

# Janus Henderson Sterling Bond Unit Trust

Q3 2019

For promotional purposes

**Fund manager names:** James Briggs, ACA, CFA & Philip Payne, CFA

## Overview

Market sentiment was dominated by the prospects of synchronised easing from major central banks over the third quarter, which boosted sentiment and lowered bond yields (prices rose) globally. All the while, economic data continued to exhibit a weakening trend. The market oscillated between selling off on political tensions and weaker data and rallying on renewed optimism that central bank support will extend the cycle.

Sterling investment grade credit spreads (measured by the iBoxx Sterling non-gilts Index) widened by five basis points (bps) and ended the quarter at 140 bps. September was the biggest month for supply (over £10 billion) since 2009, amid a rush for corporates to lock in cheap funding as a result of the large falls in global bond yields. The market returned 3.7% on a total return basis, significantly benefiting from the boost provided by falling gilt yields. At the sector level, housing associations, sovereigns, retail and financial services were the strongest performers while agencies, covered bond and autos lagged.

## Performance and activity

The fund returned 3.3% over the third quarter compared to the Markit iBoxx GBP Non-Gilts All Maturities Index, which returned 3.7%, while the IA Sterling Corporate Bond sector returned 3.1%.

Returns benefited from the rally in duration over the quarter. Longer maturity sectors such as utilities, telecoms and technology performed the best with issuers including Enel, Vodafone, FIS and FISV contributing the most to returns. REITs exposures including Aroundtown and Akelius Residential Property were also among the top contributors. We continued to hold Tesco Property which detracted as the issuer's bonds gave back some gains following the sharp rally after its upgrade to investment grade earlier in the year.

In terms of activity we participated in new deals from Northern Power Grid and Scottish and Southern Energy (where we bought into the 2035 sustainable bond), as well as Society General, Wells Fargo, Royal London and UK banks such as Barclays where we covered our underweight position. In secondary markets we increased our exposure to Enel and reduced exposure in Eon and Innogy.

The fund's broad positioning hasn't changed over the quarter. The largest sector exposures remain in utilities, REITs and financials.

Source: Janus Henderson Investors, as at 30 September 2019

### Benchmark information

**Index:** Markit iBoxx GBP Non-Gilts all maturities Index  
**Index usage:** Comparator

The Markit iBoxx Non-Gilts all maturities Index is a measure of the combined performance of investment grade corporate bonds issued in pounds sterling. It provides a useful comparison against which the Fund's performance can be assessed over time.

**Peer group benchmark:** IA Sterling Corporate Bond  
**Peer group 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.

Discrete year performance % change	I Acc	Index	Peer group
30 Sep 2018 to 30 Sep 2019	10.1	10.2	9.0
30 Sep 2017 to 30 Sep 2018	0.2	0.2	0.1
30 Sep 2016 to 30 Sep 2017	0.6	-0.2	0.5
30 Sep 2015 to 30 Sep 2016	14.4	14.0	12.2
30 Sep 2014 to 30 Sep 2015	2.2	4.5	2.7

Source: at 30 Sep 2019. © 2019 Morningstar. All rights reserved, performance is on a net of fees basis, with gross income reinvested. Discrete performance data may change due to final dividend information being received after quarter end.

# Janus Henderson Sterling Bond Unit Trust

---

## Important Information

This document is intended solely for the use of professionals, defined as Eligible Counterparties or Professional Clients, and is not for general public distribution.

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.

The Custodian in Spain is BNP PARIBAS SECURITIES SERVICES S.C.A.

Issued in Europe 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), AlphaGen Capital Limited (reg. no. 962757), 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).

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