

Janus Henderson Asian Dividend Income Unit Trust

Q2 2020

For promotional purposes

Fund Managers Names

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Macro backdrop

Despite continued uncertainty surrounding the impact of Covid-19, Asia Pacific equity markets posted their best quarterly returns in 20 years as the significant intervention from governments and central banks prompted hopes of a V-shaped recovery. Economic data remained disappointing with corporate earnings following suit, with every sector in the MSCI Asia Pacific ex Japan Index receiving downgrades.

While the developed world struggles to contain the virus and tentatively began to ease lockdown restrictions, Asia is beginning to return to normal with manufacturing and consumption showing strong recoveries - albeit it still some way below pre-virus levels. Government and central bank support has been strong in the region with interest rates continuing to fall and fiscal stimulus ramped up, although stimulus remains some way below most western countries as a percent of GDP growth.

The best performing markets over the period were Australia, Thailand and Indonesia which all witnessed strong bounce backs after especially weak first quarter returns. Hong Kong was a notable laggard in North Asia as the ongoing protests together with the Beijing orchestrated passing of a controversial security law impacted sentiment. The year-to-date figures give a better indication of resilience and recovery and this shows China as the only market with positive returns, followed by Taiwan and Korea. At the sector level the top performers were energy, where the oil price rebounded significantly off multi-year lows, and materials, which are seen as a key beneficiary of increased infrastructure spending. Utilities and industrials were the laggards.

Fund performance and activity

The fund outperformed the MSCI Asia Pacific ex Japan High Yield Index benchmark rising 13.8% in sterling terms compared to 11.7%. However, it underperformed the IA Asia Pacific ex Japan peer group which rose 20.3%.

The last three months have been difficult for income strategies as growth as a style leads markets higher. The concentration of performance in a few names, specifically in health care, internet and ecommerce, where there is little or no yield, has hurt performance compared to the region in general.

There were a number of transactions over the period. We continued to reduce exposure to banking stocks outside China by selling Bank Negara Indonesia, and we also reduced positions in those property REITS with retail exposure by selling Mapletree Commercial Trust. Following a strong bounce back from lows we also sold Gas Authority of India while we switched our China property exposure from China Resources Land to China Overseas Land owing to the greater exposure to development property in the latter. We also sold Treasury Wine Estates which has suffered from excess inventory in the US and reduced demand in China following the virus impact. Finally, we increased our weighting in Chinese banks by adding Bank of China.

Outlook/strategy

We remain positive on the medium to long-term prospects for Asia Pacific. The region was not as hard hit by the virus as elsewhere and is gradually returning to normal. The recent rally in markets combined with earnings decline has made valuations less attractive against its own history, but still compelling against most other regions. Our preference remains North Asia over South Asia both on valuation and economic grounds with the opportunities in China having the most appeal. We remain focused on domestically-orientated businesses with strong cash flows and sustainable dividends and will use any volatility to add to preferred positions at more attractive prices.

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	4th
YTD	-8.4	-7.0	0.6	4th
1 year	-7.6	-7.7	2.7	4th
3 years (annualised)	1.8	1.5	4.8	4th
5 years (annualised)	7.0	7.4	9.4	4th
10 years (annualised)	7.5	7.1	7.9	3rd
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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