

# MULTI-ASSET ABSOLUTE RETURN FUND

## At a glance

### Performance\*

The Fund returned 6.03%, the Index returned 1.35%

### Contributors/detractors

Positive performance was driven by holdings in property and infrastructure sectors. The only two meaningful detractors were the Dunn WMA Fund and the Hipgnosis Songs Fund.

### Outlook

We go into 2024 with high conviction that interest rates and bond yields have already reached their highs. This removes one of the key risks for most asset classes.

## Portfolio management



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## Investment environment

- Global equity markets, as measured by the MSCI World Index, rose 6.8% in sterling terms and 11.5% in US dollar terms during the fourth quarter. This was thanks to an end-of-year rally as investors grew increasingly optimistic that most major central banks were at the end of their aggressive monetary policy tightening campaigns. Heightened expectations that policymakers would shift to interest rate cuts in 2024 underpinned the gains.
- Earlier in the quarter, uncertainty about the direction of monetary policy, which led to a surge in government bond yields in October (before they reversed course in the following months and prices rose, reflecting their inverse correlation), and conflict in the Middle East, weighed on sentiment. In fixed income, the JPM Global Government Bond Index returned 3.2% in sterling terms and 7.8% in US dollar terms.

## Portfolio review

Positive performance was driven by property and infrastructure sectors. Lower bond yields and the bringing forward of rate cut expectations in the US and Europe boosted most assets. The largest individual positive contribution came from the Blackrock Global Unconstrained Equity Fund, which benefited both from the general rally in equities and its bias towards quality growth-style companies.

The only two meaningful detractors were the Dunn WMA fund, which was impacted by its short positions in government bonds, and Hipgnosis Songs Fund, which suffered from concerns over the valuation of its underlying song catalogues and various governance issues.

We reduced the fund's gold holding as the precious metal price rallied sharply. We also trimmed some of the better performing property and infrastructure holdings such as Bilfinger Berger Global Infrastructure, and added to mainstream government bonds holdings.

## Manager outlook

We go into 2024 with high conviction that interest rates and bond yields have already reached their highs. This removes one of the key risks for most asset classes, as borrowing costs should have peaked. The sharp move in rates in December was arguably overdone as inflation prints for the next few months could be noisy. Some price pressures are set to resume, particularly connected to shipping costs, as tensions rise in the Red Sea. Meanwhile,

### Marketing communication

#### Past performance does not predict future returns.

\*For benchmark/usage and peer group, if applicable, refer to Fund details on page 3. For relevant descriptions, risks and the Fund's investment policy statement, refer to Additional fund information on page 4.

data continues to reflect weakening economic activity across the globe. As such, the fund remains skewed towards assets and strategies with less economic

sensitivity. Valuations across listed investment companies remain compelling in our view, and this bodes well.

Performance (%)

Returns	Cumulative				Annualised			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since inception (01/10/04)
I Acc (Net)	3.11	6.03	6.35	6.35	4.92	4.24	2.95	3.07
Index	0.45	1.35	4.86	4.86	2.13	1.47	0.96	1.72

12 month rolling

	Dec 2022- Dec 2023	Dec 2021- Dec 2022	Dec 2020- Dec 2021	Dec 2019- Dec 2020	Dec 2018- Dec 2019
I Acc (Net)	6.35	0.75	7.79	3.09	3.37
Index	4.86	1.49	0.11	0.23	0.75

Performance is on a net of fees basis, with gross income reinvested. Source: at 31/12/23. © 2024 Morningstar, Inc. All rights reserved. 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 does not predict future returns.**

Performance/performance target related data will display only where relevant to the share class inception date and annualised target time period. **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.** Source for target returns (where applicable) - Janus Henderson Investors. This is a representative share class for the fund, other share classes are available and may be more suitable for your investment needs.

Fund charges will impact the value of your investment. In particular, the ongoing charges applicable to each fund will dilute investment performance, particularly over time. For further explanation of charges please visit our Fund Charges page at [www.janushenderson.com](http://www.janushenderson.com).

Investment objective

The Fund aims to provide a positive (absolute) return, regardless of market conditions, over any 12 month period. A positive return is not guaranteed over this or any other time period, and particularly over the shorter term the Fund may experience periods of negative returns. Consequently your capital is at risk. Performance target: To outperform the UK Base Interest Rate, after the deduction of charges, over any 3 year period.

For the fund's investment policy, refer to the Additional fund information on page 4.  
**Past performance does not predict future returns.**

Fund details

Inception date	04 October 2004
Total net assets	84.01m
Asset class	Multi-Manager
Domicile	United Kingdom
Structure	OEIC
Base currency	GBP
Index	UK Base Interest Rate

For benchmark/usage description, refer to Additional fund information on page 4.

## Additional fund information

Tax assumptions and reliefs depend upon an investor's particular circumstances and may be subject to change. Availability of share classes shown may be limited by law in certain jurisdictions. Performance records are detailed on the specific KIID, fees and charges may vary and further information can be found in the fund's prospectus and KIID which must be reviewed before investing. Please consult your local sales representative if you have any further queries. Note that any differences among portfolio securities currencies, share class currencies and costs to be paid or represented in currencies other than your home currency will expose you to currency risk. Costs and returns may increase or decrease as a result of currency and exchange rate fluctuations. Investment into the fund will acquire units/shares of the fund itself and not the underlying assets owned by the fund. References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned.

The UK Base Interest Rate is the interest rate set by the Bank of England. It is the performance target of the Fund.

### Investment policy

The Fund invests in a range of asset classes including company shares (also known as equities), bonds and collective investment schemes (other funds including those managed by Janus Henderson) and Exchange Traded Funds. The underlying investments of the collective investment schemes may include shares (equities) of companies, bonds issued by companies and governments, and alternative assets such as property, infrastructure, commodities, private equity and hedge fund type strategies. The Fund may also invest in other transferable securities, cash and money market instruments and derivatives. The investment manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the Fund's objective, to reduce risk or to manage the Fund more efficiently. The Fund is actively managed with reference to the UK Base Interest Rate as this forms the basis of the Fund's performance target. The investment manager has complete discretion to choose investments for the Fund and is not constrained by a benchmark.

### Investment strategy

The investment manager seeks to provide investors with a diversified portfolio of assets with an emphasis on 'alternatives' such as hedge fund strategies, property and commodities - as well as traditional assets such as bonds and company shares (equities) - with the overall fund having low or modest correlation to equity and bond markets. The investment team seeks to identify attractive funds by assessing market conditions and conducting due diligence on alternative asset managers. The portfolio will have a significant proportion invested in funds which in their own right seek positive (absolute) returns in varying market conditions.

### Fund specific risks

When the Fund, or a share/unit class, seeks to mitigate exchange rate movements of a currency relative to the base currency (hedge), the hedging strategy itself may positively or negatively impact the value of the Fund due to differences in short-term interest rates between the currencies. The Fund could lose money if a counterparty with which the Fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider. The Fund invests in other funds (including exchange-traded funds and investment trusts/companies). This may introduce more risky assets, derivative usage and other risks associated with the underlying funds, as well as contributing to a higher level of ongoing charges. The Fund may use derivatives to help achieve its investment objective. This can result in leverage (higher levels of debt), which can magnify an investment outcome. Gains or losses to the Fund may therefore be greater than the cost of the derivative. Derivatives also introduce other risks, in particular, that a derivative counterparty may not meet its contractual obligations. If the Fund holds assets in currencies other than the base currency of the Fund, or you invest in a share/unit class of a different currency to the Fund (unless hedged, i.e. mitigated by taking an offsetting position in a related security), the value of your investment may be impacted by changes in exchange rates. Securities within the Fund could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses.

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INVESTORS

FOR MORE INFORMATION PLEASE VISIT [JANUSHENDERSON.COM](https://www.janushenderson.com)

Source: Janus Henderson Investors, as at 31 December 2023, unless otherwise noted.

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