

US HIGH YIELD STRATEGY

Strategy overview

A high-conviction, active high-yield strategy that seeks to generate competitive risk-adjusted returns while mitigating drawdowns. The strategy takes a research-first mentality on both macro and security selection risks.

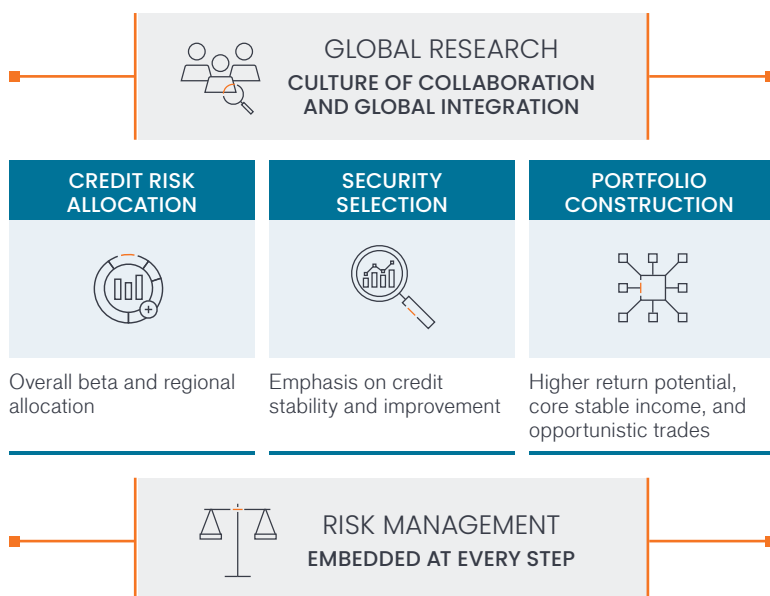
Investment philosophy

The US High Yield Strategy's investment philosophy is based on the following tenets:

- Corporate security selection is the foundation of what we do.
- Default risk is overestimated in most phases of the credit cycle, but correction can be severe. We believe this risk is best mitigated through the active management of top-down as well as bottom-up risks.
- We believe strong risk-adjusted returns are best achieved through exploiting areas of inefficiency such as fallen angels/rising stars, smaller issuers, new issuance pricing structure and capital structure.

Investment process

The investment process can be described as one of top-down asset allocation considerations combined with fundamentally driven bottom-up analysis.



Portfolio management



Tom Ross, CFA

- Global Head of High Yield | Portfolio Manager
- Industry since 2002



Brent Olson

- Portfolio Manager
- Industry since 1997



Seth Meyer, CFA

- Head of Fixed Income Strategy | Portfolio Manager
- Industry since 1998

Strategy characteristics

Benchmark	Bloomberg U.S. Corporate High Yield Bond Index
High yield exposure	> 80% of index
Duration target	+/- 15% of index
Holdings range	30 – 60
AUM	\$1.5 B (as at 30 Jun 2023)
Available vehicles	Separate account Institutional mutual fund Collective investment trust

Note: There is no assurance that the investment process will consistently lead to successful investing.

Actual results may vary, and the information should not be considered or relied upon as a performance guarantee.

Various account minimums or other eligibility qualifications apply depending on the investment strategy, vehicle or investor jurisdiction.

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Performance (%)	Q323	1 Year	3 Year	5 Year	10 Year	Since inception (1/1/96)
Composite (gross)	-0.54	9.28	0.95	2.60	4.01	7.17
Composite (net)	-0.70	8.58	0.30	1.94	3.36	6.50
Bloomberg U.S. Corporate High Yield Bond Index	0.46	10.28	1.76	2.96	4.24	6.35
Difference (gross vs. benchmark)	-1.00	-1.00	-0.81	-0.36	-0.23	+0.82

Returns quoted are past performance and do not guarantee future results; current performance may be lower or higher. Investment returns and principal value will vary; there may be a gain or loss when shares are sold. For the most recent month-end performance call 800.668.0434 or visit janushenderson.com/performance.

Characteristics	Rep. account	Benchmark
Number of debt issues	156	1,946
Weighted average maturity (years)	5.75	4.91
Effective duration (years)	3.68	3.50
Yield to worst (%)	8.79	8.86
Duration times spread	14.45	13.85
Credit spread duration (years)	3.90	3.57

Credit quality of fixed income holdings (%)	Rep. Account	Benchmark
A	0.58	0.00
Baa	1.19	1.54
Ba	33.99	38.82
B	39.94	45.69
Caa	15.81	11.49
Ca	0.00	0.49
C	0.00	0.05
Not rated	4.65	1.91

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Past performance cannot guarantee future results. Investing involves risk, including the possible loss of principal and fluctuation of value. Returns greater than one year are annualized. Returns are expressed in U.S. dollars unless otherwise stated. Composite returns are net of transaction costs and gross of non-reclaimable withholding taxes, if any, and reflect the reinvestment of dividends and other earnings.

The gross performance results presented do not reflect the deduction of investment advisory fees. Returns will be reduced by such advisory fees and other expenses as described in the individual contract and, where applicable, Form ADV Part 2A.

Net performance results do not reflect the deduction of investment advisory fees actually charged to the accounts in the composite but they do reflect the deduction of model investment advisory fees based on the maximum fee rate in effect for the respective time period, adjusted for performance-based fees where applicable. Actual advisory fees may vary among clients invested in the strategy shown and may be higher or lower than model advisory fees. Returns for each client will be reduced by such fees and expenses as negotiated in any client contract as discussed in Form ADV Part 2A.

Index returns are provided to represent the investment environment during the periods shown. The index is fully invested, including the reinvestment of dividends and capital gains. Index returns do not include any transaction costs, management fees or other costs, and are gross of non-reclaimable withholding taxes, if any and unless otherwise noted. Industry weights based on GICS.

US High Yield Composite, benchmarked to the Bloomberg Barclays US Corporate High Yield Index, includes portfolios that seek to obtain high current income by investing primarily in high-yield/high-risk fixed income securities rated BB or lower by Standard & Poor's Ratings Services or Ba or lower by Moody's Investors Service, Inc. Capital appreciation is a secondary objective when consistent with the primary objective. Effective January 1, 2005 the composite definition was changed to include only proprietary mutual funds and exclude sub-advised pooled funds. The composite was created in January 2003.

Collective Investments Trusts (CITs) are tax-exempt, pooled investment vehicles maintained by a bank or trust company for eligible retirement plans.

Risk/reward composite

	3 Year	5 Year
Information ratio	-0.63	-0.29
Sharpe Ratio	-0.09	0.08
Sharpe Ratio (benchmark)	0.00	0.13
Standard deviation	8.90	10.15
Standard deviation (benchmark)	8.02	9.32

Top industries (%)	Rep. account	Benchmark
Consumer cyclical	23.33	23.79
Consumer non cyclical	14.25	11.19
Capital goods	11.56	10.73
Technology	9.25	7.04
Energy	8.91	11.62
Finance companies	7.23	3.05
Basic industry	4.96	4.97
Communications	4.94	14.39
Transportation	3.83	2.58
Electric	1.88	2.57
Insurance	1.28	1.87

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Beta measures the volatility of a security or portfolio relative to an index. Less than one means lower volatility than the index; more than one means greater volatility. **Sharpe Ratio** measures risk-adjusted performance using excess returns versus the "risk-free" rate and the volatility of those returns. A higher ratio means better return per unit of risk.

Information Ratio is a ratio of portfolio returns above the returns of an index to the volatility of those returns. It is an indicator of portfolio management performance.

Standard Deviation measures historical volatility. Higher standard deviation implies greater volatility. **Yield to worst (YTW)** is the lowest yield a bond can achieve provided the issuer does not default and accounts for any applicable call feature (ie, the issuer can call the bond back at a date specified in advance). At a portfolio level, this statistic represents the weighted average YTW for all the underlying issues. **Derivatives** can be more volatile and sensitive to economic or market changes than other investments, which could result in losses exceeding the original investment and magnified by leverage. **High-yield or "junk" bonds** involve a greater risk of default and price volatility and can experience sudden and sharp price swings. **Fixed income securities** are subject to interest rate, inflation, credit and default risk. The bond market is volatile. As interest rates rise, bond prices usually fall, and vice versa. The return of principal is not guaranteed, and prices may decline if an issuer fails to make timely payments or its credit strength weakens.

Bloomberg U.S. Corporate High Yield Bond Index measures the US dollar-denominated, high yield, fixed-rate corporate bond market.

Credit quality ratings reflect the middle rating received from Moody's, Standard & Poor's and Fitch, where all three agencies have provided a rating. If only two agencies rate a security, the lowest rating is used. If only one agency rates a security, that rating is used. Ratings are measured on a scale that ranges from Aaa (highest) to D (lowest).

Information relating to portfolio holdings is based on the representative account in the composite, which reflects the typical portfolio management style of the investment strategy. Other accounts in the strategy may vary due to asset size, client guidelines and other factors.

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