

## **Mitteilung an alle Anteilseigner der Janus Henderson Anteile:**

Anbei finden Sie die Information der Gesellschaft, folgende Wertpapiere sind betroffen:

<b>GB00BYP82996</b>	<b>Janus Henderson UK Property PAIF Feeder - A Net GBP DIS</b>
<b>GB00BYP82B13</b>	<b>Janus Henderson UK Property PAIF Feeder - Accum A Net GBP CAP</b>

Details können Sie der beigefügten Anlage entnehmen.

02 FEB. 2021

Banque de Luxembourg  
Execution Only  
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Luxembourg



000343

27 January 2021

Dear Adviser,

**Important information about the Janus Henderson UK Property PAIF and Janus Henderson UK Property PAIF Feeder Fund (the "Funds") – intended resumption of dealing**

**Background**

We are writing to your clients to provide an update on the above Funds. The content of that letter is reproduced below and a list of clients is enclosed for reference.

From noon on 16 March 2020, dealing in the Janus Henderson UK Property PAIF and its associated Feeder Fund (the "Funds") was suspended. This was in response to CBRE (the appointed independent valuer of the Janus Henderson UK Property PAIF) advising that they had material uncertainty around the valuation of the UK physical properties across the market, and therefore by inference, the assets in the portfolio, due to the COVID-19 pandemic. The material uncertainty extended across all UK property fund valuations issued by the CBRE. Given this uncertainty, the Board of Henderson Investment Funds Limited ("HIFL") decided to temporarily suspend dealings in the Funds to protect the interests of all investors and more recently keep the temporary suspension in place to raise sufficient liquidity to re-open the Funds.

**Intended resumption of dealing**

Following the most recent review of progress to prepare the Funds for reopening, the Board of HIFL, the authorised corporate director (product provider) for the Funds, intends to end the current dealing suspension with effect from midday on 24 February 2021. The decision to resume dealing has been taken in agreement with the Funds' Depositary/Trustee, NatWest Trustee and Depositary Services Limited. The Financial Conduct Authority (FCA) has also been informed. We will continue to monitor the Funds and the market in the lead up to the planned resumption of dealing. Should anything materially change, we will issue further updates.

**What happens now?**

First and foremost, we would like to thank you for your patience and continued support, and we apologise for any frustration and inconvenience the dealing suspension may have caused. The move to reopening means client subscriptions and redemptions can once again be instructed from 8:00am on 24 February 2021 for processing at 12 noon that day.

If your investment is held via a third party, such as a fund platform, you should contact your provider directly and they will confirm the point from which subscriptions and redemptions can be placed with them for the 12 noon valuation point on 24 February 2021.

If you have invested in the Funds via an ISA and wish to retain the ISA status you should ensure that any redemption instruction is treated as either a switch or ISA transfer.

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Henderson Investment Funds Limited is authorised and regulated by the Financial Conduct Authority. Registered office 201 Bishopsgate, London EC2M 3AE. Incorporated and registered in England and Wales (registration number 2678531). We may record phone calls for our mutual protection and to improve customer service.

### **Regular savings**

If you have invested with us directly – and have not made any change to your regular savings instruction – your regular savings mandate lay dormant and will automatically become operational again from 24 February 2021. The monthly amount collected will be the same as prior to the suspension of dealing (date and amount), unless you have instructed otherwise. If you invested via a third party, they may have cancelled the regular savings instruction. We would suggest, therefore, that you double-check with them to see if the regular savings instruction will automatically be switched back on or if they need you to reinstruct them.

### **Raising Liquidity**

The dealing suspension has allowed for an orderly sale of properties to raise cash to a level that is sufficient to cover known client redemptions, while also leaving sufficient ongoing cash to meet future redemptions post reopening. We are pleased with the pricing attained on the assets sold in the period since March 2020, with most sales exceeding 31 December 2019 valuations. We are comfortable that this was achieved without compromising the diversification and performance potential of the remaining property portfolio. In the current environment, our intention is to maintain a cash weighting in excess of 15%. This will, however, fluctuate depending on subscription and redemption levels and property transactions.

### **Property portfolio update**

In the period since dealing in the Funds was suspended, 11 assets have been sold<sup>1</sup>. The focus remains on holding a strong portfolio of defensive, core<sup>2</sup> assets with a mix of robust tenants on long leases across all sectors. Sector diversification is strong and notably the portfolio has a very low weighting of 1.6% to high street retail which is focussed on London suburbs. Given the low interest rate environment, the portfolio provides a net historical income yield of 2.8% (I accumulation share class, 3.3% gross yield for eligible investors), which, in the form of contractual rental income, offers a steady income stream. More than a third of the income currently comes from leases with either fixed uplifts or Retail Prices Index (RPI) linked increases, providing an element of rental growth. Rent collection remained strong in 2020 with 91.5% of rents due collected by 18 January 2021. This reflects the quality and diversity of the underlying tenant base. The average lease term is 9.4 years and the managers are aiming for the fund to stay at around this level at the end of the sales programme. The void (vacancy) rate is 4.8%, well below the UK Investment Property Databank (IPD) benchmark average of 9.3%<sup>3</sup>, evidencing the strength of the fund's tenant base.

Source: Janus Henderson at 31 December 2020, unless otherwise stated. <sup>1</sup>16 March 2020 to 21 January 2021. <sup>2</sup>core assets are defined as being best in class in three of the following criteria: location, quality of tenant, lease duration, lease structure, building specification and sustainability. <sup>3</sup>MSCI IPD Rental Information Services Report, 30 September 2020, latest available data.

Please visit the respective fund pages on our website using [janushenderson.com/paif](http://janushenderson.com/paif) for further market and portfolio updates.

An extended low interest rate environment should see investor demand continue for income-yielding assets and underscores the case for high-quality, well located UK commercial property. Despite the ongoing impact from the COVID-19 pandemic and Brexit related uncertainties, we believe the asset class remains attractive as a portfolio diversifier, given its supply of steady contractual rental income and potential for income and capital growth over the long term.

### **Future of open-ended commercial property funds**

We are acutely aware that the dealing suspension has again represented a serious disruption of service to clients. We are actively participating in the discussions with the FCA regarding the proposed introduction of notice periods (of possibly 60 or 90 days) for redemption requests with the aim of finding a proportionate solution to the issues identified in their consultation. The consultation period closed in November and we wait to see how the FCA react to the broad response they received from interested parties.

We would again like to thank you for your patience and apologise for this period of disruption to the Funds. We will of course, keep you up to date with any significant developments and will include additional information on our website.

If you have any queries about the content of this letter or require any further information, please contact our Investment Services Team on 0800 082 2345 between 9:00am and 5:30pm Monday to Friday. Telephone calls may be recorded and monitored.

Yours faithfully,



Simon Hillenbrand  
Head of UK Retail  
For and on behalf of Janus Henderson Investors