COMMENTARY

Janus Henderson Horizon Global Multi-Asset Fund

Q3 2022

Marketing communication - For professional investors only
Past performance does not predict future returns

Fund Managers Names

Paul O'Connor, Nick Harper, CFA, Oliver Blackbourn, CFA

Investment Environment

After an early rally, equities finished lower as high inflation persisted and hopes of slower interest rate hikes faded. The MSCI All Country World Index lost 6.8% in US dollar terms but gained 1.4% in sterling terms given the weak pound. The key developed equity regions all ended lower in local currency terms. In Europe, the UK's FTSE All Share slipped 3.4% and the MSCI Europe ex UK index fell 3.9%. Elsewhere, the S&P 500 Index lost 4.9% and Japan's TOPIX Index lost 1%. The MSCI Emerging Markets Index slumped 11.6% in dollar terms, led by poor performance in China. Chinese growth appears unlikely to meet estimates after a summer plagued by drought, power cuts and intermittent COVID-19 lockdowns. On a sector basis, energy stocks held up best as strong earnings mostly outweighed oil price weakness. For the first time in 2022, growth style stocks outperformed the value style stocks over the quarter. High dividend stocks fared especially poorly as the yields available in other asset classes rose.

Fixed income also finished lower. After falling in the summer rally, yields on benchmark 10-year government bonds ended higher as major central banks continued to hike interest rates. The US Federal Reserve (Fed) delivered two further "jumbo" rate hikes of 75 basis points (bps) during the quarter, and the European Central Bank (ECB) finally joined other central banks in tightening policy. Credit spreads (versus equivalent government bonds) were volatile during the quarter but finished slightly wider in investment grade debt and slightly narrower in high yield debt. Growing fear of a recession pushed commodity prices lower, led by a 23% drop in the price of Brent crude oil.

Asset prices continued to be driven by expectations for central bank policy. Until mid-August, markets grew confident that interest rate hikes would slow. These hopes were dashed at the Fed's Jackson Hole conference, where Chair Jerome Powell said the Fed will keep tightening until inflation is under control. High inflation data across several major economies spurred more hawkish behaviour from central banks and resulted in significant pain for most asset classes.

As other assets fell, the US dollar marched higher thanks to aggressive Fed monetary policy tightening and global economic uncertainty and ended the quarter above parity with the euro, while briefly touching a 37-year high against the pound in late September. The strong dollar has impacted several other important markets, such as emerging market assets - which often borrow and trade in dollars - and commodities, which are largely settled in the US currency.

Portfolio Review

The Fund returned -3.64% over the third quarter. This compares to a target return of 1.39%, which reflects SONIA + 4%. In a difficult period for most financial assets, Fixed Income was the only allocation to make a positive contribution. Equities led the way in terms of losses, while holdings in FX and Alternatives allocations also dragged.The fund's equity holdings detracted 2.09% in total. The Emerging Markets allocation detracted most, followed by our exposures to the UK, Europe ex UK and Japan. US equities were the only positive contributor. At the position level, Hong Kong's Hang Seng TECH index dragged most. By contrast, the US's S&P 500 index was the equity portfolio's biggest positive.The fund's Fixed Income holdings contributed 0.08%, helped mostly by holdings in Emerging Market and Investment Grade debt. High Yield debt also contributed as credit spreads narrowed slightly during the quarter. Our sovereign debt allocation dragged as core bond yields rose sharply.Elsewhere, the fund's Alternatives portfolio detracted 0.40%. Within this, macro-focused strategies were the period's biggest overall contributor, but these gains were more than offset by losses in property. The FX allocation detracted 1.14% in a volatile period for currency markets.

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Manager Outlook

Markets continue to be heavily influenced by interest rate expectations and the moods of central banks. Much of the move lower in 2022 has been as a result of the downward pressure on valuations from tighter monetary policy. While we think interest rate expectations are likely coming to a peak, it is notable that analysts have priced very little slowdown into corporate earnings so far. The starting backdrop of high inflation, a tight labour market and low interest rates means that recession risk is high and corporate earnings have historically tended to decline by at least 20% through such contractions. This keeps us cautious on the outlook for most risk assets, even as we think it is appropriate to be getting back to a more neutral stance in government bonds.

Source: Janus Henderson Investors, as at 30 September 2022

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Fund information (Investment policy is on the next page)

Index	SONIA
Morningstar sector	Europe OE EUR Flexible Allocation – Global
Objective	The Fund aims to provide a return, from a combination of capital growth and income, with volatility lower than that of equity market volatility, over the long term.
Performance target	To outperform the SONIA by 4% per annum, before the deduction of charges, over any 5 year period.

Performance in (GBP)

Performance %	A2 (Net)	Index	A2 (Gross)	Target (Gross)
1 month	-6.5	0.2	-	-
YTD	-12.2	0.7	-	-
1 year	-10.9	0.7	-	-
3 years (annualised)	0.7	0.5	-	-
5 years (annualised)	1.9	0.5	3.5	4.6
Since inception 28 Jul 2015 (annualised)	2.5	0.5	4.3	4.5

Source: at 30 Sep 2022. © 2022 Morningstar. All rights reserved, performance is with gross income reinvested. Performance/performance target related data will display only where relevant to the share class inception date and annualised target time period.

Calendar year returns %	A2 (Net)	Index
2022 to 30 Sep 2022	-12.2	0.7
2021	5.8	0.1
2020	8.9	0.4
2019	10.8	0.8
2018	-4.6	0.7
2017	6.2	0.3
2016	7.4	0.5
2015 from 28 Jul 2015	-1.9	0.2
2014	-	-
2013	-	-
2012	-	-

Source: at 30 Sep 2022. © 2022 Morningstar. All rights reserved, performance is with gross income reinvested. Discrete performance data may change due to final dividend information being received after quarter end.

Investment into the fund will acquire units/shares of the fund itself and not the underlying assets owned by the fund.

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.

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 http://www.janushenderson.com.

Source for target returns (where applicable) – Janus Henderson. Please note the performance target is to be achieved over a specific annualised time period. Refer to the performance target wording within the objective. 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.

Please note that as of 06 April 2021 the benchmark changed from 3 month GBP LIBOR Interest Rate to SONIA (Sterling Overnight Index Average). The Fund's reference benchmark and performance target changed. Past performance shown before 06 April 2021 was achieved under circumstances that no longer apply.

Past performance does not predict future returns. 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.

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What are the risks specific to this fund?

- When the Fund, or a hedged share/unit class, seeks to mitigate exchange rate movements of a currency relative to the base currency, the hedging strategy itself may create a positive or negative impact to 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.
- 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.
- The Fund invests in other funds (including exchange traded funds and investment trusts/companies), which may introduce more risky assets, derivative usage and other risks, as well as contributing to a higher level of ongoing charges.
- The Fund may use derivatives towards the aim of achieving its investment objective. This can result in 'leverage', which can magnify an investment outcome and gains or losses to the Fund may 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'), 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.

General risks

- Past performance does not predict future returns.
- 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 be subject to change.

Investment policy

The Fund invests in Collective Investment Schemes (other funds including those managed by Janus Henderson and Exchange Traded Funds) to provide diversified global 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 and commodities.

The Fund may also invest in other assets including shares (equities), bonds, 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 SONIA, as this forms the basis of the Fund's performance target. For currency hedged Share Classes, the rate that corresponds with the relevant Share Class currency is used as the basis of the performance comparison. The investment manager has complete discretion to choose investments for the Fund.

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For further information on the Luxembourg-domiciled Janus Henderson fund range please contact your local sales office or visit our website: www.janushenderson.com.

Benelux
Janus Henderson Investors
Tel: +31 20 675 0146
Fax: +31 20 675 7197
Email: info.nederlands@janushenderson.com

France/Monaco
Janus Henderson Investors
Tel: +33 1 53 05 41 30
Fax: +33 1 44 51 94 22
Email: info.europe.francophone@janushenderson.com

Germany/Austria
Janus Henderson Investors
Tel: +49 69 86 003 0
Fax: +49 69 86 003 355
Email: info.germany@janushenderson.com

Dubai
Janus Henderson Investors
Tel: +9714 401 9565
Fax: +9714 401 9564
Email: JanusHenderson-MEACA@janushenderson.com

Hong Kong
Janus Henderson Investors
Tel: +852 2905 5188
Fax: +852 2905 5138
Email: marketing.asia@janushenderson.com

Italy
Janus Henderson Investors
Tel: +39 02 72 14 731
Fax: +39 02 72 14 7350
Email: info.italy@janushenderson.com

Latin America
Janus Henderson Investors
Tel: +44 20 7818 6458
Fax: +44 20 7818 7458
Email: sales.support@janushenderson.com

Nordics
Janus Henderson Investors
United Kingdom
Tel: +44 20 7818 4397
Fax: +44 20 7818 1819
Email: sales.support@janushenderson.com

Singapore
Janus Henderson Investors
Tel: +65 6836 3900
Fax: +65 6221 0039
Email: marketing.asia@janushenderson.com

Spain/Portugal/Andorra
Janus Henderson Investors
Tel: +34 91 562 6172
Fax: +34 91 564 6225
Email: info.iberia@janushenderson.com

Switzerland
Janus Henderson Investors
Tel: +41 43 888 62 62 (Zurich office)
Tel: +41 22 810 82 89 (Geneva office)
Email: info.switzerland@janushenderson.com

United Kingdom
Janus Henderson Investors
Tel: +44 20 7818 1818
Fax: +44 20 7818 1819
Email: sales.support@janushenderson.com

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Important information

ESG integration is the practice of incorporating material environmental, social and governance (ESG) information or insights in a non-binding manner alongside traditional measures into the investment decision process to improve long term financial outcomes of portfolios. This product does not pursue a sustainable investment strategy or have a sustainable investment objective or otherwise take ESG factors into account in a binding manner. ESG related research is one of many factors considered within the investment process and in this material we seek to show why it is financially relevant.