compliance therewith. The Code of Business Conduct is publicly available at [www.janushenderson.com](http://www.janushenderson.com). The Personal Code of Ethics is available to clients and prospective clients upon request.

### **Participation or Interest in Client Transactions**

At times, ACL, ACL Personnel or other related persons may participate or have an interest in client transactions which gives rise to certain conflicts of interest. ACL or its related persons may recommend to clients, or buy or sell for client accounts, securities in which ACL or its related persons have a material financial interest. A material financial interest may, among other circumstances, be present where (a) ACL or a related person buys securities from or sells securities to a client; (b) ACL or a related person acts as a general partner in a partnership for which the investment adviser solicits a client; or (c) ACL or a related person acts as the investment adviser for an investment company that is recommended to a client. In these cases, ACL or its related persons may have an incentive to recommend or engage in transactions on the client's behalf that might conflict with its fiduciary duties to its client.

ACL and its related persons invest on clients' behalf in Funds advised or sub-advised by ACL or its related persons, and recommend Funds sub-advised or managed by ACL or its related persons to clients. In addition, ACL and its related persons may have investments in Funds recommended to clients, or purchased on the client's behalf. ACL and its related persons may have an incentive to make such investments and recommendations in order to receive additional fees or to increase the value of their investments rather than to advance the best interests of clients. In order to mitigate these conflicts, ACL has adopted the Janus Henderson Group Code of Business Conduct and Personal Code of Ethics which generally require ACL and its related persons to act in the best interests of clients in making investment decisions. ACL also discloses these relationships to investors and clients to the extent they exist.

### **Other Potential Conflicts**

There are potential conflicts of interest inherent in every investment advisory relationship, including the risks that the investment adviser will favor itself over its clients, that the investment adviser will favor one client over another and that the investment adviser's employees will favor themselves over the investment adviser and its clients. As a fiduciary, ACL owes its investment advisory clients a duty of loyalty which includes a



duty to eliminate, mitigate and/or disclose any material conflicts of interest that may affect our clients. In recognition of this obligation, ACL has adopted a conflict of interest policy which details a process for identifying, monitoring and addressing any conflicts of interest that may affect a client. ACL will generally try to avoid any conflicts of interest. For conflicts that cannot be reasonably avoided, ACL will attempt to mitigate those conflicts through policies, procedures and controls reasonably designed to eliminate the risk of harm to clients. ACL reviews its policies and procedures on an ongoing basis to evaluate their effectiveness and update them as appropriate. This section should be read in conjunction with other conflicts-related disclosures in this brochure, including those in *Item 6 – Performance-Based Fees and Side-By-Side Management*, *Item 10 – Other Financial Industry Activities and Affiliations* and *Item 12 – Brokerage Practices*, and elsewhere. Although ACL will disclose any material conflict that cannot be avoided or mitigated so as to eliminate the risk of harm to clients, the discussion of a conflict in this brochure or elsewhere is not an admission that such conflict should be considered material to clients.

### **Outside Business Activities**

ACL Personnel may engage in outside business activities with entities interested in acquiring or maintaining a business relationship with ACL or related persons. This could create potential conflicts of interest as ACL Personnel may have an incentive to favor those entities at which they are engaged in outside business activities in portfolio management, vendor and service provider engagement, trading, security selection or other activities to the detriment of clients. To mitigate these concerns, ACL has adopted the Personal Code of Ethics which requires ACL Personnel obtain approval for any outside business activities. ACL may deny any request to participate in an outside business activity which involves investment-related matters or which otherwise presents a potential conflict of interest or other risk. As part of the Personal Code of Ethics, ACL generally prohibits ACL Personnel from serving on the board of directors of a publicly traded company.

### **Gifts and Entertainment Received**

ACL Personnel may receive gifts and entertainment from persons interested in acquiring or maintaining a business relationship with ACL or related persons. This could create potential conflicts of interest as ACL Personnel may have an incentive to favor those persons from whom they have received gifts over others in portfolio management, vendor and service provider engagement, trading, security selection or other activities to the detriment of clients. To address these conflicts, ACL has adopted the Personal Code of Ethics which prohibits the solicitation of gifts and entertainment and imposes strict limits on the amount of gifts and entertainment that may be received.

### **Political Activities**

ACL Personnel may make political contributions or engage in political activities that create potential or apparent conflicts of interest. To address these conflicts, ACL has adopted the Personal Code of Ethics which generally limits the amount of contributions to political candidates or elected officials. ACL Personnel, and in certain cases their spouses and minor children, must obtain approval before making political contributions or engaging in political activities. Any contributions or activities which may impact ACL's or any of its affiliates' ability to obtain or maintain business will generally not be approved.

### **Charitable Contributions**

From time to time, intermediaries or others may approach ACL to request that it make contributions to specified charitable organizations on their behalf. Because this contribution may result in the intermediary or its agents recommending ACL or its affiliated investment advisers' products to their clients, the solicitation or contribution raises potential conflicts of interest. As a result, ACL maintains policies and procedures that limit the amount and frequency of these types of charitable contributions. In addition, all contributions must be made directly to the charitable organization rather than to the requesting party to help prevent potential abuses of charitable contributions.

### **Compensation**

ACL Personnel may advise Funds, Separate Accounts or other investment vehicles with strategies or

objective that are similar to each other. Certain of these products have a greater impact on their compensation than others. This could create potential conflicts of interest as ACL Personnel may have an incentive to favor products with a greater impact on their compensation. In addition, ACL Personnel may have more than one role at the company. Further, certain research analysts offer investment ideas for team-managed products. Also, certain ACL Personnel may have roles at different companies and provide services to ACL through participating affiliate agreements. ACL Personnel with multiple roles may have an incentive to favor certain accounts or responsibilities over others due to compensation arrangements. ACL has adopted various policies and procedures to mitigate these potential conflicts, including but not limited to allocation procedures that govern allocation of securities, including limited offerings, and dual-role trading procedures that govern trades by portfolio managers that are also research analysts. Additional controls include average pricing of executed trades among similar accounts and analysis of performance achieved by similar accounts. See *Item 6 – Performance-Based Fees and Side-By-Side Management* and *Item 12 – Brokerage Practices* for additional information.

### **Long and Short Positions**

ACL Personnel make investment decisions for each account independently from those for any other account. As a result, ACL may give advice and take actions in the performance of its duties to some clients or accounts that differ from the advice given, or the actions taken, with respect to other clients or accounts that invest in similar securities or have similar strategies. At times, this may lead to ACL taking long and short positions with respect to the same security. The simultaneous maintaining of long and short positions in the same security creates conflicts of interest and risks, including the risk that short sale activity could adversely affect the market value of long positions (and vice versa). ACL maintains policies and procedures that it believes are reasonably designed to mitigate these conflicts. The policies and procedures may require certain approvals in other situations that raise potential conflicts of interest and periodic monitoring of long and short trading activity.

### **Seed Capital**

ACL may provide seed capital to, or otherwise invest in, certain Funds it advises. At times, ACL may want to withdraw that investment for legitimate business reasons. This could create potential conflicts of interest as withdrawal of the investment may cause the Funds to sell securities to cover the redemption, which may adversely affect clients or investors. To mitigate this potential conflict, ACL aims to minimize any potential disruption to the Funds, accounts or pools.

### **Restrictions on Activities**

ACL may be subject to internal or external restrictions on its ability to transact in certain securities. ACL Personnel may come into possession of material nonpublic information through permissible means (e.g., participation in a bondholder group, participation in a private investment in public equity, etc.). In order to mitigate the risk that material nonpublic information will be misused, ACL has adopted the Janus Henderson Group Market Conduct Policy that prohibits ACL or ACL Personnel from communicating such information to clients or otherwise using such information. Any security about which ACL has material nonpublic information may also be placed on the restricted list and trading in the security may be prohibited until that information has been made public. As a result, clients could realize a positive or negative impact to overall performance.

ACL may also be prohibited, or discouraged, from transacting in certain securities or acquiring certain securities in excess of a threshold ownership percentage various laws, regulations and rules, including the Investment Company Act as discussed in *Item 10 – Other Financial Industry Activities and Affiliations*. ACL also does not generally invest client assets in its publicly traded parent, Janus Henderson Group. This could adversely impact certain ACL clients.

## **Item 12: Brokerage Practices**

ACL is party to a Global Execution Agreement with certain affiliates within the Janus Henderson Group that allow trades to be executed by personnel in the relevant market through one of the Janus Henderson Group



affiliates. To the extent trades are executed on behalf of ACL's clients, such affiliates are acting pursuant to the participating affiliate arrangement described in *Item 10 – Other Financial Industry Activities and Affiliations* above. Personnel providing trade execution services within affiliated entities are subject to brokerage policies and procedures and oversight by the combined Janus Henderson Group's Front Office Governance and Risk Committee.

ACL generally selects broker-dealers for clients as part of its discretionary responsibilities. The Best Execution Committee will periodically review the quality of execution that it receives from broker-dealers, and the trading desks will continually evaluate the effectiveness of ACL's executing brokers and trading tools. ACL does not consider gifts and entertainment received from registered representatives of broker-dealers when choosing a broker-dealer to effect transactions.

ACL has a duty to seek to obtain "best execution" for its clients' portfolio transactions. More specifically, ACL seeks the best net prices and negotiates commissions based on a number of factors, including but not limited to:

- ACL's knowledge of currently available negotiated commission rates or prices of securities currently available and other current transaction costs,
- the nature, liquidity, size and type of the security being traded and the character of the markets for which the security will be purchased or sold,
- the activity, existing and expected, in the market for the particular security and the desired timing of the trade,
- the ability of a broker-dealer to maintain confidentiality, including trade anonymity,
- the quality of the execution, clearance, and settlement services of a broker-dealer,
- the financial stability of the broker-dealer and the existence of actual or apparent operational problems of the broker-dealer,
- principal commitment by the broker-dealer to facilitate the transaction, and
- the ability of a broker-dealer to provide rebates of commissions to a third party service provider or to a client to pay account expenses.

Consistent with its best execution obligation, ACL may execute transactions with a broker-dealer for a higher commission than another broker-dealer would have charged if ACL determines, in good faith, that the commission is reasonable in relation to the value of the brokerage services provided by that particular broker-dealer. In determining the reasonableness of a commission, ACL may view the value of the brokerage services provided either in terms of that particular transaction or the value of the services provided to ACL as they relate to the overall responsibilities of ACL as an investment adviser.

ACL may choose to receive research or other services (other than execution) from broker-dealers. Where ACL elects to receive any research or other services, it will pay for research and/or services for such Funds and/or Separate Accounts consistent with the methods available pursuant to the Markets in Financial Instruments Directive II, including by use of a Research Payment Account or Janus Henderson Group's profits.

ACL makes no use of affiliated brokers to execute client orders. In addition, use of client directed brokerage is prohibited.

### **Trade Aggregation and Allocation Policy**

ACL makes investment decisions for each of its clients, including proprietary accounts, independently from those of any other account that is or may become managed by ACL or its affiliates. Because ACL generally invests in similar strategies for clients, numerous clients could have similar investment objectives and thus, similar portfolios. As a result, ACL and its affiliates may be trading the same security for multiple clients at the same time. In order to obtain efficiencies that may be available for larger transactions, ACL may aggregate the orders for its clients for execution in circumstances where ACL determines that the investment is eligible and appropriate for each participating account. In addition to, or instead of, aggregating orders of accounts that would be trading the same security at the same time, ACL may average the price of the transactions of these accounts and allocate trades to each account in accordance with ACL's allocation

procedures. Pursuant to these procedures, ACL seeks to allocate the opportunity to purchase or sell a security or other investment among accounts on an equitable basis by taking into consideration certain factors. These factors include, but are not limited to: size of the portfolio, concentration of holdings, investment objectives and guidelines, position weightings, duration targets, consistency of portfolio characteristics across similar accounts, purchase costs, issuer restrictions, price targets and cash availability. ACL cannot assure equality of allocations among all of its accounts, nor can it assure that the opportunity to purchase or sell a security or other investment will be proportionally allocated among accounts according to any particular or predetermined standards or criteria.

### **Initial Public Offering (“IPO”) and Other Limited Offering Allocations**

Clients may from time to time participate in an IPO or other types of limited offerings, such as primary or secondary placements of common stock, private equity offerings, or other private placement offerings, if the portfolio manager managing the portfolio believes that the offering is an appropriate investment based on the portfolio's investment restrictions, risk profile, asset composition and/or cash levels. Clients must be eligible to receive allocations of IPOs pursuant to relevant FINRA regulations. In the event that ACL reasonably determines that a client is not eligible to receive IPO allocations pursuant to these regulations or does not have reasonable assurances that the client is eligible to receive allocations, ACL may prohibit the client's account from receiving any allocations of an available offering. In addition, to the extent a Fund, such as a new Fund, has only affiliated shareholders, such as a portfolio manager or an adviser, and the Fund participates in an IPO, those shareholders may be perceived as receiving a benefit and, as a result, may have a conflict with management of the Fund and thus may not be eligible to participate in the offering.

ACL's IPO/limited offering allocation procedures generally require all securities purchased in an offering be allocated to each participating portfolio manager based on their initial indications and on a pro rata basis to all participating eligible accounts based on the total assets of each account. In certain circumstances, ACL may deviate from a such allocation to account for allocation sizes that are deemed by investment personnel to be de minimis for certain eligible accounts, to address market conditions or to address situations specific to individual accounts (e.g., cash limitations, position weightings, liquidity profiles of the investment, redemption history of the account, etc.). ACL cannot assure, in all instances, participation in IPOs or limited offerings by all eligible accounts. In the event an eligible account does not participate in an offering, ACL does not reimburse for opportunity costs. Deviations from these procedures are permitted provided such deviations are documented and approved in writing by the Chief Investment Officer (“CIO”) or his delegate(s). A deviation could occur, for example, in order to allocate additional securities to ensure that accounts receive sufficient securities to satisfy specialized investment objectives or policies. Additionally, for Secondary Offerings of common stock or Private Equity Offerings, additional shares may be allocated to a portfolio manager with a pre-existing position in that security.

### **Item 13: Review of Accounts**

Portfolio managers have primary responsibility for reviewing client accounts. On a continuing basis, each portfolio manager evaluates from many viewpoints accounts for which he or she has responsibility, including the percentage that is invested in a type of security generally or in a particular security, diversification of holdings among industries and, in general, the makeup of the portfolios. The portfolio managers ultimately report to the Co-Heads of Equities or the Head of Fixed Income. Formal reviews of each portfolio and Manager are conducted on a quarterly basis by the Risk Team, and cover topics such as performance, risk, liquidity and portfolio trading. These reports are escalated to the Heads of Equities/Fixed Income and also to the Investment Performance and Risk Committee, which reviews all strategies on a monthly basis. Investment management teams meet on a weekly basis to discuss investment objectives and strategy applicable to each portfolio.

Additionally, the Market Risk also has regular and ad-hoc interactions with the portfolio managers to ensure that portfolio risk and return characteristics are understood. In general, Investment Risk meetings are conducted every quarter with some occurring more frequently. These meetings are conducted through direct one-to-one meetings or through the oversight process. The Investment Performance and Risk Committee meets monthly and is the main forum for the risk and performance teams to ensure senior management are aware of the any issues that have not been resolved at the weekly meetings with portfolio managers. The

committee is chaired by the Chief Risk Officer (or designee). The Compliance department also performs ongoing reviews of all portfolios for compliance with investment policies and restrictions.

The frequency and nature of reports prepared for clients varies depending on each client's requirements and interests. Clients generally receive monthly or quarterly written reports showing portfolio activities and performance on a current and year-to-date basis. These written reports typically disclose all holdings in the client's account, including cash, together with cumulative year-to-date information about dividends and interest realized by the account. Depending on the type of account, portfolio management may also provide oral presentations about the account's performance on a periodic basis. ACL will also provide clients, upon request, other information regarding their portfolio within the parameters of its compliance policies. Clients may also receive statements from administrators, custodians or other service providers.

## **Item 14: Client Referrals and Other Compensation**

ACL and other advisory affiliates maintain an internal bonus compensation plan which may reward its employees for new client account relationships they developed to the extent permitted by law. Receiving (or the prospect of receiving) compensation may provide an incentive for employees to favor sales of certain Funds or strategies, that may generate a higher compensation rate, over other Funds or strategies.

## **Item 15: Custody**

ACL typically does not have custody of its clients' assets. When ACL is deemed to have custody under the Custody Rule because of its or an affiliate's role as general partner, managing member or equivalent to certain Funds, investors receive audited financial statements in accordance with the Custody Rule. Clients should receive account statements, at least quarterly, from their qualified custodian.

Whether or not ACL is deemed to have custody over client assets, ACL encourages all clients to carefully review statements received from custodians or other third parties, such as administrators, and compare their official custodial records to the account statements provided by ACL. Statements received from ACL may vary from the custodial statements based on accounting procedures, reporting dates or valuation methodologies for certain securities.

## **Item 16: Investment Discretion**

Pursuant to written investment management agreements, clients may grant ACL discretionary authority which includes the ability to determine the type and amount of securities to be purchased or sold. In all of such cases, ACL exercises such discretion in a manner consistent with the stated investment objectives for the particular client account. ACL does not manage non-discretionary assets.

ACL may be limited in the type or quantity of securities purchased or held due to certain regulatory or internal compliance restrictions. Clients' investment guidelines and restrictions must be provided in writing to, and agreed upon by, ACL and are the means by which ACL manages clients' portfolios. Please refer to *Item 4 – Advisory Business* for additional information on clients' ability to tailor investment guidelines.

## **Item 17: Voting Client Securities**

### **Voting Policy and Procedures**

At their election, clients generally may retain proxy voting responsibility or delegate such responsibility to ACL. To the extent clients elect to vote proxies themselves, clients will not receive information about their proxies from ACL. Instead, clients should receive proxies from their custodian, transfer agent or other third-party service providers such as their proxy service provider.

To the extent clients delegate proxy voting responsibility, ACL exercises the voting rights on behalf of clients and seeks to vote proxies in the best interests of its clients. ACL has adopted the Janus Henderson Responsible Investment Policy. This policy sets out ACL's approach to monitoring and taking action on

financial performance, corporate governance and corporate responsibility, including its policies and procedures for voting proxies. It includes core principles of corporate governance that we apply in making voting decisions across all markets covering issues such as disclosure and transparency, boards of directors, shareholder rights, audit and control, and remuneration.

Day-to-day responsibility for implementing the proxy voting policy lies with the Governance and Responsible Investment Team. Voting decisions are made in close consultation with portfolio managers and analysts. Ultimate voting authority rests with individual portfolio managers, who are responsible for ensuring that votes are exercised in the best interests of fund beneficiaries. Generally, ACL does not accept direction as to how to vote individual proxies for which it has voting responsibility from any other person or organization, other than the research and information provided by Institutional Shareholder Services Inc. ("ISS"). Subject to specific provisions in a client's account documentation related to exception voting, ACL only accepts direction from a client to vote proxies for that client's account in exceptional circumstances. Where such circumstances exist, any client direction would be discussed with relevant portfolio manager and the Governance and Responsible Investment Team, per the Janus Henderson Responsible Investment Policy.

To assist in assessing the corporate governance of investee companies and voting proxies, ACL utilizes ISS. ISS provides voting recommendations based upon the Janus Henderson Responsible Investment Policy. Corporate governance specialists will scrutinise the ISS custom policy research and supplement this with in-house research and engagement. Our voting decisions are implemented electronically via the ISS ProxyExchange voting platform.

Where a Fund participates in securities lending arrangements, voting rights are transferred with any stock that is lent. ACL maintains the right to recall lent stock for voting purposes. Additionally, in markets where shares must be suspended from trading ("share blocked") for a specific period before general meetings if voting rights are to be exercised. Such restrictions may place constraints on a Fund's portfolio manager that mean exercising proxy votes is not in the client's best interest. Where share blocking applies, ACL will vote only in exceptional circumstances. In other markets, casting proxy votes may involve costs that are disproportionate to any benefit gained. Where additional costs are incurred that outweigh the potential benefits of voting, ACL will only vote in exceptional circumstances.

Janus Henderson Group discloses its global voting record in full on its website.

### **Conflicts of Interest**

ACL acknowledges that conflicts of interest may arise in the context of our corporate governance and corporate responsibility work. Where a conflict of interest arises regarding proxy votes, the matter will be referred to the Janus Henderson Proxy Committee. The Proxy Committee will make our final engagement and voting decisions ensuring that they best serve the interests of our clients as a whole.

To obtain a copy of the Janus Henderson Responsible Investment Policy, or information on how proxies were voted, please contact Antony Marsden, Head of Governance and Responsible Investment, [corpgov@janushenderson.com](mailto:corpgov@janushenderson.com), or +44 207 8185323.

## **Item 18: Financial Information**

This section is not applicable for ACL.