Janus Henderson INVESTORS

Tactical Income Fund

ISIN AU60IOF01453

Investment objective

The Fund seeks to achieve a total return after fees that exceeds the total return of the Benchmark, by investing in a diversified portfolio of predominantly Australian income producing assets.

Investment approach

The Fund is an integrated and diversified fixed income solution designed to make tactical investment decisions between cash, longer duration fixed interest securities and higher yielding securities, throughout every step of the investment cycle.

Performance (%)

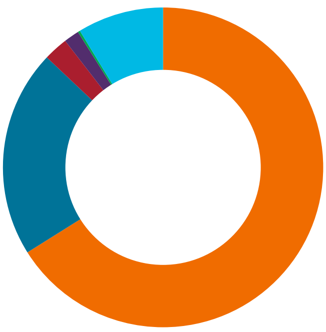
Returns	Cumulative				Annualised			
	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	10 Year	Since inception
Fund (Gross)	0.39	0.49	1.44	5.31	5.99	3.83	3.61	4.87
Fund (Net)	0.35	0.37	1.21	4.83	5.52	3.37	3.15	4.40
Benchmark	0.20	0.23	0.03	1.82	3.10	1.52	1.99	3.20
Excess returns (Net)	0.15	0.15	1.18	3.01	2.42	1.85	1.16	1.20

Net performance figures are calculated using the exit price net of fees and assume distributions are reinvested. Past performance is not a guide to future performance.

Characteristics

Characteristics	Fund	Index
Number of holdings	567	906
Modified duration (years)	1.67	2.45
Yield to maturity	5.64	4.66
Current yield	5.29	4.02
Credit spread duration	1.69	0.28
Average rating	AA	AAA

Sector Allocation (%)



- Credit, 66.08
- Semi Government, 20.99
- Government, 2.46
- Unlisted Securities, 1.55
- Supranational / Sovereign, 0.22
- Cash and Derivatives, 8.70

Fund details

Inception date	30 June 2009
Total fund net assets	$6.13bn
Asset class	Fixed Income
Domicile	Australia
Structure	Managed Investment Scheme
Base currency	AUD
Benchmark	Bloomberg AusBond Bank Bill / AusBond Composite 0+ Yr Index equally weighted
Distribution frequency (if any)	Quarterly
Risk profile	Low-medium
Suggested timeframe	3 years
Minimum investment	$25,000
ARSN code	130 944 866
APIR code	IOF0145AU
NAV	1.0686

ISIN	AU60IOF01453
Bloomberg	PERTATI
SEDOL	BSL7G30

Fees & Charges

Management fee (% p.a.)	0.45
Buy/sell spread (%)	0.00/0.04

For more information and most up to date buy/sell spread information, visit www.janushenderson.com/en-au/adviser/buy-sell-spreads

Portfolio management

Jay Sivapalan, CFA

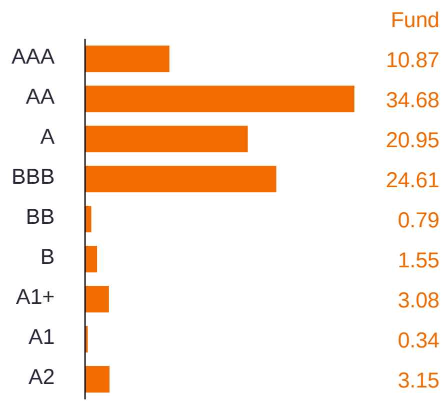
Ratings

Overall Morningstar Rating™ ★★★★★
As of 30/04/2026

Morningstar Medalist Rating™ Bronze
Effective 27/04/2026

Analyst-Driven%: 100.00
Data Coverage%: 100.00

Credit Rating Distribution (%)



Sub-sector Allocation (%)

	Fund
Corporate Senior Fixed	32.45
Semi Government Fixed	20.99
Corporate Senior Floating	12.17
Corporate Subordinated Floating	7.98
Corporate Subordinated Fixed	5.13
Mortgage Backed Floating	4.16
Government Fixed	2.23
Covered Bond Floating	1.65
Interfunding Units	1.55
Hybrid Securities Fixed	0.99
Cash and Derivatives	8.70

Maturity Profile (%)

	Fund
< 1 Year	12.31
1 - 3 Years	17.35
3 - 5 Years	33.89
5 - 7 Years	15.79
7 - 10 Years	17.64
10 - 20 Years	1.84
20+ Years	1.18

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Tactical Income Fund

At a glance

Performance

The Fund returned 0.35% (net) and 0.39% (gross). The Fund outperformed the Benchmark by 0.15% (net) in April, which returned 0.20% on the month.

Contributors/detractors

Semi-government securities and higher yielding credit exposures contributed positively, while duration detracted as yields rose. Australian credit and loans also contributed positively.

Outlook

We see the RBA continuing to raise interest rates to address rising inflation risks, amid tight supply.

Investment environment

Inflation remains a broad market concern, and bond markets reacted to fluctuating oil prices. Locally, fuel lifted CPI to 4.6%yoy while underlying inflation stayed elevated. Labour markets remained tight, confidence weakened, and resilient conditions highlighted the lag between price shocks and real economic outcomes.

Government bond yields increased across the curve with three-year yields rising 11bps to 4.76% and 10-year yields lifting 9bps to 5.06%, reflecting inflation concerns.

A temporary ceasefire improved sentiment attracting a flurry of domestic primary issuance as borrowers accessed markets at more attractive pricing for investors. The Australian iTraxx Index closed 15bps tighter at 77bps, while the Australian fixed and floating rate credit indices returned +0.20% and +0.47% respectively.

Higher-yielding sectors rebounded, led by emerging market sovereigns (+2.5%), global high yield (+1.9%), and European and US loans (+1.8% and +1.3% respectively). Domestic higher beta segments were more subdued, Tier 2 subordinated debt (+0.7%) and hybrids (+0.2%).

Portfolio review

April was characterised by volatile but broadly higher yields, as markets oscillated between energy led inflation concerns and the potential for a resolution to the Middle East conflict. While active intra-month repositioning cushioned the overall impact, yields moving towards their highs in the latter stages of the month resulted in a negative contribution from duration.

The attractive yield pick-up available in semi-government securities proved a notable draw for domestic and offshore investors seeking high outright yields, with spreads tightening over the month. Our favoured overweight to the sector contributed positively to returns via higher income and capital gains as spreads rallied. An overweight to the sector is maintained supported by excess yield and strong liquidity.

The portfolio benefited from relatively stable Australian credit spreads as market conditions improved, despite ongoing risks and elevated supply. Active engagement with corporate treasury teams supported preferential allocations across a range of preferred primary market transactions, including government related entities, diversified REITs and high quality AA- rated offshore insurers offering superior spreads to local banks. Excess yield and higher local credit spreads bode well for future performance from our defensive credit allocations.

Higher yielding credit exposure contributed positively given the rally, with the modest increase to loans in late March proving beneficial. With spread compensation in emerging markets and high yield remaining limited relative to historical averages, we retain a cautious approach.

Continuing to emphasise portfolio defensiveness and liquidity, selective addition of securities at higher yields has translated to further yield uplift within the Fund. The portfolio remains well positioned to benefit from elevated carry, with forward looking income returns increasing. We selectively brought about opportunities to enhance yield via allocations to credit working with companies to bring suitable credit issuance that suits the strategy, with more attractive valuations on offer in IG corporates in particular.

In credit, active engagement with issuers has remained central to our approach, facilitating participation in primary transactions where pricing and structures are attractive, while maintaining restraint where quality is lacking and forward looking value is less compelling. At the same time, we continue to monitor sectors most exposed to energy price driven inflation, cost pressures and evolving financing conditions, including consumer facing industries, transport infrastructure and select service sectors.

Manager outlook

We see the RBA continuing to raise interest rates to address rising inflation risks, amid tight supply. Our high case is one where inflation remains elevated and the RBA are forced to raise interest rates more than expected into 2027.

Our low case reflects a weaker economic outcome, particularly if supply constraints and rising costs act as a tax to subdue growth. We remain neutral given balanced risks. We adjusted our duration position modestly, taking advantage of mid-month lower yields in targeted tenors. We continue to seek opportunities in volatile markets.

Semi-government bonds remain attractive, maintaining strong liquidity, yield premium to government bonds, and rising global demand. We continue to target additional upside through active rotation between states, and specific maturity tenors. Where market pricing has become more indiscriminate, we favour adding to the higher quality states.

We expect volatility to persist as geopolitical and macro shifts pose left-tail risks. The accelerating impact of AI presents disruption but also opportunities for credit investors. This backdrop, paired with close to peak valuations across a range of risk assets including equities, property and credit, saw us positioned well for income, but with a defensive posture in portfolios in terms of credit sensitivity. Our reductions to higher beta credit sectors, insurance via sizeable credit protection positions, and increased allocations to highly liquid assets will help shield investors. Given nuanced market moves, we are pursuing opportunities in two phases. First, we have captured higher yields following the repricing of the RBA's path by increasing allocations to high-quality corporate debt at improved entry points. Looking forward, we stand ready to take advantage of mispricing opportunities in issuers operating upstream and downstream of businesses directly impacted by higher oil prices, inflation, private credit issues, and capital demands due to AI capex.

Concerns around private credit defaults persist, while April reporting highlighted constructive economic momentum in the US and parts of Europe. Accommodative offshore policy has stabilised sentiment, though reduced clarity on the rate outlook and medium-term energy cost impacts may create opportunities later in the year. Valuations appear stretched in higher-beta segments, so we retain a cautious stance and maintain credit protection via CDS to guard against a normalisation in global credit spreads.

A raft of labelled bond issuance occurred in the second half of April as market conditions became more conducive to primary supply. The largest transactions included a green bond from the Western Australian state government and a sustainability Bond from the European Investment Bank. Additional green issuance came from utility distribution company PowerCo, alongside supranationals such as the Asian Development Bank and the European Bank for Reconstruction and Development. For in-depth economic analysis and the Australian Fixed Interest Team's outlook, visit https://go.janushenderson.com/Viewpoint-May26