

Janus Henderson Horizon Euro High Yield Bond Fund

Q3 2021

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

Fund Managers Names

Tom Ross, CFA, Tim Winstone, CFA

Macro backdrop

High yield bonds delivered a positive return in the quarter, outperforming investment grade bonds. The ICE BofA European Currency Non-Financial High Yield 2% Constrained Index (hedged to euro) delivered a total return of 0.7% and an excess return of 0.3% versus government bonds. Movements in government bond markets detracted from returns as the rates rally reversed direction to leave 10-year yields marginally higher on US Treasuries and German bunds. Central bank rhetoric turned increasingly hawkish amid continuing supply bottlenecks and rising inflation expectations.

European high yield underperformed US high yield on an excess return basis. Troubled Chinese property group Evergrande weighed on sentiment, meaning emerging market high yield significantly underperformed.

The compression theme continued as lower-rated European high yield outperformed over the quarter, with CCC-rated bonds and below and single B-rated bonds outperforming BB-rated bonds.

Fund performance and activity

The fund underperformed its benchmark over the quarter.

Fund performance was largely hurt by the overweight position to Adler, the German residential property company, following news flow related to the Die Linke minor question and allegations in a short-seller report. Events triggered a stop-loss meeting on the issuer that led us to reduce our overweight position by around 50%. Security selection overall was a small detractor from returns with overweight positions to Iceland and Jaguar Land Rover also hurting returns.

On the other hand, the fund's overweight risk stance relative to the benchmark was beneficial as excess returns were positive. Security selection in basic industry and energy was also additive to performance over the period, with overweight positions to Enquest and Thyssenkrupp being among the greatest contributors to relative returns.

Source: Janus Henderson Investors, as at 30 September 2021

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Fund information

Index	ICE BofA European Currency Non-Financial High Yield Constrained Index (100% Hedged)
Morningstar sector	Europe OE EUR High Yield 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 ICE BofA European Currency Non-Financial High Yield Constrained Index (100% Hedged) by 1.75% per annum, before the deduction of charges, over any 5 year period.

Performance in (EUR)

Performance %	A2 (Net)	Index	Sector	Quartile ranking	A2 (Gross)	Target (Gross)
1 month	-0.4	-0.1	-0.1	4th	-	-
YTD	2.4	3.6	2.8	3rd	-	-
1 year	8.6	9.4	7.6	2nd	-	-
3 years (annualised)	4.2	4.3	2.9	1st	-	-
5 years (annualised)	4.3	4.2	3.1	1st	5.5	6.1
10 years (annualised)	-	-	-	-	-	-
Since inception 19 Nov 2012 (annualised)	5.8	5.4	4.2	-	7.2	7.2

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.

Calendar year returns %	A2 (Net)	Index	Sector	A2 (Gross)	Target (Gross)
2020	2.4	2.7	0.9	3.7	4.5
2019	11.6	10.8	8.8	13.0	12.7
2018	-2.3	-3.4	-4.2	-1.1	-1.7
2017	5.1	6.1	5.7	6.3	8.0
2016	9.5	10.0	7.6	10.8	11.9

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.

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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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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.

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