

ABSOLUTE RETURN INCOME FUND

A EUR Acc (Hedged) - All data as at 30 September 2018

Janus Henderson
INVESTORS

Global macro driven bond fund designed to provide steady income with stability across economic cycles.

A globally diversified fixed income fund that is designed to provide a steady income stream, while offering low volatility and stability of capital across economic cycles. We seek out value across sectors and geographies, pursuing strategies priced for the best return potential in the current market environment. That means we can take advantage of unique opportunities within countries and sectors that are often overlooked or under-represented in market indices.

Cumulative performance (%)

| | 1 M | 3 M | YTD | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | Since Inception A€acc(hgd) |
|------------------------|------|------|-------|-------|-------|-------|--------|-------------------------------|
| A€acc(hgd) share class | 0.00 | 0.00 | -1.02 | -1.32 | - | - | - | -2.60 |

Past performance is no guarantee of future results. Source: Morningstar.

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Key points

- **Experienced Investors:** The Absolute Return Income investment team focuses on managing strategies with absolute return targets that seek to provide stable and consistent performance with a low tolerance for risk. The global macro team has managed unconstrained, absolute return portfolios through marked periods of extreme volatility and stress.
- **Aims to Avoid Benchmark Biases:** The ability to opportunistically allocate across asset classes and sectors based on risk/return characteristics helps to avoid the biases of the benchmark. Through this benchmark-agnostic approach, we are able to seek areas that are priced for greater return potential and opportunistically identify value, allowing us to capture what we consider to be among the best investment ideas. The unconstrained nature of our approach allows us to respond to changes in markets while trying to maintain a stable, liquid base. We will also utilize a dynamic set of trades that seek risk-mitigation and alpha generation.
- **Uncorrelated Sources of return:** The strategy seeks to provide positive long-term returns through the combination of core fixed income securities and derivative-based structural alpha strategies. This allows access to sources of returns that are intended to be uncorrelated to traditional risk assets.

Key risks

- Investment Risk
- FDI Risk
- High Yield Securities
- Liquidity Risk
- Interest and Credit Risk
- Downgrade Risk
- Developing Markets Risk
- Currency Risk

Fund facts[§]

| | |
|-------------------|------------------------------|
| Portfolio Manager | Nick Maroutsos; Daniel Siluk |
| Tenure on fund | 4 May 2016; 16 May 2016 |
| Base currency | USD |
| Domicile | Ireland |
| Benchmark Index | 3-Month LIBOR |
| Category | Alt - Long/Short Debt |
| Fund Size | |
| (US\$M) | \$200.9 |
| (in EUR) | €173.0 |
| Dealing | Daily |

| | A€acc(hgd) |
|-------------|--------------|
| Launch Date | 04 May 2016 |
| NAV | €9.74 |
| ISIN | IE00BZ771832 |
| SEDOL | BZ77183 |
| Bloomberg | JANARAE |

Fund characteristics[†]

| | |
|---------------------------|-----------|
| Total number of holdings | 224 |
| Portfolio turnover rate | 30.4% |
| Weighted Average Maturity | 3.1 years |
| Effective duration | 0.8 |
| Average yield to maturity | 3.5 % |

[†]Source: Morningstar.

[§]Source: Janus Henderson Investors.

A short-term trading fee may be applied upon exiting the fund as per the prospectus.

Asset allocation (%)

| | |
|---------------------------|--------------|
| Equities | -0.06 |
| Derivatives | -0.06 |
| Total Fixed Income | 96.51 |
| Discount Security | 2.69 |
| Agency | 0.35 |
| Supranational | 0.83 |
| Quasi Sovereign | 1.40 |
| Senior Secured | 7.21 |
| Senior Unsecured | 75.02 |
| Subordinated | 6.75 |
| ABS | 2.26 |
| Cash & Equivalents | 3.54 |

Sector Breakdown (%)

| | |
|-----------------------------|--------------|
| Equities | -0.06 |
| Derivatives | -0.06 |
| Total Fixed Income | 96.51 |
| Agency | 1.34 |
| Supranational | 0.83 |
| Consumer Discretionary | 10.32 |
| Consumer Staples | 4.89 |
| Energy | 3.05 |
| Financials | 44.73 |
| Health Care | 1.56 |
| Industrials | 5.92 |
| Information Technology | 3.24 |
| Materials | 1.42 |
| Real Estate | 4.44 |
| Telecommunications Services | 4.47 |
| Utilities | 8.04 |
| ABS | 2.26 |
| Cash & Equivalents | 3.54 |

Top Ten Holdings (%)

| Holding | Coupon | Maturity | (%) |
|---|--------|----------|--------------|
| Optus Finance Pty Ltd | 4.63 | 2019 | 1.57 |
| JPMorgan Chase & Co | 3.24 | 2023 | 1.29 |
| ETSA Utilities Finance Pty Ltd | 2.97 | 2023 | 1.1 |
| Bank of America Corp | 3.31 | 2024 | 1.03 |
| Australia & New Zealand | | | |
| Banking Group Ltd | 2.77 | 2021 | 1.02 |
| Ally Financial Inc | 3.5 | 2019 | 0.97 |
| Ausgrid Finance Pty Ltd | 3.18 | 2024 | 0.91 |
| Walmart Inc | 2.6 | 2021 | 0.87 |
| Capital One Financial Corp | 3.06 | 2023 | 0.86 |
| International Bank for Reconstruction & Development | 3.5 | 2021 | 0.83 |
| Total | | | 10.45 |

Top Ten Country Breakdown (%)

| | |
|---------------|-------|
| United States | 38.57 |
| Australia | 29.97 |
| Canada | 4.87 |
| Japan | 4.47 |
| China | 3.95 |
| Singapore | 3.45 |
| South Korea | 2.93 |
| Germany | 1.98 |
| Netherlands | 1.84 |
| Hong Kong | 1.61 |

Credit rating breakdown (%)

| | |
|------|-------|
| AAA | 2.82 |
| AA+ | 0.94 |
| AA | 2.07 |
| AA- | 8.22 |
| A+ | 10.27 |
| A | 8.63 |
| A- | 17.91 |
| BBB+ | 23.27 |
| BBB | 11.80 |
| BBB- | 7.13 |
| BB+ | 1.60 |
| BB- | 0.97 |
| B+ | 0.31 |
| B- | 0.56 |

Weighted average maturity breakdown (%)

| | |
|---------------|-------|
| 0 to 1 year | 10.29 |
| 1 to 3 years | 38.29 |
| 3 to 5 years | 35.49 |
| 5 to 7 years | 8.42 |
| 7 to 10 years | 4.03 |

Bond credit quality ratings provided by S&P.

Source: Janus Henderson Investors

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