JANUS HENDERSON HORIZON FUND - ASIAN DIVIDEND INCOME FUND

A2 USD ISIN LU0264606111

At a glance

Performance
The Fund returned 2.19%, the Index returned 2.09% and the Sector returned 2.16%.

Contributors/detractors
Not owning China Construction Bank was the key contributor given its underperformance. Being underweight in Hon Hai was the key relative detractor, despite a 44% share price rise over March.

Outlook
We are observing significant opportunities to invest in quality companies which are growing their earnings and increasing their dividends across many of our markets.

Portfolio management

Mike Kerley

Sat Duhra

Investment environment

- Asian equities performed positively over March, supported by the technology sector as the artificial intelligence (AI) theme continued to act as a boost to the share prices of many firms.
- It was no surprise that Taiwan was the best-performing market, given its large technology constituent which performed particularly well.
- Hong Kong equities were a laggard as a number of weak corporate results dragged the index lower. However, there was some evidence of stabilisation in economic data in China.
- Singapore equities performed strongly as companies that pay higher dividend yields performed well in the volatile global macroeconomic environment.
- The energy sector was a beneficiary of strong oil prices and performed strongly.

Portfolio review

Taiwan Semiconductor Manufacturing (TSMC) was once again a key positive contributor. It benefited from strong operating trends in the sector and the positive impact on earnings from AI revenue being priced in following stronger-than-expected guidance (future earnings forecasts) at NVIDIA. Samsung Electronics and ASE Technology also performed well on this basis.

The impact of not owning Chinese banks was the main positive contributor. Here, China Construction Bank, a large weighting in the benchmark, underperformed due to concerns around local government indebtedness and property developer stress, which continued to increase the possibility of “national service” and greater loan losses. However, the recovery in Chinese consumption trends meant Anta Sports, a strong domestic sportswear brand in China, saw its share price rise. Samsonite, another consumer company, was also a top positive contributor given the company's plan for a dual listing to unlock more value.

Conversely, Guangdong Investment was the worst performer following a larger-than-expected dividend cut and impairments which create a weaker outlook for the company. We have since sold the position. The key detractor was the underweight position in Hon Hai. Although we own shares, having an underweight position was negative on a relative basis as they rose 44% over the month after investors pre-empted the benefits of AI on the company's future revenues.

In terms of activity, we continued to sell the positions in the telecommunications sector on the basis that dividends have not been growing and the operating environment lacks meaningful potential in our view. Here, we sold Spark New Zealand and Telkom Indonesia. We feel there are better opportunities in sectors such as technology and utilities, which have similar levels of dividend yield.

Manager outlook

While the economic challenges faced by China dominate the headlines, there are numerous bright spots which we expect to be positive for performance. Here, India, Indonesia, Taiwan and South Korea all provide compelling exposure to growth themes in the region. Firms in these countries are also demonstrating evidence of dividend growth with areas such as Indonesian banks, firms exposed to South Korean corporate reforms and Taiwanese technology companies providing high and growing dividends. If the recent stabilisation in Chinese macroeconomic data turns into something more positive, then this, along with the potential for interest rate cuts in the second half of 2024, could provide a further boost to our markets.

The economic growth differential between Asia and the rest of the world remains wide and valuations continue to be attractive to us. We are observing significant opportunities to invest in quality companies which are growing their earnings and increasing their dividends. The outlook for dividends in the region remains robust as positive free cash flow generation, alongside the strength of balance sheets - with record amounts of cash being held by corporates - provide a strong backdrop across a number of sectors and markets across the region.

Performance (%)

Returns	Cumulative 1 Month	Cumulative 3 Month	Cumulative YTD	Cumulative 1 Year	Annualised 3 Year	Annualised 5 Year	Annualised 10 Year
A2 USD (Net) with sales charge	-2.92	-2.24	-2.24	1.90	-4.57	-1.27	1.21
Index	2.09	2.40	2.40	13.18	3.00	4.43	5.06
Sector	2.16	2.00	2.00	6.04	-2.39	2.89	3.59
A2 USD (Net)	2.19	2.91	2.91	7.26	-2.92	-0.25	1.73

Calendar year	YTD at Q1 2024	2023	2022	2021	2020	2019
A2 USD (Net)	2.91	6.00	-12.82	-1.28	-1.57	19.13
Index	2.40	17.59	-8.92	6.64	1.35	14.60
Sector	2.00	8.02	-13.98	3.54	11.58	16.42

Performance is on a net of fees basis, with gross income reinvested. Source: at 31/03/24. © 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. 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.**

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.

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.

Performance fees may be charged before the Fund's outperformance target is reached.

Performance fees are charged separately as a way of rewarding the investment manager for superior returns or for outperforming specified targets. A Performance Fee is accrued where the NAV outperforms the relevant Hurdle NAV (subject to a High Water Mark). For further explanation of the performance fee calculation methodology please see the relevant prospectus, available at www.janushenderson.com.

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Fund details

Inception date	26 October 2006
Total net assets	$79.23m
Asset class	Equities
Domicile	Luxembourg
Structure	SICAV
Base currency	USD
Index	MSCI All Countries Asia Pacific Ex Japan High Dividend Yield Index
Morningstar sector	Asia-Pacific ex-Japan Equity Income

Investment objective

The Fund aims to provide an income in excess of the income generated by the MSCI All Countries Asia Pacific ex Japan High Dividend Yield Index over any 5 year period with the potential for capital growth over the long term. The Fund invests at least two-thirds of its assets in equities or equity-related instruments of companies of any size, in any industry, in the Asia Pacific region (excluding Japan).

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. In addition to income, this share class may distribute realised and unrealised capital gains and original capital invested. Fees, charges and expenses are also deducted from capital. Both factors may result in capital erosion and reduced potential for capital growth. Investors should also note that distributions of this nature may be treated (and taxable) as income depending on local tax legislation. 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. Emerging markets expose the Fund to higher volatility and greater risk of loss than developed markets; they are susceptible to adverse political and economic events, and may be less well regulated with less robust custody and settlement procedures. If a Fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a Fund which is more broadly diversified. 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. The Fund may incur a higher level of transaction costs as a result of investing in less actively traded or less developed markets compared to a fund that invests in more active/developed markets.

FOR MORE INFORMATION PLEASE VISIT **JANUSHENDERSON.COM**

Janus Henderson INVESTORS

Source: Janus Henderson Investors, as at 31 March 2024, unless otherwise noted.

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