

Janus Henderson Horizon Global High Yield Bond Fund

December 2021

Marketing communication
For professional investors only

Fund Managers Names

Seth Meyer, CFA, Tom Ross, CFA, Tim Winstone, CFA, Brent Olson

Macro backdrop

The ICE BofA Global High Yield Constrained Index (hedged to US dollars) delivered a total return of 1.4% (and excess returns of 1.8%) in December, with credit spreads tightening. This takes the annual total and excess return to 3% and 4.3% respectively. US high yield was the outperformer in December on an excess return basis, followed by European then emerging-market equivalents, though all regions delivered positive excess returns (versus government debt).

While the start of the month saw some countries increase restrictions in response to the Omicron variant of Covid-19, early evidence suggested the variant is less potent than previous Covid-19 strains and we saw spreads tighten and recover some of November's losses. Positive market sentiment drove high yield spreads tighter, with investors absorbing a hawkish turn generally from central banks, which was further aided by reduced supply and the typical 'Santa rally'. However, China continued to underperform, driven largely by ongoing weakness in the property sector and exacerbated by rising Omicron cases (and the associated lockdowns and industrial disruption).

In terms of ratings, at the index level, BB-rated bonds outperformed, followed by B-rated then CCC-rated bonds and lower.

Fund performance and activity

The fund delivered a positive return in December and outperformed its benchmark with the fund's overweight beta position versus the index beneficial to relative returns.

At the sector level, areas of the market where the fund was overweight risk relative to the index, such as basic industry, health care and services, contributed positively to performance.

While security selection detracted marginally overall, there were no significant single-name losses. Instead, the small negatives were a result of positioning in China and Europe. In Europe, the overweight position to Thyssenkrupp and underweight position to Telecom Italia weighed marginally. Within our Chinese holdings, overweights to Sunac and Kaisa Group detracted given ongoing weakness in the Chinese property sector. However, the fund was underweight risk to the Chinese property sector overall and this positioning added to returns.

On the positive side, overweight positions to energy names such as Occidental Petroleum and Southwestern Energy contributed, as did an overweight to Lenzing in the basic industry sector.



Janus Henderson Horizon Global High Yield Bond Fund

Outlook/strategy

The fund remains positioned with an overweight risk stance versus the benchmark, reflecting our expectation for global high yield to deliver small positive excess returns in the near term. The fund remains overweight the US driven by a fundamental preference for this region at the top-down level combined with our bottom-up decisions. The fund is approximately flat risk in the emerging markets and other areas, and underweight Europe.

While high inflation versus historical levels remains prevalent, we continue to believe inflationary pressures should normalise over the long term. On a historical basis, high yield has typically outperformed other fixed income assets and equities in periods of rising inflation, and therefore is a useful diversification tool within fixed income or multi-asset portfolios.

Despite global high yield valuations being less attractive given the tightening in spreads experienced in December, attractive single-name opportunities remain and the significant issuance expected this year should provide other alpha generating opportunities in our view.

We remain constructive on the fundamental and technical backdrop, which ultimately drives our favourable view of high yield. Default expectations for 2022 are historically very low and recovery rates are high, while credit quality is improving and growth remains positive. The technical tailwind in high yield persists, with the hunt for yield prevalent, and the existence of high volumes of negative-yielding assets and global central bank policy being well-communicated. Overall, we continue to believe the supportive technical and fundamental landscape will drive a further small tightening in high yield credit spreads in the near term.

Source: Janus Henderson Investors, as at 31 December 2021

Janus Henderson Horizon Global High Yield Bond Fund

Fund information

Index	ICE BofA Global High Yield Constrained Index (100% Hedged)
Morningstar sector	Europe OE Global High Yield Bond
Objective	The Fund aims to provide an income with the potential for capital growth over the long term.
Performance target	To outperform the ICE BofA Global High Yield Constrained Index (100% Hedged) by 1.75% per annum, before the deduction of charges, over any 5 year period.

Performance in (USD)

Performance %	H2 (Net)	Index	Sector	Quartile ranking	H2 (Gross)	Target (Gross)
1 month	1.5	1.4	1.6	2nd	-	-
YTD	0.8	3.0	2.4	4th	-	-
1 year	0.8	3.0	2.4	4th	-	-
3 years (annualised)	8.3	7.9	6.6	1st	-	-
5 years (annualised)	6.2	5.9	4.8	1st	7.2	7.7
10 years (annualised)	-	-	-	-	-	-
Since inception 19 Nov 2013 (annualised)	6.4	5.7	3.6	-	7.5	7.6

Source: at 31 Dec 2021. © 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.

Discrete year performance %	H2 (Net)	Index	Sector	H2 (Gross)	Target (Gross)
31 Dec 2020 to 31 Dec 2021	0.8	3.0	2.4	1.6	4.8
31 Dec 2019 to 31 Dec 2020	6.6	6.5	5.3	7.4	8.3
31 Dec 2018 to 31 Dec 2019	18.3	14.5	12.4	19.5	16.5
31 Dec 2017 to 31 Dec 2018	-1.8	-1.9	-3.7	-1.0	-0.2
31 Dec 2016 to 31 Dec 2017	8.5	8.0	8.1	9.7	9.9

Source: at 31 Dec 2021. © 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.

Source for target returns (where applicable) – Janus Henderson. Where quartiles are shown, 1st quartile means the share class is ranked in the top 25% of share classes in its sector.

Please note the performance target is to be achieved over a specific annualised time period. Refer to the performance target wording within the objective.

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 is not a guide to future performance. 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.

Janus Henderson Horizon Global High Yield Bond Fund

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.francoophone@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

Janus Henderson Horizon Global High Yield Bond Fund

Important information

The investments underlying this financial product (referred to as the Fund) do not take into account the EU criteria for environmentally sustainable economic activities. While the analysis of ESG factors is an integral component across the Investment Manager's investment capabilities, the Investment Manager does not maximise portfolio alignment with sustainability risks as a separate goal in its own right nor does it precisely attribute the impact of ESG factors on returns for the Fund. The Investment Manager does not consider the adverse impacts of investment decisions on sustainability factors as set out under SFDR with respect to the Fund because it is not classified under either Article 9 or Article 8 of Regulation (EU) 2019/2088.

This document is intended solely for the use of professionals and is not for general public distribution. This is a marketing communication. Please refer to the prospectus of the UCITS and to the KIID before making any final investment decisions. Any investment application will be made solely on the basis of the information contained in the Fund's prospectus (including all relevant covering documents), which will contain investment restrictions. This document is intended as a summary only and potential investors must read the Fund's prospectus and key investor information document before investing. A copy of the Fund's prospectus and key investor information document can be obtained from Henderson Global Investors Limited in its capacity as Investment Manager and Distributor. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes. Past performance does not predict future returns. The performance data does not take into account the commissions and costs incurred on the issue and redemption of units. 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 change if those circumstances or the law change. If you invest through a third party provider you are advised to consult them directly as charges, performance and terms and conditions may differ materially. The securities included in this document are not registered in the Foreign Securities Registry of the Superintendencia de Valores y Seguros for public offering and, therefore, the use of this document is only for general information purposes. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment. It does not form part of any contract for the sale or purchase of any investment. The Fund is a recognised collective investment scheme for the purpose of promotion into the United Kingdom. Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Fund and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

The Janus Henderson Horizon Fund (the "Fund") is a Luxembourg SICAV incorporated on 30 May 1985, managed by Henderson Management S.A. Issued by Janus Henderson Investors. Janus Henderson Investors is the name under which investment products and services are provided by Janus Capital International Limited (reg. no. 3594615), Henderson Global Investors Limited (reg. no. 906355), Henderson Investment Funds Limited (reg. no. 2678531), Henderson Equity Partners Limited (reg. no. 2606646), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Henderson Management S.A. (reg. no. B22848 at 2 Rue de Bitbourg, L-1273, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier).

Copies of the Fund's prospectus, Key Investor Information Document, articles of incorporation, annual and semi-annual reports are available in English and other local languages as required from www.janushenderson.com. These documents can also be obtained free of cost from the local offices of Janus Henderson Investors: 201 Bishopsgate, London, EC2M 3AE for UK, Swedish and Scandinavian investors; Via Dante 14, 20121 Milan, Italy, for Italian investors and Roemer Visscherstraat 43-45, 1054 EW Amsterdam, the Netherlands. for Dutch investors; and the Fund's: Austrian Paying Agent Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Vienna; French Paying Agent BNP Paribas Securities Services, 3, rue d'Antin, F-75002 Paris; German Information Agent Marcard, Stein & Co, Ballindamm 36, 20095 Hamburg; Belgian Financial Service Provider CACEIS Belgium S.A., Avenue du Port 86 C b320, B-1000 Brussels; Spanish Representative Allfunds Bank S.A. Estafeta, 6 Complejo Plaza de la Fuente, La Moraleja, Alcobendas 28109 Madrid (Registered in Spain under CNMV 353. The Custodian in Spain is BNP PARIBAS SECURITIES SERVICES S.C.A.); Singapore: Singapore Representative Janus Henderson Investors (Singapore) Limited, 138 Market Street, #34-03/04 CapitaGreen, Singapore 048946; or Swiss Representative BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich who are also the Swiss Paying Agent. RBC Investor Services Trust Hong Kong Limited, a subsidiary of the joint venture UK holding company RBC Investor Services Limited, 51/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, Tel: +852 2978 5656 is the Fund's Representative in Hong Kong. The summary of Investors Rights is available in English from <https://www.janushenderson.com/summary-of-investors-rights-english>. Henderson Management SA may decide to terminate the marketing arrangements of this Collective Investment Scheme in accordance with the appropriate regulation.

[Janus Henderson, Janus, Henderson, Intech, VelocityShares, Knowledge Shared, Knowledge. Shared and Knowledge Labs] are trademarks of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc.

D10003