

Janus Henderson Horizon Emerging Market Corporate Bond Fund

September 2021

For promotional purposes
For professional investors only

Fund Managers Names

Andrew Mulliner, CFA, Jennifer James

Macro backdrop

September was a challenging month for emerging market credit. Fears of an economic slowdown in China pervaded global risk assets as Evergrande failed to pay a coupon on its external debt and entered a 30-day grace period in which to make that payment. Meanwhile, US Treasury yields sharply moved higher as US economic hard data kept on beating market expectations. The JPM Corporate Emerging Market Bond Index (CEMBI) was down 0.7%. Index spreads widened five basis points (bps) and the 10-year Treasury yield jumped 18bps. Investment grade and high yield bonds suffered losses of -0.6% and -0.7% respectively.

In developed markets, high yield bonds, which are less sensitive to movement in interest rates, saw positive returns through spread compression (up 0.2% for US high yield and up 0.1% for euro high yield). Investment grade bond spreads did not manage to compress enough to have positive returns as US investment grade bonds returned -1.1% and euro investment grade bonds returned -0.5%.

Once again, Asia was the weakest region with China and Macau being the worst performers as they returned -2.2% and -2.8% respectively. Brazil also underperformed (-1.6%) as iron ore prices continued to drift lower. Conversely, oil exporting countries like Ghana (up 1.9%), Ecuador (up 1.6%) and Iraq (up 1.5%) outperformed. However, on aggregate, all sectors had negative returns, with real estate being the obvious underperformer (down 2.3%).

Primary activity picked up as \$56 billion worth of bonds were issued in September, up from \$18 billion in August - in line with seasonal expectations. However, net supply for the month was only mildly positive at \$7 billion. Asia still remained the dominant source of bonds, albeit mostly in the investment grade space. September also marked a turn in flow dynamics, from inflows in the first two weeks of the month to outflows in the remaining weeks. Year-to-date, emerging market hard currency funds have received \$13.8 billion of net inflows.

Fund performance and activity

The fund returned -1.3% compared to the -0.7% JP Morgan Corporate Emerging Market Bond Index (CEMBI) Broad Diversified index benchmark return.

Underperformance was due to the fund's exposure to Chinese high yield bonds, in particular the property sector. Despite the absence of negative surprises - Evergrande bond prices already reflected the company missing its payment and a subsequent restructuring scenario - the space weakened further as the government's reaction to mounting pressure in the sector was actually underwhelming. The core of our China holdings is in short-dated credit where companies have signalled a strong commitment and ability to repay their obligations. We continued to reduce the overall risk level and further reduced its sensitivity to interest rate volatility.

Outlook/strategy

There is mounting evidence that the Chinese economy is slowing at a fast pace. Meanwhile, the macro backdrop in the rest of the world also faces some challenges such as shortages in several segments along global supply chains (both in human capital and natural resources), upcoming withdrawal of liquidity from central banks, stickier inflation than anticipated and increasing interest rates.

Given positive returns in risk assets so far this year, the hurdle to add more risk into portfolios in the last quarter of the year is high. As investors look for capital preservation, inflows into emerging market credit in the last quarter may be limited. Yet a larger fiscal and/or monetary support in China, which remains key for sentiment, could provide a positive catalyst. As the primary market remains closed for Chinese property companies and the sector adapts to tougher business conditions, there are opportunities to invest in undervalued companies in this space. Overall, the fund is positioned for a rebound in Chinese high yield and defensively positioned in other parts of the emerging markets which may suffer from China slowing down further and adverse macroeconomic conditions. Our cash balance is high.

Source: Janus Henderson Investors, as at 30 September 2021

Janus Henderson Horizon Emerging Market Corporate Bond Fund

Fund information

Index	JP Morgan Corporate Emerging Market Bond Index (CEMBI) Broad Diversified
Morningstar sector	Europe OE Global Emerging Markets Corporate Bond
Objective	The Fund aims to provide a return, from a combination of income and capital growth over the long term.
Performance target	To outperform the JP Morgan Corporate Emerging Market Bond Index (CEMBI) Broad Diversified by 1.5% per annum, before the deduction of charges, over any 5 year period.

Performance in (USD)

Performance %	A2 (Net)	Index	Sector	Quartile ranking	A2 (Gross)	Target (Gross)
1 month	-1.3	-0.7	-1.1	4th	-	-
YTD	-0.1	1.5	0.5	3rd	-	-
1 year	5.4	6.0	6.6	3rd	-	-
3 years (annualised)	6.0	7.1	6.1	3rd	-	-
5 years (annualised)	4.1	5.2	4.5	3rd	5.4	6.8
10 years (annualised)	-	-	-	-	-	-
Since inception 05 Nov 2014 (annualised)	4.7	5.2	4.0	-	6.1	6.8

Source: at 30 Sep 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 %	A2 (Net)	Index	Sector	A2 (Gross)	Target (Gross)
30 Sep 2020 to 30 Sep 2021	5.4	6.0	6.6	6.7	7.6
30 Sep 2019 to 30 Sep 2020	4.6	4.9	3.6	5.9	6.4
30 Sep 2018 to 30 Sep 2019	8.1	10.6	8.3	9.5	12.3
30 Sep 2017 to 30 Sep 2018	-2.9	-0.9	-2.3	-1.5	0.5
30 Sep 2016 to 30 Sep 2017	5.4	5.8	6.5	7.0	7.4

Source: at 30 Sep 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.

The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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.

Janus Henderson Horizon Emerging Market Corporate Bond Fund

For further information on the Luxembourg-domiciled Janus Henderson fund range please contact your local sales office or visit our website: www.janushenderson.com.

Benelux

Janus Henderson Investors
Tel: +31 20 675 0146
Fax: +31 20 675 7197
Email: info.nederlands@janushenderson.com

France/Monaco

Janus Henderson Investors
Tel: +33 1 53 05 41 30
Fax: +33 1 44 51 94 22
Email: info.europe.francophone@janushenderson.com

Germany/Austria

Janus Henderson Investors
Tel: +49 69 86 003 0
Fax: +49 69 86 003 355
Email: info.germany@janushenderson.com

Dubai

Janus Henderson Investors
Tel: +9714 401 9565
Fax: +9714 401 9564
Email: JanusHenderson-MEACA@janushenderson.com

Hong Kong

Janus Henderson Investors
Tel: +852 2905 5188
Fax: +852 2905 5138
Email: marketing.asia@janushenderson.com

Italy

Janus Henderson Investors
Tel: +39 02 72 14 731
Fax: +39 02 72 14 7350
Email: info.italy@janushenderson.com

Latin America

Janus Henderson Investors
Tel: +44 20 7818 6458
Fax: +44 20 7818 7458
Email: sales.support@janushenderson.com

Nordics

Janus Henderson Investors
United Kingdom
Tel: +44 20 7818 4397
Fax: +44 20 7818 1819
Email: sales.support@janushenderson.com

Singapore

Janus Henderson Investors
Tel: +65 6836 3900
Fax: +65 6221 0039
Email: marketing.asia@janushenderson.com

Spain/Portugal/Andorra

Janus Henderson Investors
Tel: +34 91 562 6172
Fax: +34 91 564 6225
Email: info.iberia@janushenderson.com

Switzerland

Janus Henderson Investors
Tel: +41 43 888 62 62 (Zurich office)
Tel: +41 22 810 82 89 (Geneva office)
Email: info.switzerland@janushenderson.com

United Kingdom

Janus Henderson Investors
Tel: +44 20 7818 1818
Fax: +44 20 7818 1819
Email: sales.support@janushenderson.com

Janus Henderson Horizon Emerging Market Corporate Bond Fund

Important information

The investments underlying this financial product (referred to as the Fund) do not take into account the EU criteria for environmentally sustainable economic activities. While the analysis of ESG factors is an integral component across the Investment Manager's investment capabilities, the Investment Manager does not maximise portfolio alignment with sustainability risks as a separate goal in its own right nor does it precisely attribute the impact of ESG factors on returns for the Fund. The Investment Manager does not consider the adverse impacts of investment decisions on sustainability factors as set out under SFDR with respect to the Fund because it is not classified under either Article 9 or Article 8 of Regulation (EU) 2019/2088.

This document is intended solely for the use of professionals and is not for general public distribution. Any investment application will be made solely on the basis of the information contained in the Fund's prospectus (including all relevant covering documents), which will contain investment restrictions. This document is intended as a summary only and potential investors must read the Fund's prospectus and key investor information document before investing. A copy of the Fund's prospectus and key investor information document can be obtained from Henderson Global Investors Limited in its capacity as Investment Manager and Distributor. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes. Past performance is not a guide to future performance. The performance data does not take into account the commissions and costs incurred on the issue and redemption of units. 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. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law change. If you invest through a third party provider you are advised to consult them directly as charges, performance and terms and conditions may differ materially. The securities included in this document are not registered in the Foreign Securities Registry of the Superintendencia de Valores y Seguros for public offering and, therefore, the use of this document is only for general information purposes. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment. It does not form part of any contract for the sale or purchase of any investment. The Fund is a recognised collective investment scheme for the purpose of promotion into the United Kingdom. Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Fund and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

The Janus Henderson Horizon Fund (the "Fund") is a Luxembourg SICAV incorporated on 30 May 1985, managed by Henderson Management S.A. Issued by Janus Henderson Investors. Janus Henderson Investors is the name under which investment products and services are provided by Janus Capital International Limited (reg no. 3594615), Henderson Global Investors Limited (reg. no. 906355), Henderson Investment Funds Limited (reg. no. 2678531), Henderson Equity Partners Limited (reg. no.2606646), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Henderson Management S.A. (reg no. B22848 at 2 Rue de Bitbourg, L-1273, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier).

Copies of the Fund's prospectus, Key Investor Information Document, articles of incorporation, annual and semi-annual reports are available in English and other local languages as required from www.janushenderson.com. These documents can also be obtained free of cost from the local offices of Janus Henderson Investors: 201 Bishopsgate, London, EC2M 3AE for UK, Swedish and Scandinavian investors; Via Dante 14, 20121 Milan, Italy, for Italian investors and Roemer Visscherstraat 43-45, 1054 EW Amsterdam, the Netherlands. for Dutch investors; and the Fund's: Austrian Paying Agent Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Vienna; French Paying Agent BNP Paribas Securities Services, 3, rue d'Antin, F-75002 Paris; German Information Agent Marcard, Stein & Co, Ballindamm 36, 20095 Hamburg; Belgian Financial Service Provider CACEIS Belgium S.A., Avenue du Port 86 C b320, B-1000 Brussels; Spanish Representative Allfunds Bank S.A. Estafeta, 6 Complejo Plaza de la Fuente, La Moraleja, Alcobendas 28109 Madrid (Registered in Spain under CNMV 353. The Custodian in Spain is BNP PARIBAS SECURITIES SERVICES S.C.A.); Singapore: Singapore Representative Janus Henderson Investors (Singapore) Limited, 138 Market Street, #34-03/04 CapitaGreen, Singapore 048946; or Swiss Representative BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich who are also the Swiss Paying Agent. RBC Investor Services Trust Hong Kong Limited, a subsidiary of the joint venture UK holding company RBC Investor Services Limited, 51/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, Tel: +852 2978 5656 is the Fund's Representative in Hong Kong. The summary of Investors Rights is available in English from <https://www.janushenderson.com/summary-of-investors-rights-english>. Henderson Management SA may decide to terminate the marketing arrangements of this Collective Investment Scheme in accordance with the appropriate regulation.

[Janus Henderson, Janus, Henderson, Intech, VelocityShares, Knowledge Shared, Knowledge Shared and Knowledge Labs] are trademarks of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc.

D10003