

FUND IN FOCUS

Janus Henderson Tactical Income Fund



For financial services professionals only.

This is a summary of some of the key features of the Janus Henderson Tactical Income Fund (unlisted class of units) and the Janus Henderson Tactical Income Active ETF (Managed Fund). Prospective investors should read the PDS which is available at www.janushenderson.com/australia. Past performance is not a reliable indicator of future performance.

Knowing when and what proportion of the defensive part of your portfolio to allocate to cash, floating rate credit, fixed interest, higher yielding securities (or a combination) is not a simple process.

The Janus Henderson Tactical Income Fund provides an integrated fixed interest solution to assist you with overcoming this challenge.

True-to-label defensive strategy

The Janus Henderson Tactical Income Fund was initially established in mid-2009 in the aftermath of the Global Financial Crisis ("GFC"). At the time there was a reluctance to invest in more traditional fixed income funds managed against longer duration benchmarks, with investors fearful of getting caught in longer duration strategies at the low point of the interest rate cycle.

We believed that a fund that was a true-to-label defensive strategy, but offered a more flexible approach to managing interest rate risk and the ability to seek to protect investors' capital during periods of rising interest rates, would be appealing to investors.

In 2020, during a period of extreme market volatility amid the global COVID-19 pandemic, an active exchange traded fund (ETF) option was launched in response to investors seeking greater choice and flexibility in how they access investment solutions.

Benefits of the Fund

The Fund is designed to meet the needs of investors who seek:

- an integrated solution to defensive asset allocation;
- a defensive portfolio with a focus on capital preservation; and
- performance in challenging market conditions.

The Fund enables investors to diversify their fixed interest exposure with the ease of investing in only one product.

Designed to make tactical decisions between cash, longer duration fixed interest and non-government debt, as well as higher yielding securities, the Fund will allocate holdings based on the Australian Fixed Interest Team's ("Team") outlook of the interest rate and credit cycles.

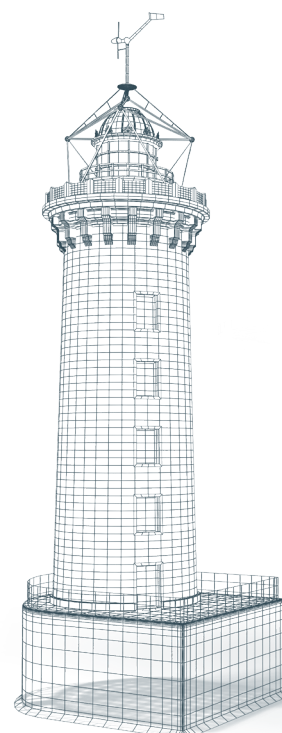
The Fund, on a look through basis, is typically diversified across more than 500 securities to mitigate the impact of defaults and focuses on quality, with at least 90% of the investments rated as investment grade.

The Fund seeks to manage the following key investment decisions:

- **Interest rate risk** - when should an investor hold longer dated fixed rate assets (e.g. government bonds) or hold shorter dated floating rate assets (e.g. bills)?
- **Sector allocation** - what is the right proportion of government guaranteed assets and when is the reward in non-government securities enough to adequately compensate the investor for the additional risk?
- **Security selection** - which non-government issuers are stable or improving in credit quality? From these issuers, which securities offer an appropriate return for the underlying risk?

The Janus Henderson Tactical Income Fund is available via an unlisted managed fund and a listed active ETF.

Throughout this brochure, the "Fund" refers to both the listed and unlisted products unless otherwise specified.



The Team manages assets across the full spectrum of the Australian fixed interest universe. This ranges from cash portfolios to long duration bond portfolios and covers a wide range of issuers extending from governments to corporations and asset backed securities.

With an average of 19 years of industry experience, the Team manages in excess of \$14bn¹ on behalf of a wide range of institutional and retail clients.



Jay Sivapalan

Responsibility	Title
	Head of Australian Fixed Interest
Responsibility	<ul style="list-style-type: none"> • Interest rate and sector strategy • Portfolio management



Frank Uhlenbruch

Responsibility	Title
	Investment Strategist
Responsibility	<ul style="list-style-type: none"> • Macroeconomics • Interest rate strategy



Shan Kwee

Responsibility	Title
	Portfolio Manager – Credit
Responsibility	<ul style="list-style-type: none"> • Credit strategy • Portfolio management



Liz Harrison

Responsibility	Title
	Fixed Interest Analyst & ESG
Responsibility	<ul style="list-style-type: none"> • Portfolio analysis • ESG integration



Dinesh Kuhadas

Responsibility	Title
	Credit Analyst
Responsibility	<ul style="list-style-type: none"> • Credit analysis, relative value • Private debt



Taf Mugwagwa

Responsibility	Title
	Associate Portfolio Manager
Responsibility	<ul style="list-style-type: none"> • Portfolio construction • Securitisation analysis



Dimitri Diamand

Responsibility	Title
	Dealer and Fixed Interest Analyst
Responsibility	<ul style="list-style-type: none"> • Dealer & Portfolio analysis

Our competitive advantage

With a proven track record of superior risk-adjusted returns through various market cycles, the Team's investment approach incorporates:

- **Active management** - we believe that markets are inefficient and can from time to time deviate from 'fair value'. This can occur for a variety of reasons including market participants placing an undue emphasis on short term influences when pricing long term assets. We aim to exploit these mis-pricing opportunities through active management;
- **A strategic view** - we believe markets can be irrational in the short term. However, by focusing our research efforts on the medium term, we can identify under or over valuation of interest rates, and undervalued sectors and securities;
- **Diversified strategies** - we prefer to employ multiple investment strategies in portfolios to enable us to diversify risk; and
- **Capital preservation** - we understand the role fixed interest plays in portfolios, so we focus on identifying stable or improving credit quality issuers, before any consideration of price.

¹ As at 30 June 2020

A closer look

The Fund invests across a range of fixed interest and higher yielding securities. In most circumstances, exposure will be gained by investing into four underlying funds managed by the Team, although the Fund may also have direct exposure to securities.

Australian Fixed Interest

Exposure to Australian fixed interest will generally be gained by investing in the **Janus Henderson Australian Fixed Interest Fund**. From time to time the Fund may also hold some or all of this exposure via derivatives. This fund invests across a range of longer dated fixed interest securities including government and semi-government bonds, corporate and asset backed securities. All investments must be of investment grade quality at the time of purchase. Investing in this fund allows access to longer maturity fixed rate assets across government and corporate issuers.

Floating rate high grade fixed interest

Exposure to this asset class will generally be gained by investing in the **Janus Henderson Conservative Fixed Interest Fund**. This fund invests in a diversified mix of high quality corporate floating rate notes, asset backed and short term liquid securities.

Cash

Exposure to cash will generally be gained by investing in the **Janus Henderson Cash Fund**, a low risk investment that seeks to generate modest excess returns relative to the Bloomberg AusBond Bank Bill Index, with minimal volatility. This fund is a portfolio of quality money market securities, such as, bank bills, negotiable certificates of deposit and other cash securities. The average credit quality is AAA and it has limited interest rate risk.

Higher yielding securities

Exposure to this sector will be made by investing in the **Janus Henderson Diversified Credit Fund** up to a maximum of 20% due to the risk profile of the underlying assets. This fund is a diversified portfolio of Australian and global higher yielding securities, which can be listed or unlisted and form any part of a company's capital structure from senior, secured debt through to preferred equity. Securities can be either floating rate or fixed rate. Due to the lower ranking of these securities, the interest rate payable by the issuer is typically in excess of that paid on higher categories of debt. Like all non-government issuers, all securities selected for the Fund will need to pass through our credit process.

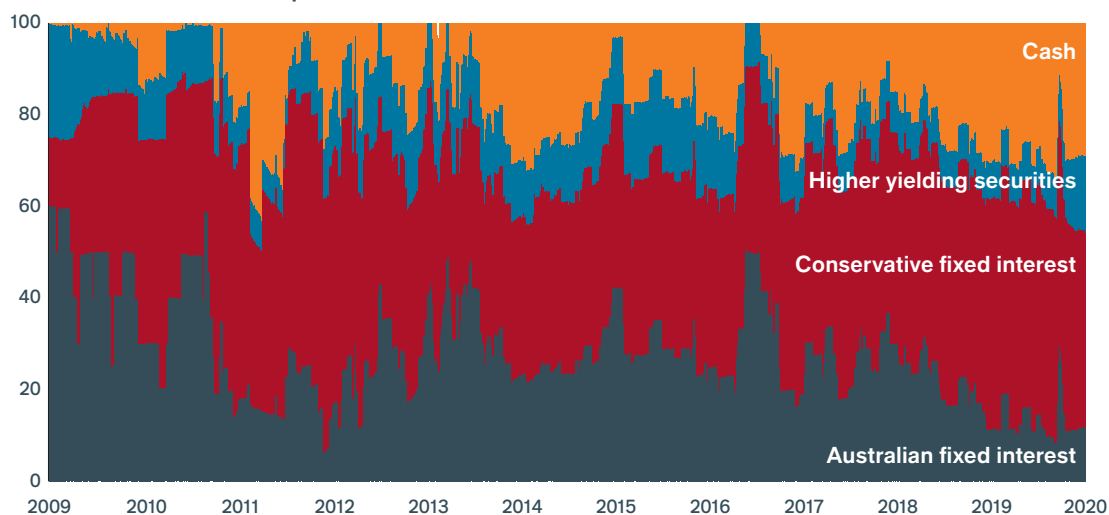
Asset allocation ranges



² The maximum aggregate exposure to sub investment grade securities will not exceed 10% of NAV. The maximum exposure to global high yielding securities will not exceed 10% of NAV.

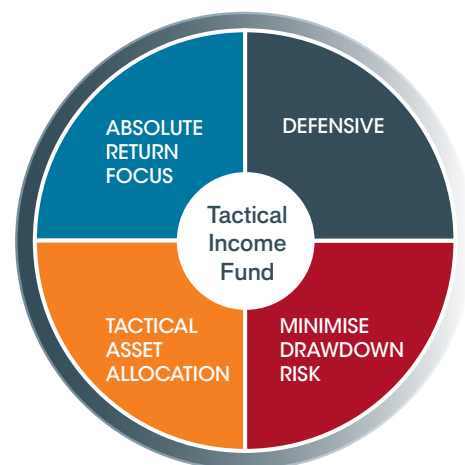
³ Prior to August 2020, the conservative fixed interest allocation was referred to as cash enhanced.

Asset allocation since inception



About the Strategy

- Aims to generate consistent positive returns.
- Flexible asset allocation.
- Aims to provide capital stability and low correlation to equities.

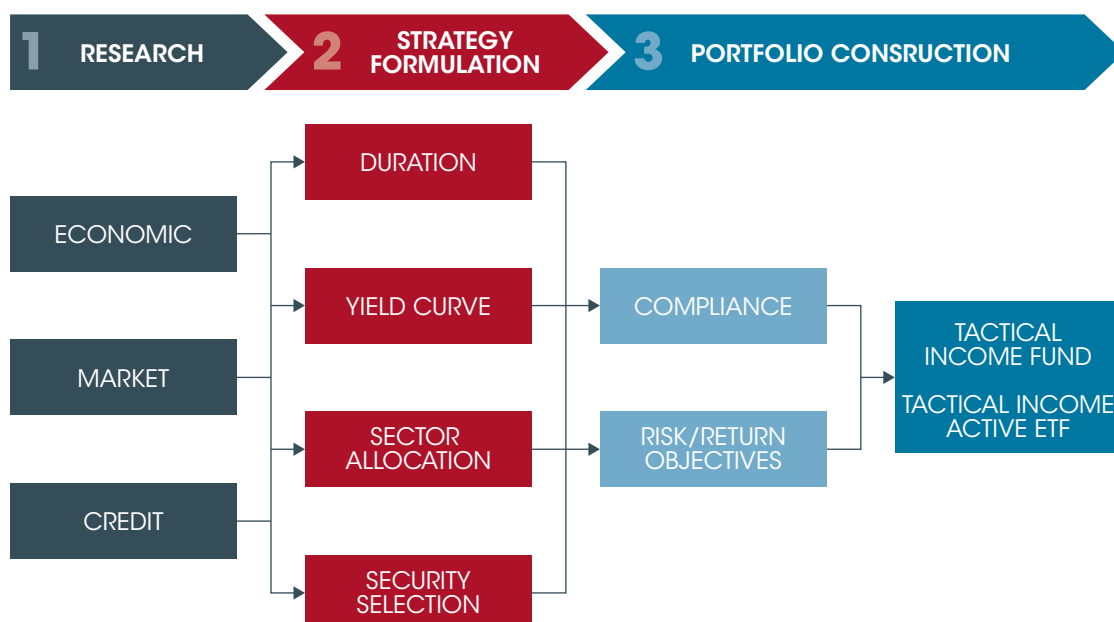


Investment strategy

The asset allocation of the Fund will be determined by the Team. The Team's decisions will be based on analysis and assessment of the outlook for domestic and global economies, the outlook for interest rates and fundamentals of the corporate sector within the context of the credit cycle.

The asset allocation parameters provide the flexibility to meaningfully adjust the fixed interest exposure of the Fund with the aim of enhancing performance in periods of falling interest rates and, conversely, to protect capital from the adverse impact of rising interest rates. The overall level of credit risk within the Fund will be actively adjusted to reflect the Team's assessment of fundamentals and valuations within the corporate debt market.

Investment process



Janus Henderson Tactical Income Fund (unlisted class of units)

This fund is the unlisted class of units in the registered managed investment scheme, the Janus Henderson Tactical Income Fund.

APIR code	IOF0145AU
Performance inception date	30 June 2009
ASX mFund	JHI02
Benchmark	Bloomberg AusBond Bank Bill Index and Bloomberg AusBond Composite 0+ Yr Index (equally weighted)
Risk profile	Low - Medium
Suggested investment time horizon	3 years
Investment management fee	0.45% p.a.
Indirect costs	0.00% p.a.
Buy / Sell spread	0.00% / 0.04%*
Income distribution	Quarterly (if any)
Unit pricing frequency	Daily
Minimum initial investment amount	\$25,000
Minimum additional investment amount	\$5,000

Researcher ratings
(for adviser use only)



Platform availability

- AMP North/My North
- ANZ Grow Wrap
- Asgard
- BT Panorama
- BT Wrap
- Colonial First Wrap
- Federation
- Hub 24
- IAS
- IOOF Pursuit
- Macquarie Wrap
- MLC Navigator
- Netwealth
- OneAnswer
- PowerWrap
- uXchange

*Current buy/sell spread became effective as at 25 August 2020.
For more information and most up-to-date buy/sell spread information visit www.janushenderson.com/en-au/buy-sell-spreads

For more information about the Janus Henderson Tactical Income Fund (unlisted class of units), visit <https://www.janushenderson.com/en-au/investor/product/janus-henderson-tactical-income-fund/> or contact a member of the Janus Henderson team today.

Janus Henderson Tactical Income Active ETF (Managed Fund) (CXA:TACT)

TACT is an additional unit class of the existing unlisted Janus Henderson Tactical Income Fund. TACT offers access to a diversified income solution with the ease of a single transaction, whilst delivering the transparency and flexibility of a listed product.

APIR code	HGI17649AU
ARSN	130 944 866
Exchange	Chi-X Australia (CXA)
Chi-X code	TACT
Inception date	29 July 2020
Underlying fund performance inception date	30 June 2009
Benchmark	Bloomberg AusBond Bank Bill Index and Bloomberg AusBond Composite 0+ Yr Index (equally weighted)
Risk profile	Low - Medium
Suggested investment time horizon	3 years
Investment management fee	0.45% p.a.
Indirect costs	0.00% p.a.
Primary market Buy / Sell spread	0.00% / 0.04%*
Income distribution	Quarterly (if any)
Unit pricing frequency	Daily

Researcher ratings
(for adviser use only)



*Current buy/sell spread became effective as at 25 August 2020.
For more information and most up-to-date buy/sell spread information
visit www.janushenderson.com/en-au/buy-sell-spreads

How to invest in the Janus Henderson Tactical Income Active ETF (Managed Fund) (CXA:TACT)

TACT can be bought and sold via a broker in the same way you buy or sell a share. There are two main ways you can invest.

- Via a broker or licenced financial adviser
- Directly via your online trading account

For more information about the Janus Henderson Tactical Income Active ETF (Managed Fund), visit janushenderson.com/TACT or contact a member of the Janus Henderson team today.

Important information

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Janus Henderson Tactical Income Fund (unlisted class of units)

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Janus Henderson Tactical Income Active ETF (Managed Fund) (CXA:TACT)

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