TACTICAL INCOME FUND

Janus Henderson INVESTORS

As at March 2025

Fund 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 actively managed and designed to make tactical investment decisions between cash, longer duration fixed interest securities and higher yielding securities, through every step of the investment cycle.

Benchmark
Bloomberg AusBond Bank Bill Index and Bloomberg AusBond Composite 0+ Yr Index (equally weighted)

Risk profile
Low-medium

Suggested timeframe
3 years

Inception date^
30 June 2009

Share class size
$5.1 billion

Fund size
$5.31 billion

Minimum investment
$25,000

Management cost (%)
0.45 p.a.

Buy/sell spread (%)
0.00/0.04^^

Base currency
AUD

Distribution frequency (if any)
Quarterly

ARSN code
130 944 866

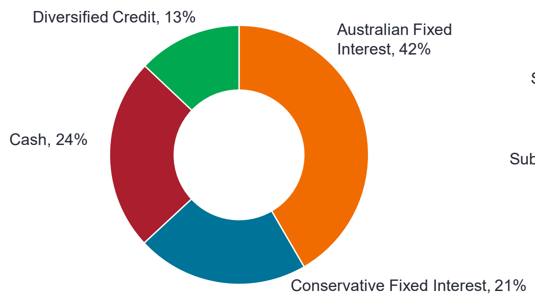
APIR code
IOF0145AU

ASX mFund
JHI02

Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a)
Fund (gross)	0.29	1.54	2.60	5.65	4.62	3.68	3.39	4.84
Fund (net)	0.25	1.43	2.38	5.18	4.15	3.29	2.93	4.37
Growth (Net)	-0.69	0.48	0.85	1.99	0.64	-0.26	-0.21	0.50
Distribution (Net)	0.94	0.95	1.53	3.19	3.52	3.55	3.13	3.87
Benchmark	0.26	1.19	1.62	3.85	2.64	0.84	1.93	3.24
Excess return*	-0.01	0.24	0.76	1.33	1.51	2.45	1.00	1.13

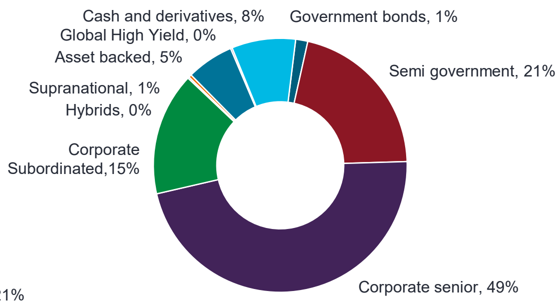
*Excess return is measured against net performance.
Gross performance is calculated gross of management costs and sell spread.
Past performance is not a reliable indicator of future performance.

Asset allocation*

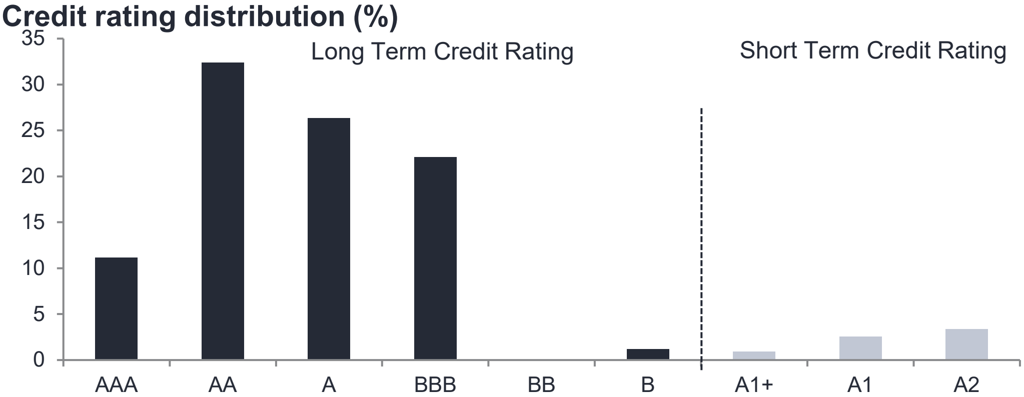


*Asset allocation shown as effective exposure of asset classes.
Rounding accounts for small +/- from 100%.

Sector allocation



Credit rating distribution (%)



Portfolio characteristics

Estimated Weighted Average Yield to Maturity (EWAYTM)[1]	4.88
Running Yield	5.12
Benchmark EWAYTM	4.20
Weighted Average Credit Quality	AA
Number of Securities (on a look through basis)	474

[1]Estimated Weighted Average Yield to Maturity is a measure of the average annual yield of all securities in the Fund (Grossed up for franking credits, where applicable)

Modified duration	Years
Fund	1.58
Benchmark	2.47
Active Position	-0.89

Benchmark duration is as at month end and therefore does not include rebalancing.

^ Fund inception for performance reporting purposes is at end of month, whereby the actual fund inception date may be earlier in the month.
^^ For more information and most up to date buy/sell spread information visit www.janushenderson.com/en-au/investor/buy-sell-spreads

TACTICAL INCOME FUND
(continued)

Head of Australian Fixed Interest
Jay Sivapalan

Fund performance

The Janus Henderson Tactical Income Fund (Fund) returned 0.25% (net) and 0.29% (gross). The Fund performed in line with the 50% Bloomberg AusBond Bank Bill; 50% Bloomberg AusBond Composite 0+ Yr (Benchmark) in March, which returned 0.26% on the month. The Fund continues its outperformance, beating the Benchmark over the longer term including by 1.33% (net) over the year, and 1.13% (net) since inception per annum.

There was negligible impact on the portfolio from an overweight duration position. The longer end underperformed as yields rose which was offset by yields falling in the front end of the curve.

An overweight to semi government bonds was a positive contributor to performance with coupon income and spread tightening supporting returns.

Australian investment grade credit allocations were cushioned by healthy coupon income. Notable active positions in banks, supermarkets, transport and REITs were slight detractors while the overweight to universities was a positive contributor.

Negligible allocations to higher yielding markets avoided negative return impacts, while significant protection positions in CDS was a positive contributor.

The Tactical Income Fund had a strong month of returns. The Fund's duration position finished March at 1.56 years, down from 1.79 years the month prior. The Fund took profit on some of its rates position as yields fell in the front end of the curve which is where the strategy is predominately positioned. Heightened volatility pushed Australian IG credit modestly wider (2-3bps), however, it was the credit protection that was in the portfolio that contributed strongly to returns as pricing on credit default swaps lifted to a greater degree. The overweight protection embedded into the portfolio was an active position built in to protect portfolios during a dislocation such as the one playing out in markets leading into month end.

Market review

Markets fluctuated due to changing global trade policies, deteriorating geopolitical relations, and a shift from economic to political focuses. Reactions to Trump's evolving policies is causing volatility in equities and bonds.

Australia’s three-year government bond yields fell 4bps, to 3.70%, while 10-year yields rose 9bps to 4.38%. The divergence highlights the differing forces over the tenors, with the three-year dominated by RBA pricing, and the ten-year buffeted by rising global geopolitical risks which point to possibly stagflationary outcomes. This steepening divergence was expected and accounted for in our interest rate strategy.

Credit markets wobbled with loans and junk bond markets experiencing significant spread widening, meanwhile higher grade credit like Australian IG showed more resilience, spreads widening by a modest 3bps above government bonds. Over the quarter Australian IG spreads ended lower at 104bps versus 107bps at the start of the March quarter. Australian IG credit outperformed offshore markets and credit derivatives. Credit derivatives like the Australian iTraxx CDS ended 18 bps wider at 88bps, while Australian fixed and floating credit indices returned +0.28% and +0.32% respectively.

High yield and loan markets underperformed with spreads swiftly rising. The US in particular underperformed Europe with US HY experiencing -1.6% credit excess return. Locally, defensive credit held in well, however Tier 2 spreads began retracing some of their recent outperformance. The market returned 0.0% with widening spreads offsetting income return. ASX hybrids ignored global factors and outperformed with the confirmation of ANZPH being called and repaid during March.

TACTICAL INCOME FUND

(continued)

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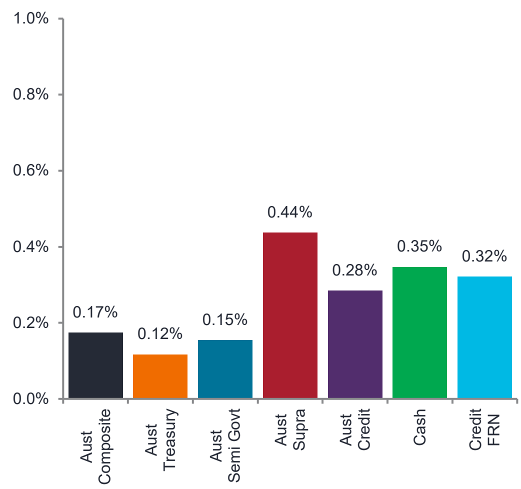
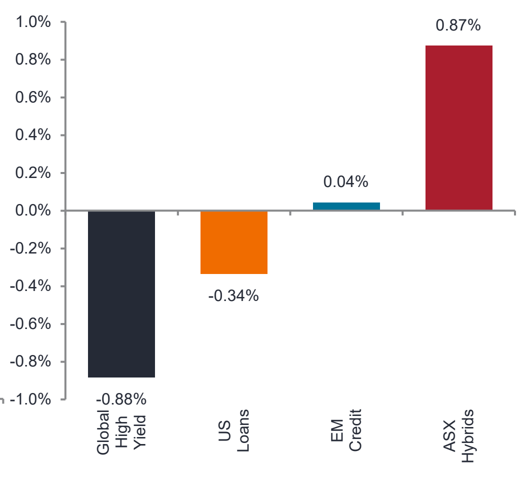
Investment grade



Source: Bloomberg AusBond Indices
Period of 1 March 2025 – 31 March 2025

Higher yielding



Source: ICE BoAML Global High Yield Index A$ Hedged, S&P/LSTA Leveraged Loan Index AUD TR Hedged, JPMorgan CEMBI Broad Diversified A$ Hedged, Solactive Australian Hybrid Securities Index (Gross).
Period of 1 March 2025 – 31 March 2025

Market Outlook and Investment Strategy

Markets are likely to continue to be buffeted by global squalls amid policy uncertainty and crosscurrents. The domestic market, having seen the RBA commence easing, is likely beholden to the inflation outlook, but also cognizant of the global ructions' potential to alter the growth outlook.

Our RBA base case remains a 100bps easing in total, to cash rate of 3.35% by end 2025. We have increased the low case to a total easing of 250bps over the next year, to a low of 1.85%, and assign a 25% chance of this case playing out. Markets are pricing a low in the RBA case rate of 3.28% through mid- 2026, and is not far off our central case. We have a modest overweight duration position and will continue to look to adjust as volatility brings opportunity for market mispricing. We continue to favour the shorter part of the yield curve, as the long end is caught up with global factors.

Value remains in semi-government bonds where spreads above risk free rates appear attractive. Semi spreads are providing reasonable compensation for weakened state government finances and elevated funding programs. Taking a pragmatic approach, we look to adding to semi-government overweights opportunistically where entry points offer good value and diversifying across issuers for relative value and liquidity. Expectations of heightened future supply can offer opportunity to access bonds into a softer global spread environment.

In recognition of the highly complex investment environment, our credit allocations favour high-quality, investment grade issuers operating in defensive sectors, with solid earnings power and conservative balance sheets. We are avoiding lower credit quality and leveraged corporate and consumer sectors where stress may increase. Although global credit spreads have moved off their lows they remain compressed relative to history. Through a lens of reward for risk, yields in lower risk Australian Investment Grade credit remain attractive versus other asset riskier and illiquid asset classes. We look to opportunities in highly-rated corporate bonds and structured credit in both primary and secondary markets. Simultaneously, we have actively rotated and taken profit in areas that had rallied, replenishing capacity to redeploy. Our choice to hold materially sized credit protection into 2025 is helping to improve portfolio return outcomes. Combined, these settings are expected to contribute strongly to portfolio resilience as markets face into what is expected to be an extended period of structurally higher volatility.

TACTICAL INCOME FUND

(continued)

The labelled bond market was relatively active in March, dominated by some green tranches issued by utilities company ETSA

Investor's compensation for risk and illiquidity remains compressed lower down the capital spectrum in equity, sub investment grade, and lower mezzanine securitised notes. Growing frictions are also evident across pockets of private credit. Our preference is to earn decent income up-in-quality and leaving risk capacity and liquidity to take advantage of more sensible entry points for global high yield, loans, structured credit and emerging market debt which we anticipate should arise in the current environment. European Loan spreads have remained resilient thus far and we maintain a neutral position. Our long positioning in credit protection is working, as risk markets react to negative surprises, we look for opportunities to take profit as sentiment deteriorates.

For in-depth economic analysis and the Australian Fixed Interest Team's outlook, visit https://go.janushenderson.com/Viewpoint-Apr25

Environmental, Social and Governance (ESG)

The labelled bond market was relatively active in March, dominated by some green tranches issued by utilities company ETSA. Proceeds will be allocated to the financing or refinancing of SA Power Networks' distribution assets which meet the Climate Bonds Initiative's (CBI) Climate Bonds Standard v4.1, Electrical Grids and Storage criteria (Eligibility Criteria) and in accordance with SA Power Networks Sustainable Financing Framework dated April 2024.