

Janus Henderson Horizon Asian Dividend Income Fund

October 2020

For promotional purposes
For US Financial Professionals servicing non-US persons

Fund Managers Names

Mike Kerley, Sat Duhra

Macro backdrop

Asia Pacific markets moved higher in October, outperforming other regions as economic data continued to suggest that activity was returning to normal. This was particularly true of China where purchasing managers' indices (PMIs) indicated continued expansion in manufacturing and services and retail sales rose 3.5% in September compared to a year earlier.

On the whole, North Asia performed better than South Asia, although Indonesia and the Philippines topped the list following the approval of an Omnibus Law in the former which heightened expectation of reform, while the latter benefited from the reduction in lockdown measures.

From a style perspective value held its ground against growth as the expectation of Joe Biden winning the US presidential was perceived to be positive for stocks exposed to the likely increase in infrastructure spending. At the sector level, consumer discretionary and communication services led the way while energy and utilities continued to lag. Technology and internet stocks, which have driven market performance over the last twelve months, continued to move higher but only in line with the rest of the market as performance broadened.

Although there are encouraging signs that investor focus is broadening and looking beyond the new economy sectors, the benefits have yet to reach yielding stocks.

Fund performance and activity

The benchmark MSCI Asia Pacific ex Japan High Yield Index fell 0.1% compared to the MSCI AC Asia Pacific ex Japan index rise of 2.4%. The fund, which has a higher yield than the index and peers, suffered from this trend, falling 1.0% and underperforming both its benchmark and the Asia-Pacific ex-Japan Equity Income peer group, which rose 0.4%.

October was a very quiet month for transactions. We sold Bank of China to reduce our exposure to financials and reinvested the proceeds into topping up Yongda Automotive and Netease, which were positions we initiated in September.

Outlook/strategy

We are positive on Asia Pacific markets in the medium to long-term, especially on a relative basis against other regions, as we believe it is best positioned to ride out the volatility caused by the coronavirus. In the short term we expect volatility to continue as markets digest the duration of the virus and its impact on economic growth and stability. Corporate earnings are likely to come under pressure in the short term although we are confident the dividends will prove more resilient considering the excess cash being generated and the low level of dividends paid out compared to earnings. We remain focused on domestic-orientated companies with strong cash flow and sustainable and growing dividends.

Source: Janus Henderson Investors, as at 31 October 2020

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Fund information

Index

MSCI All Countries Asia Pacific Ex Japan High Dividend Yield Index

Morningstar sector

Europe OE Asia-Pacific ex-Japan Equity

Objective

The Fund aims to provide an income in excess of the income generated by the MSCI AC Asia Pacific ex Japan High Dividend Yield Index with the potential for capital growth over the long term (5 years or more).

Performance in (USD)

Performance %	A2 (Net)	Index	Sector	Quartile ranking
1 month	-1.0	-0.1	0.4	4th
YTD	-15.3	-14.0	-5.1	4th
1 year	-12.3	-9.2	-1.0	4th
3 years (annualised)	-2.8	-3.1	0.1	4th
5 years (annualised)	2.9	4.6	5.3	4th
10 years (annualised)	2.1	3.1	4.2	4th
Since inception 26 Oct 2006 (annualised)	4.6	4.9	5.7	-

Source: at 31 Oct 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.

Calendar year returns %	A2 (Net)	Index	Sector
2019	19.1	14.6	16.4
2018	-11.7	-11.0	-11.9
2017	28.5	37.0	28.4
2016	1.5	6.8	6.7
2015	-9.9	-9.2	-10.2

Source: at 30 Sep 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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For further information on the Luxembourg-domiciled Janus Henderson fund range please contact sales.support@janushenderson.com or visit our website: www.janushenderson.com.

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The information in this commentary does not qualify as an investment recommendation.

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