Janus Henderson INVESTORS

Sustainable Credit Active ETF

ISIN AU0000254278

Investment objective

The Fund seeks to achieve a sustainability objective and a performance objective. The sustainability objective is to invest in debt securities which the Manager expects currently or will in the future contribute positively towards 'People' and/or 'Planet' themes. The performance objective is to achieve a total return before fees that exceeds the total return of the Benchmark by 0.75% p.a. over rolling three year periods.

Investment approach

The Fund provides investors with exposure to an actively managed diversified credit strategy that seeks to invest in 'Sustainable' and/or 'Impact' debt securities. This includes debt securities issued by entities with robust sustainable practices and/or investments with the potential to enhance outcomes for society's wellbeing and/or protection of the planet, based on the Manager's assessment.

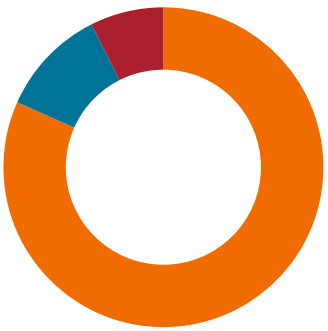
Performance (%)

	Cumulative				Annualised			
Returns	**1 Month**	**3 Month**	**6 Month**	**1 Year**	**3 Year**	**5 Year**	**10 Year**	**Since inception**
Fund (Gross)	0.66	0.38	2.73	2.69	6.10	—	—	5.01
Fund (Net)	0.61	0.25	2.47	2.18	5.57	—	—	4.48
Benchmark	0.64	0.40	2.22	1.82	4.20	—	—	3.32
Excess returns (Gross)	0.01	-0.02	0.50	0.87	1.89	—	—	1.69
Excess returns (Net)	-0.03	-0.15	0.25	0.36	1.37	—	—	1.16

Net performance figures are calculated using the exit price net of fees and assume distributions are reinvested. Past performance is not a guide to future performance.

Characteristics	**Fund**	**Index**
Number of holdings	128	604
Modified duration (years)	2.73	2.44
Yield to maturity	5.97	5.11
Current yield	5.36	3.27
Credit spread duration	2.84	0.48
Average rating	A+	AA+

Investments Breakdown (%)



Fund details

Underlying fund inception date	06 February 2023
Inception date	14 March 2023
Total fund net assets	$91.56m
Asset class	Fixed Income
Domicile	Australia
Structure	Managed Investment Scheme
Base currency	AUD
Benchmark	Bloomberg AusBond Composite 0-5 Yr Index
Distribution frequency (if any)	Monthly
Risk profile	Medium
Suggested timeframe	3 years
ARSN code	662 889 214
APIR code	HGI0694AU
Exchange	ASX
Ticker	GOOD
NAV	50.2055

ISIN	AU0000254278
Bloomberg	GOOD
SEDOL	BPLDYH7

Fees & Charges

Management fee (% p.a.)	0.50
Buy/sell spread (%)	0.06/0.10

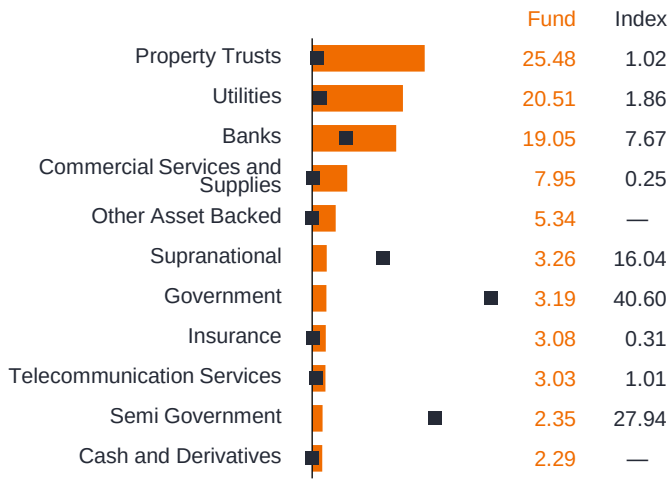
For more information and most up to date buy/sell spread information, visit www.janushenderson.com/en-au/adviser/buy-sell-spreads

Portfolio management

Jay Sivapalan, CFA

Shan Kwee, CFA

Asset Allocation (%)



Top 10 Holdings (%)

	Fund
University Of Tasmania 3.97% 24/03/2032 AUD	3.01
APPF Commercial Finance Pty Ltd 3.6% Sustainability-Linked 11/11/2031 AUD	2.93
Australia Government Bond 2.75% 2027	2.81
Contact Energy Ltd 6.398% GREEN 21/11/2030 AUD REGS	2.50
Mercury NZ Ltd 5.247% 21Mar31 AUD	2.03
LLITST FINANCE PTY LTD 2.85% 28/06/2030 AUD	1.95
Electranet PTY LTD 5.3038% 10Jul31 AUD REGS	1.83
DWPF Finance Pty Ltd 2.6% 04/08/2032 AUD	1.82
GPT Wholesale Office Fund No1 3.222% 05/11/2031 AUD	1.72
Mirvac Group Finance LTD 5.15% 18/03/2031 AUD REGS	1.70
Total	**22.29**

Credit Rating (%)



FOR MORE INFORMATION PLEASE VISIT **JANUSHENDERSON.COM**

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SUSTAINABLE CREDIT ACTIVE ETF

At a glance

Performance

The Fund returned 0.61% (net) and 0.66% (gross). The Fund outperformed the Benchmark by 0.01% (gross) in October, which returned 0.64% on the month.

Contributors/detractors

Income carry, duration and, credit protection positional all contributed throughout the month, whilst a more broad-based widening in Australian credit spreads was a modest detractor from total return.

Outlook

Our base case is a peak in the cash rate to 4.85%, and a 25% chance of the high case, a peak in the cash rate of 5.35%.

Investment environment

Global forces drove yields through October as confidence in the AI investment theme was challenged. Safe-haven flows into sovereign bonds resulted in a partial retracing of the September highs in yields, while persistent inflationary pressures reinforced expectations of further rate hikes.

The RBA did not meet during the month. Three-month bank bills reflected a post-CPI rise in expectations of further rate hikes, advancing 13bps to 4.90%, while six-month bank bill rates rose 13bps to 5.25%.

The sustainability of the powerful global AI investment cycle was called into question. Australian three-year government bond yields fell by 11bps to 4.81%, while 10-year yields fell by 23bps to 5.12%.

Investors debated the resilience and relative attractiveness of credit versus risk-free instruments in the face of a potentially higher-for-longer rate environment. The Australian iTraxx Index closed 5bps wider at 78bps, while the Australian fixed and floating rate credit indices returned +0.83% and +0.37% respectively.

Portfolio review

Healthy income returns were challenged with a combination of negative shifts in investor sentiment with offshore AI growth concerns, French social unrest, leveraged finance weakness and local data centre regulation and access to power all came into the spotlight. Income carry generated a 0.5% return, while pleasingly duration also added 0.3% to returns after being a headwind through most of 2026. A more broad-based widening in Australian credit spreads was a modest detractor from total return. Excess returns were in line with the Benchmark, with the mix of contributions from overweight duration interest rate strategy and sector allocation offsetting one another. Credit protection positions added value for a second month running, with CDS positioning adding 0.01% to return over October.

As the market adjusts credit spread valuations to more normal levels, investors have had to weather the rise in yields and now some normalisation in spreads to get to a more attractive and balanced environment for forward looking returns. Yield available in Australian IG credit segments remains appealing with a range of securities offering north of 6.5% starting yields in public liquid credit.

Within the weaker risk backdrop, primary supply in Australian credit became quite subdued, with a handful of financial and corporate deals taking place. We have retained liquidity and some credit risk charge capacity to look for any opportunities at more attractive spread entry points heading into year end.

Manager outlook

We believe that while the RBA risks future hiking, we are more toward the end of the cycle than the beginning, unlike other central banks such as the US Federal Reserve. We raised the base case to a peak in the cash rate to 4.85%, and maintain a 25% chance of the high case, with a peak in the cash rate of 5.35%. There is a substantial amount priced in across the Australian curve. The curve is also suggesting that current tight monetary policy conditions will likely remain. While we see policy rates in a higher band than previously, we do see a period in the future where the RBA will be able to move back toward a less restrictive policy.

We have a small long duration position at present and will continue to add as more opportunities present themselves if yields rise further.

We expect volatility to remain elevated as geopolitical and macroeconomic risks persist, and increasing focus on the risks and opportunities created by AI as its impact broadens across the global economy. Against this backdrop, our credit strategy remains firmly biased toward high-quality investment grade issuers with resilient businesses, strong earnings and conservative balance sheets. We are cautious of more economically sensitive, leveraged and lower-quality corporate and consumer sectors, particularly where default risk remains elevated or business models face significant AI disruption. Australian investment grade credit remains attractive relative to global markets, particularly given its low default risk and competitive all-in yields. We believe high-quality Australian credit should remain resilient across a range of economic environments. While we remain constructive and well invested for carry advantage across portfolios, we have been selective in subsectors and usage of risk capacity. We have retained capacity to take advantage of periods of market volatility and favour maintaining cost-effective credit protection against downside risks.

Sustainable bond issuance activity was more subdued in October, with just two transactions from regular issuers: the International Bank for Reconstruction and Development and Standard Chartered.

For in-depth economic analysis and the Australian Fixed Interest Team's outlook, visit https://go.janushenderson.com/Viewpoint-Nov26