

# MULTI-MANAGER INCOME & GROWTH FUND

## At a glance

### Performance\*

The Fund returned 0.72%, the Peer Group returned 0.51%

### Contributors/detractors

The fund's US and Europe ex-UK equity holdings contributed positively to performance, while fixed income holdings detracted.

### Outlook

If central banks can keep economies on this narrow track between weakening growth and a rebound in inflation, it could be good in the medium term for risk assets.

## Portfolio management



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## Investment environment

- Global equities kept up their winning start to 2024, with the MSCI All Country World Index advancing 5.0% in sterling terms and 4.3% in US dollar terms.
- UK equities trailed the other major developed indices in local currency terms. The FTSE All Share Index returned 0.2%, compared with a 5.3% return from the US S&P 500 Index and a 4.9% rise in Japan's TOPIX Index. The MSCI Europe ex UK Index also lagged the global benchmark with a 2.4% return. Elsewhere, a bounce in Chinese shares helped the MSCI Emerging Markets Index advance 4.8% in US dollar terms.
- Consumer discretionary topped the global benchmark's sector rankings, followed by information technology and industrials. Utilities was the only sector to end lower, while real estate and materials also lagged.
- It was a tougher month for fixed income. US Treasury yields finished 34 basis points higher as the Federal Reserve (Fed) stressed the need for patience regarding interest rate cuts. This also weighed on investment grade corporate debt, but high yield corporate bonds ended higher thanks to tighter credit spreads.
- In commodities, Brent crude oil rose 2.3% and gold was flat, as investors weighed a longer wait for interest

rate cuts against continued tensions in Europe and the Middle East. Meanwhile, copper prices fell 1.2% amid weak factory activity data and subdued demand from China.

## Portfolio review

In a mixed month for financial assets, positive contributions from the fund's equity portfolio were partially offset by negative returns from bonds. A small positive contribution from alternatives was offset by negative returns overall from cash and foreign exchange positions.

Within the fund's equity allocations, US and Europe ex-UK equities contributed most positively, followed by Asia ex-Japan. The UK equity portfolio was flat. At the individual position level, the GQG Partners US Equity Fund and the Janus Henderson European Mid and Large Cap Fund added most value. The largest detractor was the Jupiter UK Special Situations Fund.

Within the fixed income holdings, the underperformance was almost entirely due to the large government bond allocation, which posted losses as core yields rose. Emerging market debt generated a small positive return, while the high yield and investment grade credit portfolios were both essentially flat.

Elsewhere, alternatives delivered a small gain overall mainly from the macro-focused strategies. At the position level, BH Macro, HICL Infrastructure and Greencoat UK

## Marketing communication

### Past performance does not predict future returns.

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\*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.

Wind detracted most. The small allocation to gold had a neutral impact. Meanwhile, foreign exchange losses, largely from positioning in the US dollar, offset a positive return from cash.

Trading activity was light during the month. Within fixed income we reduced duration exposure by scaling back US Treasuries.

## Manager outlook

Improvements in real earnings have supported developed economies as wage growth has remained strong and inflation has more than halved. Economies have remained resilient to the tightening of monetary policy, with the few areas of concern - such as commercial real estate - not having a broad enough impact to destabilise more widely. While there are some signs of weakening in labour markets, job gains have remained solid and earnings growth has eased, even if it remains elevated. A continued slowdown in income growth will be welcomed by central

banks who have remained uneasy about the rate of services inflation.

There are continued expectations for a number of interest rate cuts by major central banks in 2024, aimed at reducing the impact of higher rates on those that will need to begin refinancing debt issued at previously lower borrowing costs. If central banks are able to continue to keep economies on this narrow track between weakening growth and a rebound in inflation, it could be good in the medium term for risk assets.

We see valuations as no longer being attractively valued in many areas, and outright 'expensive' in others, and think it is likely that investors will need to continue to see confirmation of strong earnings growth to keep pushing markets higher in the near term.

Performance (%)

Returns	Cumulative				Annualised			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since inception (24/03/98)
I Inc (Net)	0.72	3.96	0.18	3.87	1.36	2.75	3.61	4.71
Peer Group	0.51	3.94	0.12	4.69	1.04	2.83	3.46	3.81

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)	6.45	-9.06	7.20	1.85	12.22
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 29/02/24. © 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](http://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 capital growth, with the potential for some income 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	16 February 1998
Total net assets	143.31m
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 peer group. 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. 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.

**Janus Henderson**  
— INVESTORS —

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Source: Janus Henderson Investors, as at 29 February 2024, unless otherwise noted.

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