

Janus Henderson Horizon Japanese Smaller Companies Fund

September 2021

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

Fund Manager Name

Yunyoung Lee, CFA

Macro backdrop

Japanese stocks rose in a month which saw new COVID-19 cases peaking out and the approach of two important elections (the LDP presidential election and the Lower House general election). Gains were driven by global cyclical sectors such as steel, electric appliances and machinery, as well as the financial sector. On 3 September Prime Minister Yoshihide Suga announced that he will not be running for re-election. The LDP presidential election was held on 29 September at which Fumio Kishida (former Foreign Minister and LDP policy chief) was elected president. The state of emergency was also lifted in all regions as of the 30 September, but domestic stocks fell in the last week of September as risk-off sentiment from China spilled over.

Fund performance and activity

Positive contributors included Noritake (electrical materials), Descente (apparel), Isetan Mitsukoshi (department stores), Daito Trust Construction (apartments) and Aiful (consumer finance). Noritake rose from a lower valuation level thanks to an upward earnings revision while Descente rose due to strong results from its Chinese business. Isetan Mitsukoshi and Aiful increased due to a decline in new COVID-19 cases in Japan.

Major negative contributors included Park24 (car share), Kura Sushi (restaurants), Central Glass (chemicals), Asahi Intecc (health care) and Taikisha (industrial air conditioners). Park24 declined as a result of weaker-than-expected earnings results while Kura Sushi, Asahi Intecc and Taikisha decreased due to a profit-taking. Elsewhere, Central Glass decreased given its weak sales outlook.

In terms of activity, we increased the fund's positions in Gakken Holdings (education), Harmonic Drive Systems (factory automation), Hikari Tsushin (IT services), Kyorin Holdings (pharmaceuticals), Mandom (cosmetics), Nexon (gaming) and Oracle Japan (IT services) following management meetings. We initiated positions in Demae-can (food delivery) and Lifenet Insurance, closed our position in Descente due to a rise in its share price, and decreased positions in Neturen (auto parts) and Sakata Inx (package Incs) after meetings with their management teams.

Source: Janus Henderson Investors, as at 30 September 2021

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Fund information

Index	Russell/Nomura Small Cap Index
Morningstar sector	Europe OE Japan Small/Mid-Cap Equity
Objective	The Fund aims to provide capital growth over the long term.
Performance target	To outperform the Russell/Nomura Small Cap Index by 2.5% 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	1.6	1.5	1.6	2nd	-	-
YTD	9.1	5.4	5.1	1st	-	-
1 year	23.1	12.4	16.1	1st	-	-
3 years (annualised)	9.2	2.7	5.4	1st	-	-
5 years (annualised)	8.9	7.4	9.9	3rd	11.1	10.1
10 years (annualised)	11.7	9.3	10.6	1st	13.9	12.1
Since inception 30 Aug 1985 (annualised)	7.9	6.9	8.0	-	9.9	9.6

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	9.1	5.0	13.6	11.2	7.6
2019	33.2	18.3	20.3	35.6	21.3
2018	-24.4	-18.1	-19.3	-23.0	-16.1
2017	25.6	35.3	41.1	28.3	38.7
2016	17.8	7.7	8.1	20.1	10.4

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.

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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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