

# Janus Henderson Multi-Manager Diversified Fund

Q2 2021

For promotional purposes

## Fund Managers Names

Paul O'Connor, Dean Cheeseman, Nick Watson, CFA, Tihana Ibrahimasic, CFA

## Macro backdrop

Global equity markets made gains in the second quarter of 2021 with the MSCI World Index up by 7.8% in sterling terms and 7.9% in US dollar terms. This was helped by steady progress in the roll-out of COVID-19 vaccinations, loosening lockdown restrictions and further signs of economic improvement. However, concerns about inflation exerted some downward pressure during the quarter. In June, the US Federal Reserve (Fed) unnerved markets around the world when it signalled that it expected interest rates to start rising in 2023 - a year earlier than previously envisaged - because of worries about increasing prices.

In fixed income, the JPM Global Government Bond Index gained 0.9% in sterling terms and 1.1% in US dollar terms. Yields on core government bond markets - including the US, UK and Japan - generally declined (prices rose, reflecting their inverse relationship) as investors became more comfortable about the prospects for inflation as the quarter progressed.

## Fund performance and activity

The fund returned 2.4% over the quarter, underperforming the IA Mixed Investments 0-35% Shares sector which returned 2.5% (institutional income share class).

Positive contributions were received across all asset classes with UK equities providing the strongest overall. Key holdings included the LF Trojan Income Fund and the Jupiter UK Special Situations Fund with returns of 6.5% and 4.3% respectively. There were solid contributions across our bond allocations with the Janus Henderson Global Investment Grade Bond Fund up 2.4%, the MI TwentyFour Dynamic Bond Fund up 1.7% and the AXA Global Strategic Bond Fund up 1.4%. In terms of detractors the Schroder Asian Income Fund was down 0.4% over the quarter.

Trading activity was light during the quarter. We fully redeemed our holding in the Artemis Income Fund with the proceeds re-allocated into FTSE 100 futures. We reduced our allocation to North American equities amid the hawkish Fed statement by fully redeeming our position in the iShares S&P US Banks ETF taking profits for the fund. We subsequently increased the allocation to Japan following recent underperformance and an improving earnings outlook for the region. Finally, we initiated a new holding in the Dodge & Cox Worldwide US Stock Fund.

## Outlook/strategy

Risks are becoming more balanced in markets than they have been for some time. Despite rising Covid-19 vaccination rates in developed markets, the pandemic is not yet over and cases are rising again globally as variants spread, testing vaccine efficacy. One of the twin supports from fiscal and monetary policy has started to turn as the Fed turns more hawkish. At the same time, China is slowing and we are passing peak growth momentum in developed markets. While there are still some clear catalysts for further market upside, this rally has now run a long way without a sustained correction.

Source: Janus Henderson Investors, as at 30 June 2021

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## Fund information

Peer group benchmark	IA Mixed Investment 0-35% Shares
Peer group benchmark usage	Target,Constraint,Comparator

The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The Fund's ranking within the sector (as calculated by a number of data providers) forms the basis of the Fund's performance target and can be a useful performance comparison against other funds with similar aims. The sector also limits the Fund's exposure to shares of companies (also sometimes referred to as equities) to a maximum of 35%.

Objective	The Fund aims to provide a return, from a combination of capital growth and income over the long term.
Performance target	To outperform the IA Mixed Investment 0–35% Shares sector average, after the deduction of charges, over any 5 year period.

## Performance in (GBP)

Performance %	I (Net)	Peer group	Quartile ranking
1 month	0.8	0.9	3rd
YTD	1.3	1.7	3rd
1 year	6.5	6.9	3rd
3 years (annualised)	3.5	3.8	3rd
5 years (annualised)	3.8	4.0	2nd
10 years (annualised)	4.1	4.0	2nd
Since inception 29 May 1991 (annualised)	4.8	5.8	-

Source: at 30 Jun 2021. © 2021 Morningstar. All rights reserved, performance is with gross income reinvested. Performance/performance target related data will display only where relevant to the share class inception date and annualised target time period.

Discrete year performance %	I (Net)	Peer group
30 Jun 2020 to 30 Jun 2021	6.5	6.9
30 Jun 2019 to 30 Jun 2020	0.5	1.3
30 Jun 2018 to 30 Jun 2019	3.7	3.2
30 Jun 2017 to 30 Jun 2018	0.8	1.4
30 Jun 2016 to 30 Jun 2017	7.8	7.5

Source: at 30 Jun 2021. © 2021 Morningstar. All rights reserved, performance is with gross income reinvested. Discrete performance data may change due to final dividend information being received after quarter end.

Source for target returns (where applicable) – Janus Henderson. Where quartiles are shown, 1st quartile means the share class is ranked in the top 25% of share classes in its sector.

Please note the performance target is to be achieved over a specific annualised time period. Refer to the performance target wording within the objective.

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**Past performance is not a guide to future performance. 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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## Important information

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