

# Janus Henderson Horizon Total Return Bond Fund

October 2021

Marketing communication  
For professional investors only

## Fund Managers Names

Andrew Mulliner, CFA, Helen Anthony, CFA

## Macro backdrop

Core government bond yields rose further in October with the 10-year yield on German bunds, US Treasuries and UK gilts up by 9 basis points (bps), 6bps and 1bp respectively. Inflation continued to surprise to the upside, with surging energy and higher wage costs compounding persistent supply bottlenecks. Yield curves flattened, suggesting a growing conviction among investors that short-term interest rates may rise faster than previously expected. Spreads widened in corporate credit, while the US dollar gave up some of its September gains.

## Fund performance and activity

The fund delivered a negative return in October with most of the impact coming from holdings in emerging market and high yield debt, and to a lesser extent government bond markets.

Within emerging market credit, our higher exposure to Chinese real estate and emerging market high yield weighed, driven largely by negative news flow surrounding the Chinese property sector, with spreads on emerging market high yield wider on the month (and the underperformer in global high yield markets generally). Indeed, our overall high yield exposure was a drag on performance in October, given the broader market weakness and concerns around potential stagflation.

With continued inflationary pressures and fears that central banks will raise rates sooner than expected, October saw a sell-off in government bonds and sharp rise in front-end yields. This was particularly marked in the UK, with the 2-year up 30bps. Our short-term rates positions in the UK and Switzerland detracted from performance, although the impact on the fund was offset somewhat by rates hedges in the US and Germany.

There was positive performance in the foreign exchange segment, with the long Indonesian rupiah and short Japanese yen positions additive.

## Outlook/strategy

We expect next year to bring above trend growth and inflation that is unlikely to fall as much as previously expected. As a result, we remain cautious on core government markets, given the hawkish tone from central banks in the face of surging energy and wage costs, persistent supply bottlenecks and upside inflation surprises. However, we have begun move closer to neutral following the rise in government yields seen over the last few months. We remain constructive on higher-yielding corporate credit, while recognising that the economic recovery seems to be mostly priced in.

Source: Janus Henderson Investors, as at 31 October 2021

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## Fund information

Index	Euro Short-Term Rate
Morningstar sector	Europe OE Global Flexible Bond - EUR Hedged
Objective	The Fund aims to provide income and capital growth, exceeding that of cash, over a rolling 3-year period.
Performance target	To outperform the Euro Short-Term Rate by at least 2.5% per annum, before the deduction of charges, over any 5 year period.

## Performance in (EUR)

Performance %	A2 (Net)	Index	Sector	Quartile ranking	A2 (Gross)	Target (Gross)
1 month	-0.8	0.0	-0.6	3rd	-	-
YTD	-1.6	-0.5	-0.4	4th	-	-
1 year	0.9	-0.6	2.7	3rd	-	-
3 years (annualised)	3.0	-0.5	2.7	2nd	-	-
5 years (annualised)	1.4	-0.4	1.4	2nd	2.6	2.0
10 years (annualised)	-	-	-	-	-	-
Since inception 09 May 2012 (annualised)	1.7	-0.2	2.0	-	3.0	2.3

Source: at 31 Oct 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 %	A2 (Net)	Index	Sector	A2 (Gross)	Target (Gross)
30 Sep 2020 to 30 Sep 2021	1.9	-0.6	3.5	3.1	1.9
30 Sep 2019 to 30 Sep 2020	3.2	-0.5	0.6	4.5	1.9
30 Sep 2018 to 30 Sep 2019	4.3	-0.4	3.7	5.6	2.1
30 Sep 2017 to 30 Sep 2018	-3.2	-0.3	-2.3	-2.1	2.1
30 Sep 2016 to 30 Sep 2017	1.2	-0.3	2.3	2.4	2.1

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.

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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.**

# Janus Henderson Horizon Total Return Bond Fund

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

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