Janus Henderson INVESTORS

MULTI-MANAGER DISTRIBUTION FUND

At a glance

Performance*

The Fund returned 2.22%, the Peer Group returned 2.38%

Contributors/detractors

The fund's US and UK equity holdings delivered the largest positive contributions, while fixed income holdings delivered smaller positive returns.

Outlook

Equity valuations have risen to elevated levels and we think that companies now need to show improved earnings to justify the recent rally.

Portfolio management

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Investment environment

- Global equities rallied further in March, with the MSCI All Country World Index advancing 3.3% in sterling terms and 3.1% in US dollar terms.
- UK equities outperformed the other major developed indices in local currency terms. The FTSE All-Share Index returned 4.8%, compared with a 3.2% return from the S&P 500 Index and a 4.3% rise in Japan's TOPIX Index. The MSCI Europe ex UK Index returned 3.7%. The MSCI Emerging Markets Index rose 2.5% in US dollar terms, driven mostly by gains in Taiwan and South Korea.
- All of the global benchmark's sectors ended higher and there was a visible rotation into cyclical sectors. Energy, materials and utilities topped the rankings, while consumer discretionary, consumer staples and healthcare were among the laggards. Against this backdrop, value-style shares comfortably outperformed growth-style shares.
- Fixed income rallied after a subdued start to 2024. US Treasury yields finished around 5 basis points (bps) lower while there were double-digit falls in UK gilt and German bund yields. This helped corporate credit indices end higher, aided further by a general tightening in credit spreads. The exception was European high yield bonds, which posted smaller gains as credit spreads widened slightly.
- Commodity prices were boosted by optimism regarding the US and global economy, as well as hopes for interest rate cuts in the near future. Brent crude oil prices rose almost 5% and copper prices rose 4% amid further concerns over tight supply. Meanwhile, gold posted a 9% gain as geopolitical tensions continued to increase.

Portfolio review

In another strong month for financial assets, the largest positive contributions were driven mainly by the fund's equity portfolio, followed by fixed income. There were smaller positive contributions delivered across alternatives, cash and foreign exchange positions.

Within the fund's equity allocations, US and UK equities contributed most positively, followed by Europe ex-UK and then Asia ex-Japan. At the individual position level, the Jupiter UK Special Situations Fund and the Dodge & Cox US Stock Fund added most value. The largest detractor was the First Sentier Japan Equity Fund.

Within the fund's fixed income holdings, the large government bond allocation delivered the best gains as core yields fell. Investment grade credit, high yield bonds and emerging market debt also generated a notable positive impact.

Marketing communication

Past performance does not predict future returns.

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.

*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.

Elsewhere, alternatives delivered a positive return overall, driven mainly by the commodities position in physical gold. Real assets and private equity were positive, and the macro-focused strategies were flat overall.

In equities, we increased the allocation to European ex-UK and reduced the position in UK and Japanese equities. We also increased the fund's alternatives position by topping up real asset holdings.

Manager outlook

An improving cyclical outlook and the prospect of more supportive monetary policy in the coming months have maintained the recent compression in credit spreads and rally in equity markets. Various indicators suggest that growth is improving, particularly in the manufacturing sector, as falling inflation has boosted real consumer incomes. At the same time, despite solid growth and above-target inflation, major central banks continue to indicate that they expect to begin cutting interest rates in the coming months.

The economic 'soft landing' continues to look on track in our view. However, sovereign bond yields remain torn between the expectation of interest rate cuts in the near future and the potential that removing the brake on the economy with inflation yet to return to 2% risks a policy error later down the line. Meanwhile, credit and equities have been more focused on the support to risk assets from an improving growth outlook in the near term.

Equity valuations have risen to elevated levels and we think that companies now need to show improved earnings to justify the recent rally. Sentiment and positioning indicators again looked stretched to us, but improving growth and interest rate cuts could be a positive mix for risk assets.

Performance (%)

Returns	Cumulative 1 Month	Cumulative 3 Month	Cumulative YTD	Cumulative 1 Year	Annualised 3 Year	Annualised 5 Year	Annualised 10 Year	Annualised Since inception (19/03/01)
I Inc (Net)	2.22	2.31	2.31	6.70	1.63	3.00	3.56	4.83
Peer Group	2.38	2.51	2.51	7.80	1.40	3.05	3.74	3.90

12 month rolling	Mar 2023-Mar 2024	Mar 2022-Mar 2023	Mar 2021-Mar 2022	Mar 2020-Mar 2021	Mar 2019-Mar 2020
I Inc (Net)	6.70	-4.42	2.92	19.47	-7.53
Peer Group	7.80	-4.97	1.79	20.05	-7.14

Performance is on a net of fees basis, with gross income reinvested. Source: at 31/03/24. **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.

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 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.
Past performance does not predict future returns.

Fund details

Inception date	02 March 2001
Total net assets	36.94m
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. 100% of the Annual Management Charge is taken from capital. These are the views of the author at the time of publication and may differ from the views of other individuals/teams at Janus Henderson Investors. Any securities, funds, sectors or indices mentioned within this article do not constitute or form part of any offer or solicitation to buy or sell them. The information in this commentary does not qualify as an investment recommendation. Investment into the fund will acquire units/shares of the fund itself and not the underlying assets owned by the fund. Cash balances and exposures are based on settled and unsettled trades as at the reporting date.
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.

FOR MORE INFORMATION PLEASE VISIT **JANUSHENDERSON.COM**

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Source: Janus Henderson Investors, as at 31 March 2024, unless otherwise noted.