

# Janus Henderson Diversified Growth Fund

June 2020

For promotional purposes

## Fund Managers Names

Nick Harper, CFA, Oliver Blackburn, CFA, Paul O'Connor

## Macro backdrop

Equities continued to rally over the course of June, rising 3.2% in US dollar terms and 3.3% for sterling investors. Emerging market stocks led the way, followed by Europe, gaining 7.4% and 4.9% respectively. Japanese shares were the most significant laggard as they finished the month broadly flat. At a sector level, technology companies remained the standout leaders, followed consumer discretionary stocks. In contrast, the utilities and energy sectors were slightly lower over the month. The market moves higher were generally driven by growth stocks following the outperformance of the value style in late May.

Sovereign bond yields were little changed over the month, although inflation expectations rose in the US. Credit spreads continued to decline, helping investment grade debt, high yield bonds and hard currency emerging market debt to positive returns. The prices on most commodity subsectors were higher over the month, including industrial metals, oil and gold. The euro appreciated against most currencies over the month, with the US dollar, sterling and the Japanese yen broadly lower.

Developments in the coronavirus pandemic remained at the forefront of investors' minds in June, particularly in the second half of the month as infections in the US began to rise. New cases accelerated sharply in the south and south west of the US as states in those areas reopened for business. The increase has led to renewed closures that are ultimately likely to weigh on the world's largest economy at a time when data had been surprising positively as the country reopened faster than expected. The other main global hotspot continues to be Latin America, where the rate of new cases continues to climb, and there are concerns about the spread of the virus in India and surrounding countries. In contrast, Europe and China appeared to have the virus broadly under control.

The recovery has been characterised by a stronger than expected recovery in the US but data has lagged forecasts in Europe. The relatively swift reopening in many US states has led to a strong recovery in economic data so far. However, the spike in virus cases has led to fears that this may not last as measures are put in place to regain control of the outbreak. Europe has shown a slower pace of economic recovery despite restrictions being eased substantially. However, the region is very sensitive to global demand and shutdowns elsewhere remain a drag. The proposed €750 billion EU Recovery Fund remains a contentious issue within the bloc but could be a significant upside catalyst should it be passed.

## Outlook/strategy

We think that markets are likely to remain bumpy as investors continue to react to the ebbs and flows of virus cases that seem likely to occur. As the largest single economy in the world, the US has clearly been a focal point recently and events there will likely remain at the forefront of investors' minds. In a broader context, there is no historical roadmap for investors to follow as they try to analyse the future twists and turns of the pandemic and its effects on the global economy. In particular, market participants must deal with potentially conflicting signals that may lead to occasional large swings in sentiment and market leadership. While buy-and-hold investing has been an efficient strategy in the low volatility and trending markets of the last decade, we believe that high volatility regimes like this demand and reward a more active approach to asset allocation.

Source: Janus Henderson Investors, as at 30 June 2020

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## Fund information

Index	3 month GBP LIBOR Interest Rate + 4%
Index usage	Target,Comparator

3 Month GBP LIBOR is the interest rate at which a selection of banks in London will lend pounds sterling to one another for three months. It forms the basis for the Fund's performance target and provides a useful comparison against which the Fund's performance can be assessed over time.

**Objective** The Fund aims to provide a return, from a combination of capital growth and income, with volatility lower than that of equity market volatility, over the long term.

**Performance target** To outperform the 3 month GBP LIBOR Interest Rate by 4% per annum, before the deduction of charges, over any 5 year period.

## Performance in (GBP)

Performance %	(Net)	Index	(Gross)
1 month	2.3	0.4	-
YTD	1.4	2.3	-
1 year	4.4	4.8	-
3 years (annualised)	4.0	4.7	-
5 years (annualised)	4.5	4.6	5.4
10 years (annualised)	-	-	-
Since inception (annualised)	4.5	4.6	5.4

Source: at 30 Jun 2020. © 2020 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 %	(Net)	Index	(Gross)
30 Jun 2019 to 30 Jun 2020	4.4	4.8	5.3
30 Jun 2018 to 30 Jun 2019	3.9	4.8	4.8
30 Jun 2017 to 30 Jun 2018	3.8	4.5	4.8
30 Jun 2016 to 30 Jun 2017	8.8	4.4	9.7
30 Jun 2015 to 30 Jun 2016	1.6	4.6	2.4

Source: at 30 Jun 2020. © 2020 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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