

Janus Henderson UK Equity Income & Growth Fund

June 2021

For promotional purposes

Fund Managers Names

Laura Foll, CFA, James Henderson

Fund performance and activity

The fund fell 0.9% and underperformed its FTSE All-Share Index benchmark which returned 0.2% in June (both on a total return basis). During the same time period the IA UK Equity Income sector fell 0.6%.

Among the best performers during the month was bike and motor parts retailer Halfords, which reported strong full-year results and higher than expected earnings guidance for the current financial year. This was seen as encouraging in the context of uncertainty around future cycling sales (many consumers have bought a bike during the pandemic period, and it is uncertain how much of this demand will prove sustainable).

Other good performers included BT Group following the news that Patrick Drahi had built a 12% stake in the company.

Among the worst performers during the month was closed book life insurer Phoenix Group. Its shares fell for technical reasons as one of its largest shareholders materially reduced their stake in the company (in order to find a buyer for this large amount of shares a discount was given, and the share price then moved down to reflect this discount). Phoenix was trading at an approximate 7% dividend yield and therefore has proven a helpful source of income within the portfolio.

There were no new positions purchased during the month, and no positions were exited. Trading activity largely focused on reducing positions in recent strong performers in order to balance the portfolio. This included Halfords, vehicle hire company Redde Northgate and marketing and PR firm Next Fifteen Communications. We also added to several existing holdings including Tesco, Ricardo (an environmental consultant), Devro (a collagen casings manufacturer) and DFS.

Outlook/strategy

We continue to be encouraged by what we are hearing from companies about current trading conditions. In many cases companies have been reporting sales that have already recovered to (or in some cases above) 2019 levels. This strength, aside from in the most affected areas such as civil aerospace, is broad across a number of end markets including advertising, construction and areas of consumer spending (such as car and home sales). This is a faster recovery than we, and many companies, were anticipating. This recovery comes at a time when many companies had substantially reduced costs during the peak of the pandemic last year, therefore there could be a faster than forecasted earnings recovery if current trading levels are sustained. This will depend on several factors including the final stages of 'opening up' the domestic economy, the progression of unemployment levels as the furlough scheme begins to wind down, and consumer willingness to spend their excess savings built up over the course of the pandemic.

Source: Janus Henderson Investors, as at 30 June 2021

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Fund information

| | |
|-------------|----------------------|
| Index | FTSE All Share Index |
| Index usage | Comparator |

The FTSE All Share Index is a measure of the combined performance of a large number of the companies listed on the London Stock Exchange and includes large, medium and smaller companies. It provides a useful comparison against which the Fund's performance can be assessed over time.

| | |
|----------------------------|---------------------|
| Peer group benchmark | IA UK Equity Income |
| 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 a dividend income, with prospects for both income and capital growth over the long term (5 years or more). |
|-----------|---|

Performance in (GBP)

| Performance % | I (Net) | Index | Peer group | Quartile ranking |
|--|---------|-------|------------|------------------|
| 1 month | -0.9 | 0.2 | -0.6 | 3rd |
| YTD | 12.8 | 11.1 | 12.1 | 2nd |
| 1 year | 31.9 | 21.5 | 25.4 | 1st |
| 3 years (annualised) | -1.9 | 2.0 | 1.8 | 4th |
| 5 years (annualised) | 3.8 | 6.5 | 6.0 | 4th |
| 10 years (annualised) | 6.2 | 6.4 | 6.8 | 3rd |
| Since inception 30 Sep 1974 (annualised) | 12.0 | - | 12.0 | - |

Source: at 30 Jun 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 Jun 2020 to 30 Jun 2021 | 31.9 | 21.5 | 25.4 |
| 30 Jun 2019 to 30 Jun 2020 | -22.1 | -13.0 | -13.7 |
| 30 Jun 2018 to 30 Jun 2019 | -8.0 | 0.6 | -2.5 |
| 30 Jun 2017 to 30 Jun 2018 | 3.3 | 9.0 | 6.2 |
| 30 Jun 2016 to 30 Jun 2017 | 23.2 | 18.1 | 19.4 |

Source: at 30 Jun 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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