

MULTI-MANAGER DISTRIBUTION FUND

At a glance

Performance*

The Fund returned 6.11%, the Peer Group returned 5.68%

Contributors/detractors

While all asset classes generated a positive contribution, equities and fixed income holdings contributed most positively to total returns. The alternatives portfolio contributed least positively.

Outlook

The fund continues to remain well-diversified across asset classes and regions, given the range of potential risks faced over the next 12 months.

Portfolio management



Tihana Ibrahimasic, CFA



James de Bunsen, CFA



Pete Webster, CFA

Investment environment

- Global equities ended 2023 strongly. The MSCI All Country World Index gained 6.3% in sterling terms and 11.0% in US dollar terms as the latter weakened.
- All of the major developed equity regions ended higher in local currency terms. The S&P 500 Index led the way with an 11.7% gain and the MSCI Europe ex UK Index returned 7.7%. Elsewhere, the FTSE All-Share Index rose 3.2%, Japan's TOPIX Index was up 2.0%, and the MSCI Emerging Markets Index finished 7.9% higher in US dollar terms.
- As investor risk appetite improved, growth-style shares outperformed value-style shares. Within the global benchmark, technology, real estate and industrials stocks performed especially well and the energy sector was the only sector to end lower.
- Fixed income assets were also up. Yields on core 10-year sovereign bonds fell sharply (prices rose, reflecting the inverse correlation) as markets grew increasingly confident that interest rates have peaked. 10-year US Treasury yields fell 69 basis points (bps) while 10-year UK gilt and German bund yields fell 90 bps and 81 bps respectively. The fall in corporate bond yields was even more pronounced and returns were boosted further by credit spreads (the difference in yield between equivalent government bonds) tightening across the board.

- Elsewhere, the US dollar weakened, and commodity prices were mixed. Gold prices rallied by over 11% due to lower interest rate expectations and increased geopolitical concerns. By contrast, Brent crude oil prices shed around 19% and natural gas prices fell 14%.

Portfolio review

In a strong quarter for most financial assets, it was the fund's allocations to equities and fixed income that generated the largest positive contributions overall. Cash and foreign exchange holdings also delivered a strong contribution, and the alternatives portfolio generated a smaller positive return.

Within the fund's equity holdings, the UK, US and Europe ex UK portfolios contributed most positively, while the Japan allocations made a smaller positive contribution. At the position level, top performers included the BlackRock Continental European Income Fund, the WS Gresham House UK Multi Cap Income Fund and the First Sentier Japan Equity Fund.

Within fixed income, government bonds contributed most positively to returns, followed by diversified bonds, investment grade bonds and then emerging market debt and high yield bonds.

Elsewhere, foreign exchange positions and cash contributed positively. This was largely due to positioning in the US dollar, which weakened over the period. The

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.

fund's alternatives portfolio delivered positive contributions overall. Allocations to real assets delivered the best returns, while the macro-focussed strategies detracted.

During the quarter we trimmed several positions within equities, taking profits in holdings that had performed relatively well following a rally in the markets. To reduce volatility and add defensiveness to the portfolio, we initiated a new holding in the iShares MSCI USA Minimum Volatility ESG UCITS ETF. Within the allocations to fixed income we closed-out the US Ultra Bond futures. Towards the end of the quarter, we reallocated some exposure away from US Treasuries into UK gilts and European government bonds. In our opinion, there is a more attractive outlook on the latter two assets given the macroeconomic outlook.

Manager outlook

Following the surge in equities in the late stages of 2023, we believe that markets look somewhat stretched as we enter 2024. Sentiment and positioning indicators suggest high levels of optimism among investors and a degree of overextension in many moves. A lot of the enthusiasm appears to be based on the increasingly dovish outlook for

interest rates, with both the Fed and the European Central Bank (ECB) expected to start cutting rates in the second quarter. Inflation is expected to drop below 3% by then, further reducing the pressure on central banks to keep policy as restrictive as it is now.

Perhaps the most important issue remains around economic resilience. Growth is expected to slow in 2024, with the US economy expected to expand by less than 1% and the eurozone less than 0.5%. While the eurozone continues to show worrying signs, the US economy has remained relatively durable in the face of significant and rapid increases in interest rates. With markets already expecting a very dovish outcome, it is increasingly difficult to see where positive catalysts are likely to come from in the near term. Better-than-expected growth outcomes may delay interest rate cuts and weigh on valuations, but weaker data may raise the spectre of a 'hard landing' which has yet to be definitively averted. As a result, the fund remains somewhat cautious and well-diversified, as we continue to look out for better entry points for new investment opportunities.

Performance (%)

Returns	Cumulative				Annualised			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since inception (19/03/01)
I Inc (Net)	3.78	6.11	6.48	6.48	1.16	3.52	3.39	4.78
Peer Group	3.82	5.68	6.86	6.86	0.87	3.55	3.56	3.83

12 month rolling

	Dec 2022- Dec 2023	Dec 2021- Dec 2022	Dec 2020- Dec 2021	Dec 2019- Dec 2020	Dec 2018- Dec 2019
I Inc (Net)	6.48	-9.36	7.25	1.75	12.87
Peer Group	6.86	-9.63	6.28	3.49	12.08

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.

Investment objective

The Fund aims to provide a sustainable level of income with the potential for capital growth over the long term. Performance target: To outperform the IA Mixed Investment 20-60% Shares sector average, after the deduction of charges, over any 5 year period.

For the fund's investment policy, refer to the Additional fund information on page 4.

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Fund details

Inception date	02 March 2001
Total net assets	37.93m
Asset class	Multi-Manager
Domicile	United Kingdom
Structure	Unit Trust
Base currency	GBP
Peer group	IA Mixed Investment 20-60% Shares sector

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. From 07 July 2023, Paul O'Connor no longer manages this fund, James de Bunsen and Peter Webster now co-manage this fund. From 11 March 2022, the Fund changed both its Investment Objective and Policy. The past performance shown before this change was therefore achieved under circumstances that no longer apply. 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 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) forms the basis of the Fund's performance target and can be a useful performance comparison against other funds with similar aims. The sector also limits the Fund's exposure to shares of companies (also sometimes referred to as equities) to a range of 20-60%.

Investment policy

The Fund invests in Collective Investment Schemes (other funds including those managed by Janus Henderson and Exchange Traded Funds) to provide diversified exposure to a range of assets including shares (equities) of companies, bonds issued by companies and governments, and to a lesser extent, alternative assets such as property, commodities, private equity and hedge funds. The Fund will invest globally while maintaining a core exposure to UK assets. The Fund may also invest directly in other assets including developed market government bonds, investment trusts, cash and money market instruments. The investment manager may use derivatives (complex financial instruments) to reduce risk or to manage the Fund more efficiently. The Fund is actively managed with reference to the IA Mixed Investment 20-60% Shares sector average, which is based on a peer group of broadly similar funds, as this forms the basis of the Fund's performance target and limits the level of exposure the Fund may have to company shares. The investment manager has a high degree of freedom to choose individual investments for the Fund and to vary allocations between asset types within the constraints of the sector.

Investment strategy

The investment manager believes that asset allocation opportunities are generated by inefficient markets over short term periods and the Fund's asset mix is actively adjusted to reflect this and to reduce overall risk. The Fund will allocate across regional equities, the entire bond universe, alternative asset classes such as property and commodities and cash in weights cognisant of the benchmark index. Asset allocation views can be formed on the grounds of fundamental research, asset class valuations, market sentiment, investor positioning, news flow, technical factors and diversification. Investments are implemented primarily through actively managed funds, while passive (index tracking) instruments (primarily ETFs or derivatives) are used for short term tactical trades or for low cost implementation of pure macroeconomic views. The Fund may also hold up to 20% in developed market government bonds.

Fund specific risks

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. Shares/Units can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result. An issuer of a bond (or money market instrument) may become unable or unwilling to pay interest or repay capital to the Fund. If this happens or the market perceives this may happen, the value of the bond will fall. When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise (or are expected to rise). This risk is typically greater the longer the maturity of a bond investment. 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 with the aim of reducing risk or managing the portfolio more efficiently. However this introduces 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. Some or all of the ongoing charges may be taken from capital, which may erode capital or reduce potential for capital growth.

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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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