

Janus Henderson Horizon Global High Yield Bond Fund

Q3 2021

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

Fund Managers Names

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Macro backdrop

High yield bonds delivered a positive return in the quarter and outperformed investment grade bonds. The ICE BofA Global High Yield Constrained (USD) Index delivered a total return of 0.2%, driven by positive excess returns (versus governments) despite credit spreads moving wider. 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.

US high yield marginally outperformed European high yield on an excess return basis. Troubled Chinese property group Evergrande weighed on sentiment, meaning emerging market high yield significantly underperformed. Issuance remains high as investors hunt for income and companies look to lock in low borrowing costs ahead of potential rate rises.

Fund performance and activity

The fund returned -0.4% over the quarter and underperformed the Index which returned 0.2%.

While our underweight position to Evergrande added to relative performance, that benefit was offset by overweight exposures elsewhere in the sector through Easy Tactic, Sunac and Kaisa. This resulted in the attribution from our exposure to China being neutral.

The biggest single-name detractor was 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%. The overweight to software developer Clarivate also weighed on performance, although our conviction in the name remained.

At the asset allocation level, the fund's overweight risk stance overall relative to the benchmark added to performance as excess returns were positive. Also adding to performance was the overweight to CCC-rated credit and below. Overweight positions to Enquest and Bally's further benefited relative returns.

Source: Janus Henderson Investors, as at 30 September 2021

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Fund information

Index	ICE BofA Global High Yield Constrained Index (100% Hedged)
Morningstar sector	Europe OE Global High Yield Bond
Objective	The Fund aims to provide an income with the potential for capital growth over the long term.
Performance target	To outperform the ICE BofA Global High Yield Constrained Index (100% Hedged) by 1.75% 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	-0.8	-0.4	-0.4	4th	-	-
YTD	1.7	3.4	2.7	4th	-	-
1 year	9.5	10.1	9.8	3rd	-	-
3 years (annualised)	7.0	6.8	5.3	1st	-	-
5 years (annualised)	6.8	6.3	4.9	1st	8.1	8.2
10 years (annualised)	-	-	-	-	-	-
Since inception 19 Nov 2013 (annualised)	6.5	5.9	3.7	-	7.9	7.8

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.

Calendar year returns %	A2 (Net)	Index	Sector	A2 (Gross)	Target (Gross)
2020	6.2	6.5	5.3	7.4	8.3
2019	18.0	14.5	12.4	19.5	16.5
2018	-2.2	-1.9	-3.7	-1.1	-0.2
2017	8.5	8.0	8.1	9.8	9.9
2016	14.4	16.2	10.9	15.8	18.3

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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