

Janus Henderson Horizon Pan European Property Equities Fund

August 2020

For promotional purpose

Fund managers

Guy Barnard, CFA & Nicolas Scherf

Macro backdrop

Global equity markets continued their rise with significant gains in global equities. European markets also rose, despite many countries experiencing a second, albeit seemingly less lethal, wave of COVID-19, and European property performed in-line with the regional market. Within real estate markets, the relative outperformance of the sectors less impacted by the pandemic continued, with residential and storage performing notably well. Retail once again suffered, following an announcement of a distressed equity raise from UK retail landlord Hammerson and rumours that its larger peer Unibail-Rodamco-Westfield may soon follow suit. Elsewhere, office names lagged given the ongoing concerns about future demand due to the news flow of more companies perusing more flexible working arrangements following lockdown.

Fund performance and activity

We saw strong performance from our residential exposure with German developer Instone the top contributor, having reported an encouraging outlook for the business and a move to develop more affordable homes in the future. Residential Landlords Deutsche Wohnen and LEG in Germany and Grainger in the UK also aided performance. An absence of retail names again aided performance, notably through Unibail-Rodamco-Westfield. Belgium logistics developer VGP gained following strong results, as did UK student accommodation provider Unite following an improved outlook for the next academic year. Conversely, Balder and Wihlborgs in Sweden lagged, as did London office-focused Helical.

In terms of activity, we topped up our position in Swedish landlord Balder based on what we viewed as an attractive valuation. Elsewhere, we continued to build our newer positions in UK and German affordable office landlord CLS Holdings, European tower operator Cellnex and fast-growing Swedish company Genova Property. We also added to our Unite position following encouraging data for the next academic year, in addition to its valuation. Conversely, we took profit in Parisian office company Gecina as well as UK logistics landlord LondonMetric following recent outperformance.

Outlook/strategy

While the full impact of COVID-19 on the direct real estate market will likely take time to play out, it is clear that the crisis has acted as an accelerant in the already evolving needs and uses of real estate. This is creating a clear divergence between different real estate sectors. Within the listed market the resilience of cash flows and balance sheets will be crucial in order to protect value and will likely create winners and losers at a stock level.

We remain focused on areas of structural growth where underlying demand is offsetting the economic fallout from the crisis and the longer-term drivers of demand in these sectors may even be strengthened. To date, in the parts of the market we prefer, cash flow and dividends have been resilient.

Investors in real estate must now reconcile challenging near-term news flow with the longer-term desire for income which will be enhanced by the crisis. While it might take time for any capital value declines to come through in the direct real estate market, the listed market is already reflecting this uncertainty with shares trading at wide discounts to asset values. This, in our view, provides an opportunity for longer-term investors to access high quality real estate for well below intrinsic value.

Source: Janus Henderson Investors, as at 31 August 2020

Janus Henderson Horizon Pan European Property Equities Fund

Fund information

Index

FTSE EPRA Nareit Developed Europe Capped Index

Objective

The Fund aims to provide capital growth over the long term.

Performance in (EUR)

Annualised performance %	A2	A2 (with sales charge)^	Benchmark
1 month	2.5	-2.7	1.9
3 months	6.5	1.2	3.7
1 year	0.8	-4.2	-8.3
3 years (p.a)	7.3	5.5	0.5
5 years (p.a)	5.6	4.5	0.8
Since inception (p.a)	7.6	7.4	7.5

Source: at 31 Aug 2020. © 2020 Morningstar. All rights reserved, performance is net of fees, with gross income reinvested. Performance figures of less than 1 year are not annualized. 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.

^Performance with sales charge assume 5.00% initial sales charge/front-end load (FEL) applied.

Past performance is not a guide to future performance.

Note: Reference to any specific company or stock is for information purposes only and should not be construed as a recommendation to buy or sell the same.

Janus Henderson Horizon Pan European Property Equities Fund

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

Singapore

Janus Henderson Investors

Tel: +65 6813 1000

Fax: +65 6221 0039

Website: www.janushenderson.com/sg

Important information

Janus Henderson Investors (Singapore) Limited and its affiliates are referred to herein as Janus Henderson Investors. This document has been produced based on Janus Henderson Investors' research and analysis and represents our house view. All the information contained in the document is intended for information, illustration or discussion purposes only and should not be relied on for any investment decisions or regarded it as a substitute for the exercise of your own judgement. This advertisement has not been reviewed by the Monetary Authority of Singapore.

The contents of this document are prepared without consideration to the specific investment objective, financial situation and particular needs of any specific person. It does not constitute an advertisement and should not constitute or form part of any offer or solicitation to issue, sell, subscribe or purchase any investment in any jurisdiction and do not purport to represent or warrant the outcome of any investment strategy, program or product. Any information and views provided herein is subject to change without further notice. None of the material, nor its content, nor any copy of it, maybe altered in any way, transmitted to, copied or distributed to any other party, without prior express written permission of Janus Henderson Investors. The information contained herein is obtained and / or compiled from sources believed to be reliable and current and Janus Henderson Investors do not warrant, guarantee or represent, either expressly or impliedly, the accuracy, validity or completeness of such information. Janus Henderson Investors or any directors or employees of Janus Henderson Investors shall not be liable for any damages arising from any person's reliance on this information and shall not be liable for any errors or omissions (including but not limited to errors or omissions made by third party sources) in this information. Unless otherwise indicated, the source for all data is Janus Henderson Investors.

Past performance of any fund, a security, an investment or manager and any opinions, forecasts, assumptions, estimates or valuations made are not necessarily indicative of the future or likely performance of the fund, the security, investment or manager. The fund(s) may intend to use or invest in financial derivative instruments. An investment in collective investment schemes/funds, and/or other investment products is subject to investment risks, including the possible loss of the principal amount invested. The value of the units and the income from the funds may fall as well as rise as a result of market and currency fluctuations. Investments in and the rate of return for the Fund are not obligations of, deposits in, guaranteed or insured by Janus Henderson Investors or any of its affiliates or authorised distributors.

The Singapore Representative of the Janus Henderson Horizon Fund is Janus Henderson Investors (Singapore) Limited and is distributed by authorised distributors. The prospectus and Product Highlights Sheet of the Fund is available and may be obtained from the Singapore Representative's office and the authorised distributors' offices. Investors should read the prospectus and Product Highlights Sheet before deciding whether to invest in the units of the Fund.

Note to Singapore Readers: Issued in Singapore by Janus Henderson Investors (Singapore) Limited, licensed and regulated by the Monetary Authority of Singapore. Company Registration No. 199700782N.

© 2020, Janus Henderson Group plc. Janus Henderson is a trademark of Janus Henderson Group plc.

Date of issue: September 2020