

# Janus Henderson Horizon Global Property Equities Fund

November 2021

For promotional purpose

## Fund managers

Guy Barnard, CFA, Tim Gibson & Greg Kuhi, CFA

## Macro backdrop

The emergence of the Omicron Covid-19 variant induced a sell-off into the end of the month. A more hawkish US Federal Reserve (Fed) also weighed on US market performance, with inflation jumping to 6.2%, the highest reading in 31 years. Global listed real estate declined in line with wider equities with US and Swedish property stocks showing relative strength, while French, Australian and Japanese stocks lagged. At a sector level, industrial, data centres and apartments performed well, with hotel and health care stocks notably weak.

Within the sector we saw further merger and acquisition (M&A) activity with two all cash deals announced involving US data centres, with American Tower announcing it is acquiring data centre owner Coresite for \$10 billion as it seeks to combine two "digital" property sectors early on in the 5G cycle. CyrusOne also announced it is to be acquired by a private equity joint venture comprised of KKR and Global Infrastructure Partners for \$15 billion. In Europe, Brookfield bid for German office REIT Alstria at a 17% premium to the undisturbed share price, providing a further indication that large private real estate owners continue to express strong appetite to acquire high quality listed REITs at premium valuations.

## Fund performance and activity

The fund underperformed its benchmark. An overweight position to the industrial sector added value, with Goodman, Prologis, Duke and CTP all making notable gains on the back of impressive earnings results. In contrast, hotel owner Park Hotels & Resorts, health care owner Ventas and German housebuilder Instone detracted from performance.

In a relatively light month for trading we took some profits in industrial holdings after very strong recent performance, switching the proceeds into more cyclical areas of the property market such as hotels, where valuations screened particularly attractive. We also added to our China retail exposure as we expect the growth of its middle-class population to be beneficial to discretionary luxury spending.

## Outlook/strategy

We expect underlying real estate fundamentals to reflect a wide divergence across different sectors in the years ahead, driven by the themes of changing demographics, digitisation, sustainability and the convenience lifestyle. It therefore remains important, in our view, to remain selective when investing in the sector and understanding that not all parts of the market will return to the same 'normal' post pandemic.

We remain focused on 'quality compounders', operating in areas of structural growth, where underlying demand from both tenants and investors has in many cases strengthened through the pandemic. We also have selective exposure in parts of the market which we see as 'cheap but not broken'; those stocks that have seen cyclical damage from the pandemic, but where we believe there is a path back to sustainable growth.

Listed real estate has historically offered lower correlations to many other asset classes and provided investors the benefits of portfolio enhancement by increasing risk-adjusted returns within a balanced portfolio. In addition, against a backdrop of low interest rates and rising inflationary pressures, many parts of the real estate sector continue to provide an attractive and growing income stream for investors.

Source: Janus Henderson Investors, as at 30 November 2021

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## Fund information

**Index** FTSE EPRA Nareit Developed Index  
**Objective** The Fund aims to provide capital growth over the long term.

## Performance in (USD)

Annualised performance %	A2	A2 (with sales charge)^	Benchmark
1 month	-2.6	-7.4	-2.2
3 months	-2.5	-7.4	-2.4
1 year	21.3	15.2	22.7
3 years (p.a)	12.9	11.0	7.5
5 years (p.a)	11.0	9.9	7.1
Since inception (p.a)	6.8	6.5	6.1

Source: at 30 November 2021. © 2021 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.

Please note that as of 1 August 2020 Grey Kuhl also manages this fund.

**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.

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

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## Singapore

Janus Henderson Investors

Tel: +65 6813 1000

Fax: +65 6221 0039

Website: [www.janushenderson.com/sg](http://www.janushenderson.com/sg)

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