

AN INVESTOR GUIDE TO ACTIVE ETFs



AT JANUS HENDERSON, WE EXIST TO HELP CLIENTS ACHIEVE THEIR LONG-TERM FINANCIAL GOALS.

THE JANUS HENDERSON 'INVESTOR GUIDE' SERIES IS DESIGNED TO HELP INVESTORS GAIN AN UNDERSTANDING OF HOW CERTAIN INVESTMENT STRATEGIES OR STRUCTURES WORK.

WE HOPE YOU FIND THIS GUIDE INFORMATIVE.

Investing in listed investment securities is becoming increasingly popular amongst Australian investors. There are a number of reasons for their popularity, including low cost, convenience and accessibility to a wide variety of investments.

Active ETFs are just one of the many types of listed investment securities available to investors today.

So what are Active ETFs?



What is an Active ETF?

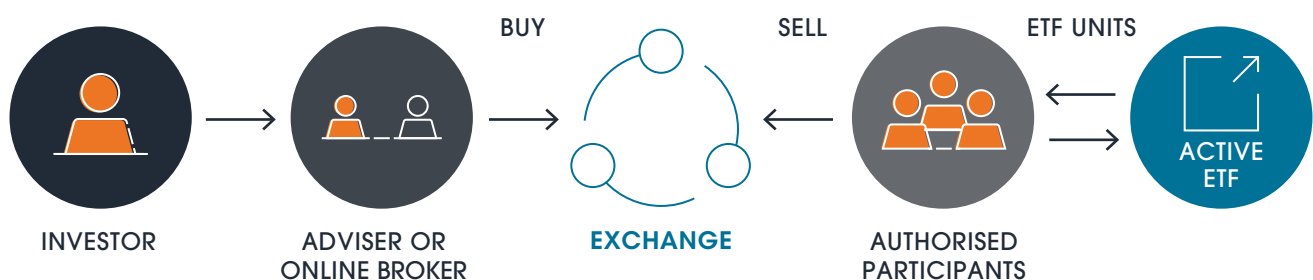
Exchange traded funds (ETFs) are investment funds that can be bought and sold on a securities exchange. ETFs can generally be described as being passive or active.

Passive ETFs aim to follow a benchmark or index as closely as possible, and will go up and down in value in line with the index they are tracking. Active ETFs, on the other hand, are for investors who prefer an active investing strategy and want their investments to outperform an index or benchmark, as they actively try to outperform the market or index.

Active ETFs operate in a similar way to managed funds, in that they are professionally managed by an investment manager, who makes active decisions about what to invest in. However unlike managed funds, there are no lengthy application forms, as units in an Active ETF are bought or sold through a broker or via an online trading platform.

How do Active ETFs work?

Active ETFs are typically registered under the Corporations Act as managed investment schemes (MIS).



Investors in an Active ETF typically hold units in the fund, with each unit representing an equal share of the portfolio of assets held by the fund.

Active exchange traded funds are open-ended, which means that the number of units on issue is not fixed but can increase or decrease in response to supply and demand from investors.

Active ETFs trade, clear and settle in the same way as regular shares.

In Australia, they may be listed on the Australian Securities Exchange (ASX) or other securities exchanges such as Cboe Australia (CXA).

What do Active ETFs invest in?

Active ETFs can offer investors exposure to a range of asset classes including:



AUSTRALIAN SHARES



GLOBAL SHARES



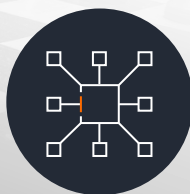
COMMODITIES



FIXED INCOME



PROPERTY



ALTERNATIVES



CASH

Key benefits of Active ETFs

Active ETFs can offer investors access to a diversified portfolio of investments, convenience and transparency of their investments.

Benefits of active ETFs can include:

Convenience	Active ETFs are traded on securities exchanges, which means you can buy and sell Active ETF units via your broker, just like you would do if you were buying and selling shares.
Diversification	Active ETFs help diversify an investor's portfolio across markets or asset classes that can be difficult to access.
Transparency	The security holdings of the Active ETF are typically published on the issuer website. This not only means you can review the securities held by your Active ETF, but also it means the market can accurately price the Active ETF throughout the day.
Income	Income received by the Active ETF through the year is fully paid to unitholders. It is generally paid each quarter, either in the form of a cash distribution or additional units.
Fair value for investors	Active ETFs are designed to trade at a price that is close to their underlying net asset value (NAV). This means that the price you pay should closely reflect the underlying assets of the fund.

Key risks

All investments carry risk that the value of your investment could go up or down.

Key risks of investing in Active ETFs include:

Market risk	The securities that the fund owns may go up or may go down.
Interest rate risk	For fixed income Active ETFs, securities can decline in value because of changes in interest rates.
Liquidity risk	It may not be possible to sell the underlying securities of the ETF when it is desirable to do so or to realise what the Manager perceives to be their fair value in the event of a sale.
Taxation outcomes	There may be different taxation treatment for gains and losses on foreign investments.
Company specific risk	For equity Active ETFs, investments in individual companies may perform adversely and as a result, reduce the unit price of the Active ETF.

BEFORE INVESTING

As with all investments, it is important to read the product disclosure statement (PDS) in full before making a decision to invest, in order to understand any Active ETF's structure, investment objective, investment strategy, risks and costs.

How do I invest in an Active ETF?

An Active ETF is bought and sold via a broker in the same way you buy or sell a share.

There are two main ways you can invest in an Active ETF:



Via a broker or licenced adviser

A buy or sell order can be placed with your broker or licenced financial adviser.



Directly via online trading account

If you have an online trading account, you can type in the ticker code and invest immediately.

Glossary

ASX	Australian Securities Exchange
CXA	Cboe Australia (formerly Chi-X Australia), a securities exchange similar to the ASX
ETF	Exchange traded fund
NTA	Net tangible assets
NAV	Net asset value

About Janus Henderson

Janus Henderson Investors is a global asset manager offering a full suite of actively managed investment products across asset classes. Established through the merger of Janus Capital and Henderson in 2017, our rich history as independent investment managers stretches back to 1934.

From our origins in bottom-up, analysis-based strategies with a strong research-based approach to security selection, Janus Henderson today offers active management across equities, fixed income, alternatives and multi-asset strategies. We believe the notion of 'connecting' is powerful – it has shaped our evolution and our world today.

At Janus Henderson, we seek to benefit clients through the connections we make. Connections enable strong relationships based on trust and insight as well as the flow of ideas among our investment teams and our engagement with companies. These connections are central to our values, to what active management stands for and to the long-term outperformance we seek to deliver. Janus Henderson has more than 348 investment professionals, expertise across all major asset classes and clients spanning the globe, entrusting us with more than \$435.8bn*.

For more information about Janus Henderson and our products, visit www.janushenderson.com/australia

*Source: Janus Henderson Investors. Staff and AUM data as at 30 June 2022. AUM data excludes Exchange-Traded Note ('ETN') assets.

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— INVESTORS —

Important information

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The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.

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