

UK EQUITY INCOME – CLEARER SKIES AHEAD

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INTRODUCTION

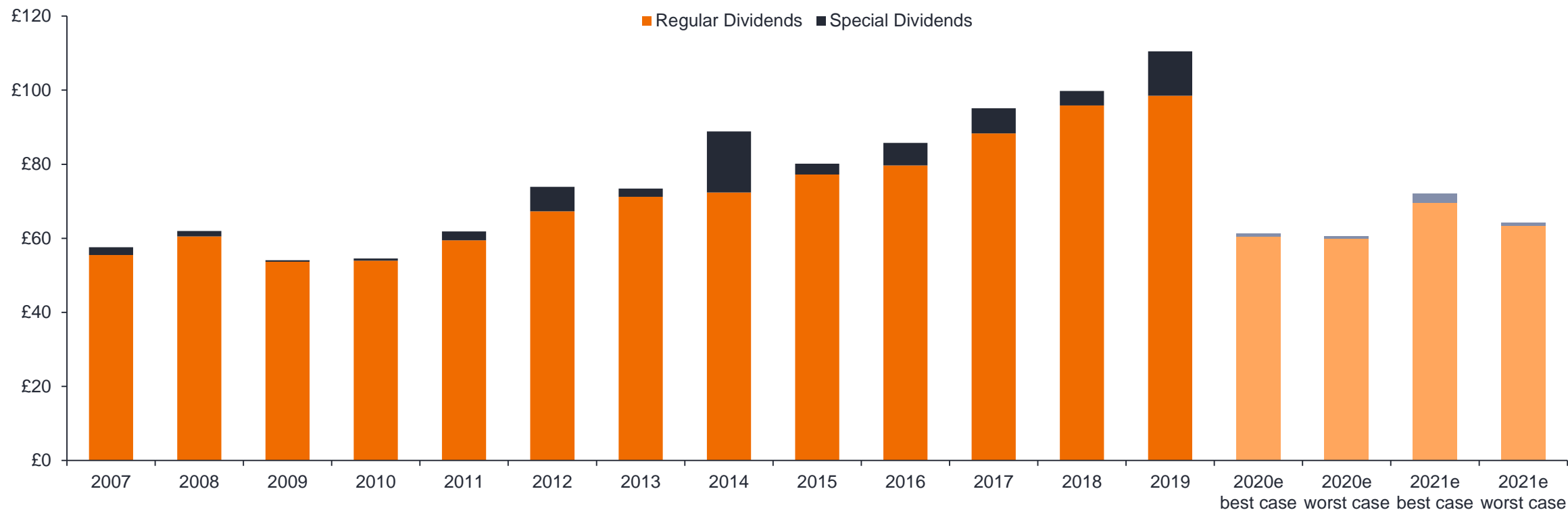
- Difficult year for income but outlook better
- Market valuation attractive with less uncertainty
- Focus on a more sustainable recovery

UK INCOME BACKDROP

A difficult 2020 but outlook better

UK dividends (full year basis)

£ Billions



Source: Link Q3 2020 dividend monitor. e = estimate.

UK INCOME BACKDROP

A difficult 2020 but outlook better

DRIVER OF DIVIDEND CUT

Balance Sheet Stress



OUTLOOK

Stabilised, Helped by Central Banks ▲

Pay-out Ratio



Largely Rebased ▲

Covid Impact / Uncertainty



Generally Understood by Sector,
Duration Hard to Call ▲

Political Concerns



Improved ▲

Regulation

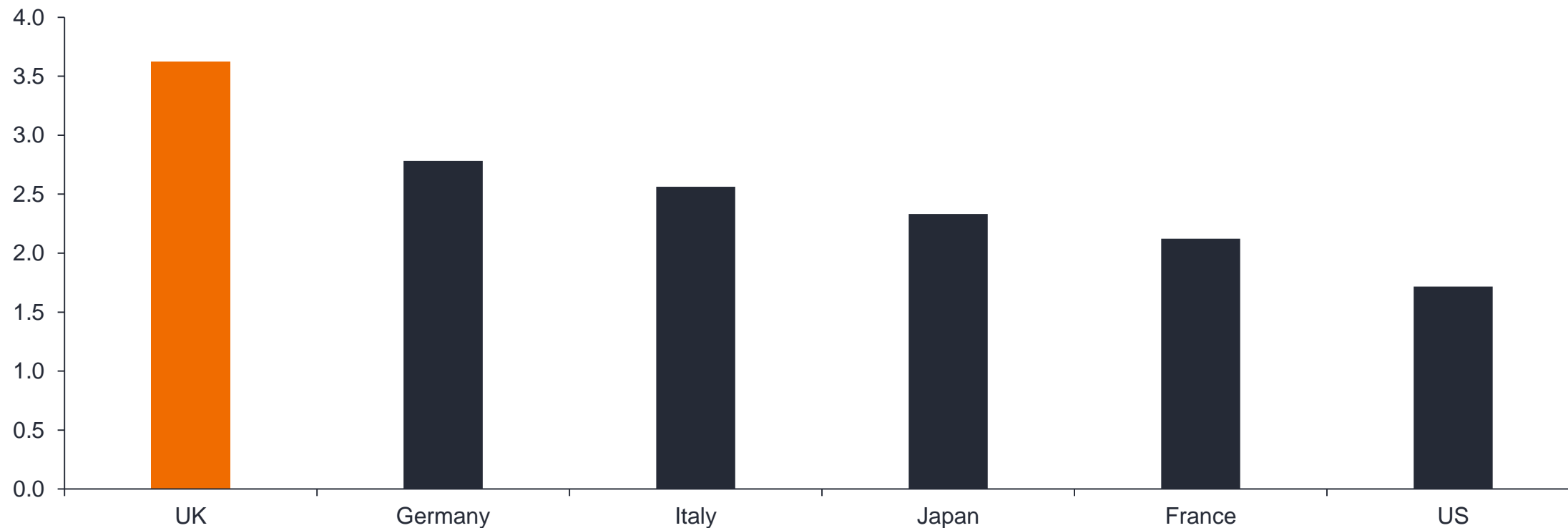


Improving for Financials ▲

UK INCOME OUTLOOK

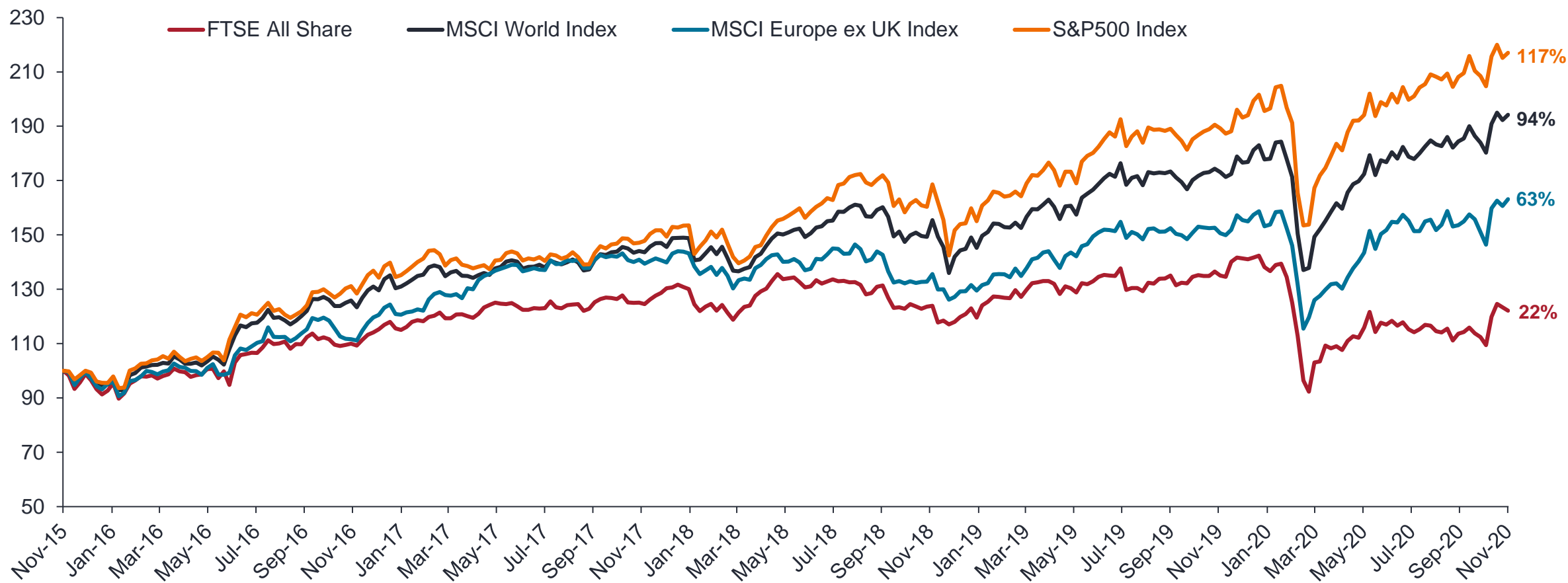
Despite the rebasing, the UK continues to look attractive for income

2021e Dividend Yield (%)



Source: Lazarus Economics as at 8th December 2020. e = estimate.

THE UK HAS UNDERPERFORMED



Source: Datastream, as at 31 October 2020. Total return, GBP, rebased to 100 as at 31 October 2015

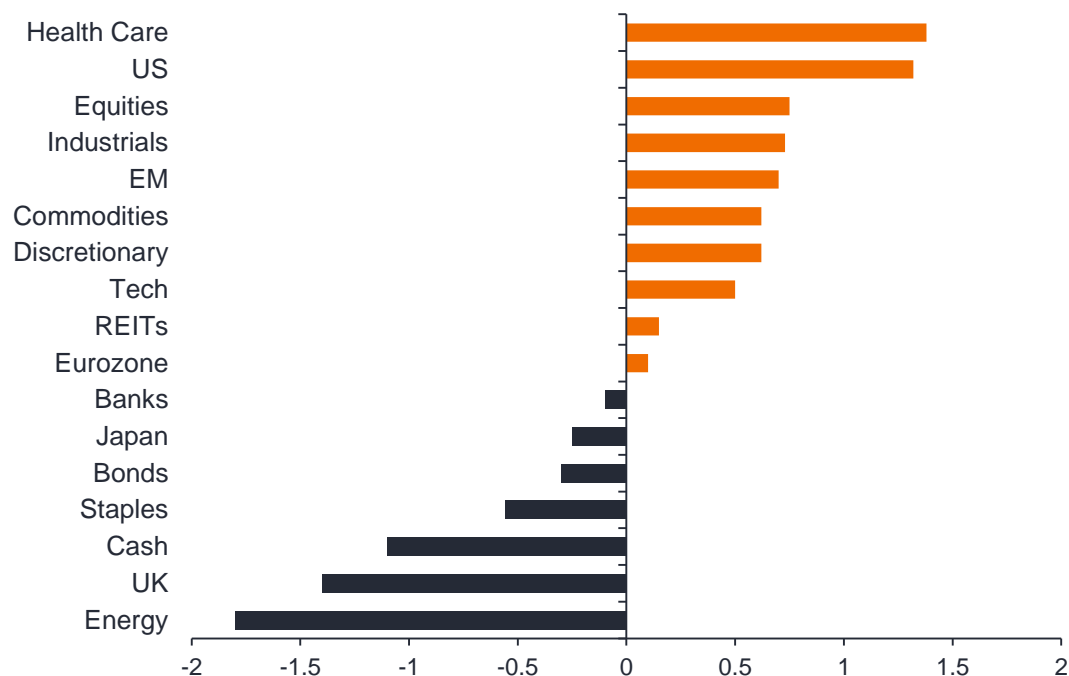
Note: For illustrative purposes and not indicative of any actual investment

Past performance is not a guide to future performance.

SENTIMENT TOWARDS THE UK REMAINS POOR

The UK Remains a Large 'Underweight' Position

November 2020 Global FMS, Positioning vs. history (z-score)



The UK looks lowly valued relative to other global equity markets



Source: BoA, as at 17 November 2020

Source: Credit Suisse, Datastream, as at 9 December 2020

2021 – LESS UNCERTAINTY



A GREEN INDUSTRIAL REVOLUTION

UK Government's 10 point plan



Point 1
Advancing Offshore Wind



Point 2
Driving the Growth of Low Carbon Hydrogen



Point 3
Delivering New and Advanced Nuclear Power



Point 4
Accelerating the Shift to Zero Emission Vehicles



Point 5
Green Public Transport, Cycling and Walking



Point 6
Jet Zero and Green Ships



Point 7
Greener Buildings



Point 8
Investing in Carbon Capture, Usage and Storage



Point 9
Protecting Our Natural Environment



Point 10
Green Finance and Innovation

A GREEN INDUSTRIAL REVOLUTION

UK Government's 10 point plan



sse

UK AIMS TO QUADRUPLE
OFFSHORE WIND POWER BY 2030

 **Point 1**
Advancing Offshore Wind




United Utilities

**SEVERN
TRENT**

PROTECTION OF NATURAL
ENVIRONMENT

 **Point 9**
Protecting Our Natural Environment



nationalgrid

TRANSFORMATION OF
NATIONAL INFRASTRUCTURE

 **Point 4**
Accelerating the Shift to Zero



“ UK can be Saudi Arabia
of wind power ”

Boris Johnson
Prime Minister



CONCLUSION

- Difficult year for income but outlook better
- Market valuation attractive with less uncertainty
- Focus on a more sustainable recovery

Note: There is no assurance the stated objectives will be met.

APPENDIX

BIOGRAPHY



Andrew Jones

Portfolio Manager, Global Equity Income

Andrew Jones is a Portfolio Manager on the Global Equity Income team at Janus Henderson Investors with responsibility for a range of equity income mandates. Prior to joining Henderson in 2005 as a portfolio manager on the UK Equities Team, Mr. Jones worked as a fund manager at Invesco Perpetual, where he started his career in 1995.

Mr. Jones graduated with a BA degree (Hons) in economics from Queens' College, Cambridge University. He holds the Securities Institute Diploma and has 26 years of financial industry experience.

Source: Janus Henderson Investors, as at 31 December 2020

UK RESPONSIBLE INCOME FUND

| Discrete Performance (%) | Fund I Inc GBP (Net) | Index | Peer Group Benchmark |
|---------------------------|----------------------|--------|----------------------|
| 30 Sep 2019 – 30 Sep 2020 | -12.73 | -16.59 | -17.41 |
| 30 Sep 2018 – 30 Sep 2019 | 8.40 | 2.68 | -0.14 |
| 30 Sep 2017 – 30 Sep 2018 | 2.22 | 5.87 | 3.47 |
| 30 Sep 2016 – 30 Sep 2017 | 9.97 | 11.94 | 10.84 |
| 30 Sep 2015 – 30 Sep 2016 | 10.05 | 16.82 | 11.25 |

Index

FTSE All Share Index

Index usage: Comparator

The FTSE All Share Index is a measure of the combined performance of a large number of the companies listed on the London Stock Exchange and includes large, medium and smaller companies. It provides a useful comparison against which the Fund's performance can be assessed over time.

Peer group benchmark

IA Global Equity

Peer group benchmark usage: Comparator

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) can be a useful performance comparison against other funds with similar aims.

Source: Janus Henderson Investors, as at 30 September 2020

Note: Performance shown for I Inc share class in GBP.

Past performance is not a guide to future performance.

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