

Janus Henderson Horizon Global Property Equities Fund

September 2021

For promotional purposes
For US Financial Professionals servicing non-US persons

Fund Managers Names

Guy Barnard, CFA, Tim Gibson, Greg Kuhl, CFA

Macro backdrop

Global equity markets fell in September as growth concerns, combined with an increase in bond real yields, led investors to de-risk after a strong run. Supply issues in various sectors and the unfolding Evergrande debt situation provided further headwinds. Global listed real estate underperformed wider equities due to interest rate concerns, giving up its outperformance against the market this year. Geographically, property stocks in Asia Pacific held up relatively well, particularly in Australia and Singapore, with European names lagging the wider universe. From a subsector standpoint, those real estate sectors exposed to economic re-opening outpaced the growth sectors in the US, with hotels and office stocks gaining, and self-storage, data centres, industrial and cell tower stocks falling over the month.

Fund performance and activity

The fund returned -4.9% and the benchmark returned -5.8*. Adjusting for fund and benchmark timing differences**, the fund underperformed its benchmark.

*Fund performance is typically valued net of fees using 3pm prices, while benchmark valuation is based on close of business day pricing.

**Fund underperformance against the benchmark is based on the valuation of the fund gross of fees and the benchmark valuation at close of the business day.

Exposure to more cyclical real estate sectors proved beneficial, with Hilton Hotels and Park Hotels delivering strong performance. Property manager JLL and China Resources Land also proved beneficial, with the latter rebounding after Hong Kong and Chinese stocks sold off sharply in previous months. On the contrary, cold storage owner Americold was the key detractor from performance following the company reducing its earnings guidance, citing ongoing production issues in the food supply chain.

We added a new position in US storage owner Life Storage, where we expect favourable operating characteristics to persist into 2022. We also made changes within the US health care space, adding US large cap Ventas, which has lagged significantly, given our expectation for improving senior housing demand. We reduced holdings in smaller health care peers Sabra and National Healthcare Investors, where operational challenges for some of their tenants appear more acute. We also reduced our position in cold storage owner Americold, awaiting greater visibility on operating margins.

In the office sector, we added Activia Properties in Japan, whose high quality centrally located Tokyo office portfolio is exposed to encouraging leasing activity. In Europe, we exited our holding in German diversified landlord Aroundtown, focusing exposure in other discounted mixed-use names in the UK and Continental Europe where we have greater conviction.

Finally, we added China retail exposure through Hang Lung following recent underperformance. Despite recent Chinese government action aimed at "common prosperity", we believe China's push to narrow wealth inequality will result in a rise of middle-class discretionary spending that we anticipate will particularly benefit retail owners with luxury goods exposure.

Janus Henderson Horizon Global Property Equities Fund

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' after the 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 see a path back to sustainable growth.

Listed real estate has typically 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 September 2021

Janus Henderson Horizon Global Property Equities Fund

Fund information

Index	FTSE EPRA Nareit Developed Index
Morningstar sector	Europe OE Property - Indirect Global
Objective	The Fund aims to provide capital growth over the long term.
Performance target	To outperform the FTSE EPRA Nareit Developed Index by at least 2% per annum, before the deduction of charges, over any 5 year period.

Performance in (USD)

Performance %	A2 (Net)	Index	Sector	Quartile ranking	A2 (Gross)	Target (Gross)
1 month	-4.9	-5.8	-5.4	2nd	-	-
YTD	15.5	14.5	13.8	2nd	-	-
1 year	25.8	29.6	26.2	3rd	-	-
3 years (annualised)	11.5	6.2	6.7	1st	-	-
5 years (annualised)	8.5	4.5	4.8	1st	10.7	6.6
10 years (annualised)	9.6	8.3	7.3	1st	11.8	10.5
Since inception 03 Jan 2005 (annualised)	6.7	5.9	4.6	-	8.8	8.0

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.

Calendar year returns %	A2 (Net)	Index	Sector	A2 (Gross)	Target (Gross)
2020	-0.9	-9.0	-6.4	1.9	-7.2
2019	30.1	21.9	22.2	32.5	24.3
2018	-4.4	-5.6	-8.3	-2.6	-3.7
2017	12.8	10.4	12.4	15.0	12.6
2016	2.0	4.1	0.4	4.0	6.1

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.

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.

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.

Janus Henderson Horizon Global Property Equities Fund

For further information on the Luxembourg-domiciled Janus Henderson fund range please contact sales.support@janushenderson.com or visit our website: www.janushenderson.com.

These are the views of the author at the time of publication and may differ from the views of other individuals/teams at Janus Henderson Investors. Any securities, funds, sectors or indices mentioned within this article do not constitute or form part of any offer or solicitation to buy or sell them.

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.

The information in this commentary does not qualify as an investment recommendation.

Important information

The investments underlying this financial product (referred to as the Fund) do not take into account the EU criteria for environmentally sustainable economic activities. While the analysis of ESG factors is an integral component across the Investment Manager's investment capabilities, the Investment Manager does not maximise portfolio alignment with sustainability risks as a separate goal in its own right nor does it precisely attribute the impact of ESG factors on returns for the Fund. The Investment Manager does not consider the adverse impacts of investment decisions on sustainability factors as set out under SFDR with respect to the Fund because it is not classified under either Article 9 or Article 8 of Regulation (EU) 2019/2088.

For US Financial Professionals servicing non-US persons. Any investment application will be made solely on the basis of the information contained in the Fund's prospectus (including all relevant covering documents), which will contain investment restrictions. This communication has promotional purposes and is intended as a summary only and potential investors must read the Fund's prospectus and key investor information document before investing. Information is provided on the Fund on the strict understanding that it is to - or for clients resident outside the USA. A copy of the Fund's prospectus and key investor information document can be obtained from Henderson Global Investors Limited in its capacity as Investment Manager and Distributor as well as Henderson Management S.A. Nothing in this communication is intended to or should be construed as advice. This communication does not constitute an offer or a recommendation to sell or purchase any investment. It does not form part of any contract for the sale or purchase of any investment. The performance data does not take into account the commissions and costs incurred on the issue and redemption of units. Deductions for charges and expenses are not made uniformly throughout the life of the investment but may be loaded disproportionately at subscription. If you withdraw from an investment up to 90 calendar days after subscribing you may be charged a Trading Fee as set out in the Fund's prospectus. This may impact the amount of money which you will receive and you may not get back the amount invested. The value of an investment and the income from it can fall as well as rise significantly. Some Sub-Funds of the Fund can be subject to increased volatility due to the composition of their respective portfolios. 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. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes. The Janus Henderson Horizon Fund (the "Fund") is a Luxembourg SICAV incorporated on 30 May 1985, managed by Henderson Management S.A. This communication should only be read by institutional investors, professional financial advisors and is not for public distribution. Issued by Janus Henderson Investors. Janus Henderson Investors is the name under which investment products and services are provided by Janus Capital International Limited (reg no. 3594615), Henderson Global Investors Limited (reg. no. 906355), Henderson Investment Funds Limited (reg. no. 2678531), Henderson Equity Partners Limited (reg. no. 2606646), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Henderson Management S.A. (reg no. B22848 at 2 Rue de Bitbourg, L-1273, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier). Copies of the Fund's prospectus, Key Investor Information Document, articles of incorporation, annual and semi-annual reports are available in English and other local languages as required from www.janushenderson.com. These documents can also be obtained free of cost from the Fund's registered office in Luxembourg: 2 Rue de Bitbourg, L-1273 Luxembourg. The summary of Investors Rights is available in English from <https://www.janushenderson.com/summary-of-investors-rights-english>. Henderson Management SA may decide to terminate the marketing arrangements of this Collective Investment Scheme in accordance with the appropriate regulation.

[Janus Henderson, Janus, Henderson, Intech, VelocityShares, Knowledge Shared, Knowledge. Shared and Knowledge Labs] are trademarks of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc.