

Janus Henderson Asian Dividend Income Unit Trust

June 2020

For promotional purposes

Fund Managers Names

Mike Kerley, Sat Duhra

Macro backdrop

Asia Pacific equity markets moved higher in June as the gradual removal of lockdowns in Europe and the US brought hope of a V-shaped economic recovery while the returns for the quarter were the best since the turn of the century. Stock market exuberance aside the news regarding Covid-19 showed no signs of improving with the US, Brazil, Russia and India continuing to report worsening trends. Although economic data in the West continued to paint a sorry picture, the news from Asia was more positive with China services purchasing managers' indices (PMI) reaching levels not seen since the recovery after the Global Financial Crisis.

Elsewhere in Asia, exports continued their recovery while consumption trends improved - albeit tentatively. The best performing market was Hong Kong which shrugged off the controversial Beijing-imposed security law, while Taiwan and China also outperformed as these technology heavy markets benefited from the ongoing focus on structural trends in internet related demand. Although posting positive returns, South Asia underperformed, led by Thailand, Malaysia and Singapore. At the sector level health care and technology led the way followed closely by the ecommerce part of communication services. Unsurprisingly defensive sectors lagged, led by utilities which was the only sector to post a negative return.

Fund performance and activity

The fund rose 3.0% over the month, underperforming the MSCI AC Asia Pacific ex-Japan High Yield benchmark, which rose 4.6%, and the IA Asia Pacific ex Japan peer group, which rose 8.5%. June was a poor month for income strategies in general with the high yield index lagging the broad index by over 3%. The strength of internet related heavyweights such as Tencent and Alibaba accounted for most of the divergence. Over the month we made a few changes to fund holdings. We switched our exposure in Chinese property from China Resources Land to Chinese Overseas Land owing to the latter's greater focus on development, and we also switched Anhui Conch Cement into China Resources Cement based on valuation. After a period of weakness we see some value emerging in Singapore banks and added UOB to the portfolio. This was funded by the sale of Australian property REIT Stockland.

Outlook/strategy

We are positive on Asia Pacific markets in the medium to long term, especially on a relative basis against other regions as we believe it is best positioned to ride out the volatility caused by the coronavirus. In the short term we expect volatility to continue as markets digest the duration of the virus impact on economic growth and stability. Corporate earnings are likely to come under pressure in the short term although we are confident the dividends will prove more resilient considering the excess cash being generated and the low level of dividends paid out compared to earnings. We remain focused on domestically orientated companies with strong cash flow and sustainable and growing dividends.

Source: Janus Henderson Investors, as at 30 June 2020

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Fund information

Index MSCI All Countries Asia Pacific Ex Japan High Dividend Yield Index
Index usage Target, Comparator

The MSCI All Countries Asia-Pacific (Ex Japan) High Dividend Yield Index is a measure of the combined performance of large and medium sized companies that pay above average dividends across developed and emerging stock markets in the Asia-Pacific region but excluding Japan. It is the income target for the Fund and provides a useful comparison against which the Fund's performance can be assessed over time.

Peer group benchmark IA Asia Pacific ex Japan Equity
Peer group benchmark usage Comparator

The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The Fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

Objective The Fund aims to provide an income in excess of the income generated by the MSCI All Countries Asia Pacific Ex Japan High Dividend Yield Index with the potential for capital growth over the long term (5 years or more).

Performance in (GBP)

Performance %	I (Net)	Index	Peer group	Quartile ranking
1 month	3.0	4.6	8.5	1st
YTD	-8.4	-7.0	0.6	1st
1 year	-7.6	-7.7	2.7	1st
3 years (annualised)	1.8	1.5	4.8	1st
5 years (annualised)	7.0	7.4	9.4	1st
10 years (annualised)	7.5	7.1	7.9	1st
Since inception (annualised)	8.4	6.0	6.3	-

Source: at 30 Jun 2020. © 2020 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.

Discrete year performance %	I (Net)	Index	Peer group
30 Jun 2019 to 30 Jun 2020	-7.6	-7.7	2.7
30 Jun 2018 to 30 Jun 2019	9.9	4.7	4.3
30 Jun 2017 to 30 Jun 2018	4.1	8.1	7.4
30 Jun 2016 to 30 Jun 2017	25.2	28.9	28.6
30 Jun 2015 to 30 Jun 2016	6.3	5.9	5.8

Source: at 30 Jun 2020. © 2020 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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Past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.

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Important information

Please read all scheme documents before investing. Before entering into an investment agreement in respect of an investment referred to in this document, you should consult your own professional and/or investment adviser. Past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law change. If you invest through a third party provider you are advised to consult them directly as charges, performance and terms and conditions may differ materially. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment. It does not form part of any contract for the sale or purchase of any investment. Any investment application will be made solely on the basis of the information contained in the Prospectus (including all relevant covering documents), which will contain investment restrictions. This document is intended as a summary only and potential investors must read the prospectus, and where relevant, the key investor information document before investing. [We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.] The Custodian in Spain is BNP PARIBAS SECURITIES SERVICES S.C.A.

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