

# Janus Henderson Asian Dividend Income Unit Trust

Q3 2021

For promotional purposes

## Fund Managers Names

Mike Kerley, Sat Duhra

## Macro backdrop

The Asia Pacific region underperformed global indices as China suffered a number of negative events and the spread of the Delta variant of Covid-19 stalled economic activity in many countries across the region. The sentiment around China dived following a regulatory clampdown in numerous sectors given the new focus on “common prosperity”. This was followed by elevated credit risks as Evergrande, a property group in China, struggled under the weight of its high leverage. All this led to weak market performance. Other events such as a power outage and falling earnings and growth expectations continued to impact China's performance.

China was the weakest market given this backdrop, along with South Korea and Hong Kong, with further volatility from rising bond yields and a more hawkish stance from the US Federal Reserve (Fed). However, India and Indonesia bucked the trend and ended up during the quarter, reflecting a much improved COVID-19 outlook with lower case numbers, raising hopes of better earnings and economic indicators. By sector, energy was the stand-out performer following a strong move in the oil price and better outlook for demand. The weakness in commodities during the quarter impacted the materials sector which, along with health care and communication services, were the weakest performers over the period.

## Fund performance and activity

The fund fell 3.9% over the quarter while the MSCI Asia Pacific ex Japan High Yield Index benchmark fell 2.0% in sterling terms, while the Asia Pacific ex Japan Equity Income peer group fell 4.4%.

We reduced the fund's China weighting with the disposal of two Chinese banks in light of the increased regulatory and financial risks, and sold Taiwanese notebook manufacturer Asustek to fund the purchase of ASE, a testing and packaging technology company. We added Singapore Telecommunications given what we saw as an attractive valuation, along with China National Building Material, a cement and building materials company in China, which also offered a high yield.

## 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 and its impact on economic growth and stability. Corporate earnings are likely to remain resilient in the short to medium term in our view, although we are more confident on the outlook for dividends 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 September 2021

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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	0.1	-1.1	-1.2	1st
YTD	-0.4	5.4	1.8	3rd
1 year	8.1	17.4	15.4	4th
3 years (annualised)	1.4	2.6	9.7	4th
5 years (annualised)	4.7	5.9	9.6	4th
10 years (annualised)	8.5	8.4	10.2	4th
Since inception 04 May 1994 (annualised)	8.2	6.2	6.8	-

Source: at 30 Sep 2021. © 2021 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 Sep 2020 to 30 Sep 2021	8.1	17.4	15.4
30 Sep 2019 to 30 Sep 2020	-10.4	-10.2	8.1
30 Sep 2018 to 30 Sep 2019	7.5	2.6	5.8
30 Sep 2017 to 30 Sep 2018	6.8	5.2	3.7
30 Sep 2016 to 30 Sep 2017	13.1	17.1	15.6

Source: at 30 Sep 2021. © 2021 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.]

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