# HIGH YIELD FUND

H2 USD ISIN IE00BKKNGZ56

## Investment objective

The Fund aims to provide a high income with the potential for some capital growth over the long term. Performance target: To outperform the Bloomberg U.S. Corporate High Yield Bond Index by 1.25% per annum, before the deduction of charges, over any 5 year period.

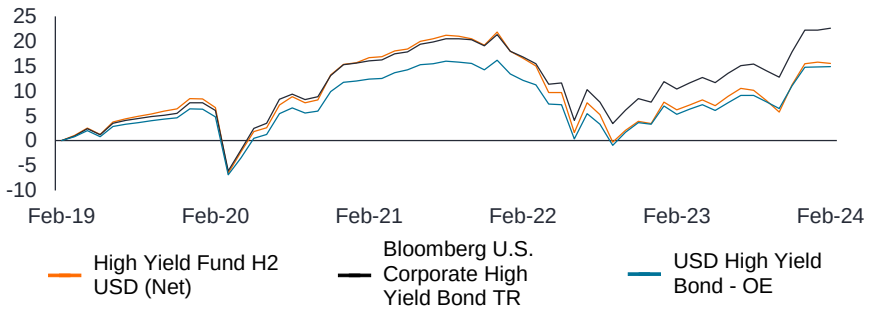
For the fund's investment policy, refer to the Additional fund information on page 3.
**Past performance does not predict future returns.**

## Performance (%)

| | Cumulative | | | | Annualised | | | |
|---|---|---|---|---|---|---|---|---|
| **Returns** | **1 Month** | **3 Month** | **YTD** | **1 Year** | **3 Year** | **5 Year** | **10 Year** | **Since inception (31/12/99)** |
| H2 USD (Net) | -0.23 | 3.88 | 0.08 | 8.80 | -0.33 | 2.93 | 3.17 | 5.46 |
| Index | 0.29 | 4.03 | 0.29 | 11.03 | 1.84 | 4.16 | 4.34 | 6.45 |
| Sector | 0.09 | 3.49 | 0.15 | 9.09 | 0.74 | 2.82 | 2.60 | 4.82 |
| H2 USD (Gross) | — | — | — | — | — | 3.61 | 3.94 | 6.35 |
| Target | — | — | — | — | — | 5.46 | 5.65 | 7.78 |

### Cumulative growth - USD

28 Feb 2019 — 29 Feb 2024




| 12 month rolling | Dec 2022-Dec 2023 | Dec 2021-Dec 2022 | Dec 2020-Dec 2021 | Dec 2019-Dec 2020 | Dec 2018-Dec 2019 |
|---|---|---|---|---|---|
| H2 USD (Net) | 11.64 | -15.12 | 5.61 | 6.38 | 14.95 |
| Index | 13.44 | -11.19 | 5.28 | 7.11 | 14.32 |
| Sector | 11.09 | -11.11 | 3.99 | 5.01 | 12.48 |

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. The H2 USD share class was launched on 25 November 2016. Performance prior to that date is past performance based on the I1m USD share class of the same fund, which has a different fee structure.

## Fund details

| | |
|---|---|
| **Inception date** | 24 December 1998 |
| **Total net assets** | 332.11m |
| **Asset class** | Fixed Income |
| **Domicile** | Ireland |
| **Structure** | Irish Investment Company |
| **Base currency** | USD |
| **Index** | Bloomberg U.S. Corporate High Yield Bond Index |
| **Morningstar sector** | USD High Yield Bond |
| **SFDR category** | Article 8 |

In accordance with the Sustainable Finance Disclosure Regulation, the Fund is classified as Article 8 and promotes, among other characteristics, environmental and/or social characteristics, and invests in companies with good governance practices.

## Share class information

| | |
|---|---|
| **Inception date** | 25 November 2016 |
| **Distribution type** | Accumulation |
| **Currency** | USD |
| **Minimum initial investment** | 2,500 |

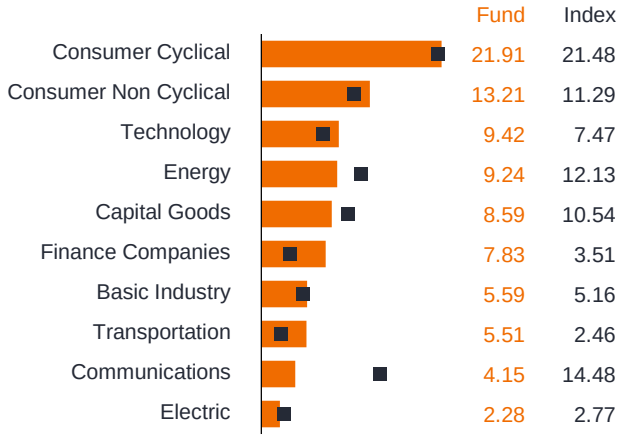
## Portfolio management

| | |
|---|---|
| **Tom Ross, CFA** | Manager since 2022 |
| **Brent Olson** | Manager since 2019 |
| **Seth Meyer, CFA** | Manager since 2015 |

## Characteristics

| | |
|---|---|
| Number of holdings | 160 |
| Weighted average maturity (years) | 5.20 |
| Duration (years) | 3.23 |
| Yield to worst (%) | 7.40 |

## Industry allocation (%)




## Credit quality of fixed income holdings (%)

| | Fund | Index |
|---|---|---|
| Baa | 1.24 | 0.25 |
| Ba | 47.17 | 47.49 |
| B | 34.76 | 38.83 |
| Caa | 9.70 | 12.20 |
| Not Rated | 2.56 | 0.01 |

Bond credit quality ratings provided by Barclays and reflect the middle rating received from Moody's, Standard & Poor's and Fitch, where all three agencies have provided a rating. If only two agencies rate a security, the lowest rating is used. If only one agency rates a security, that rating is used. Ratings are measured on a scale that ranges from Aaa (highest) to D (lowest).

## Maturity of fixed income holdings (%)

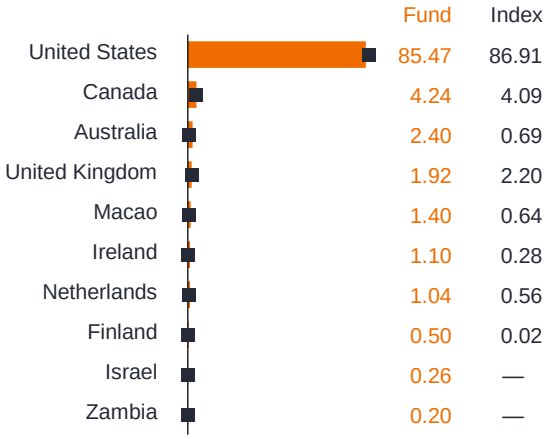
| | Fund | Index |
|---|---|---|
| 1 - 3 yrs | 16.69 | 20.96 |
| 3 - 5 yrs | 18.42 | 36.17 |
| 5 - 7 yrs | 45.22 | 30.76 |
| 7 - 10 yrs | 13.67 | 9.72 |
| 10 - 20 yrs | 1.20 | 1.47 |
| > 20 yrs | 0.23 | 0.66 |

## Top holdings (%)

| | Fund |
|---|---|
| Carnival Corp 6.00 05/01/2029 | 2.20 |
| Medline Borrower LP 5.25 10/01/2029 | 1.91 |
| Iron Mountain Inc 5.25 07/15/2030 | 1.66 |
| Seagate HDD Cayman 9.63 12/01/2032 | 1.64 |
| Cargo Aircraft Management Inc 4.75 02/01/2028 | 1.62 |
| FTAI Infra Escrow Holdings LLC 10.50 06/01/2027 | 1.58 |
| Organon & Co / Organon Foreign Debt Co-Issuer BV 5.13 04/30/2031 | 1.54 |
| Standard Industries Inc/NJ 3.38 01/15/2031 | 1.51 |
| PennyMac Financial Services Inc 5.75 09/15/2031 | 1.48 |
| TransDigm Inc 4.88 05/01/2029 | 1.31 |

References made to individual securities should not constitute or form part of any offer or solicitation to issue, securities mentioned in the report.

## Countries (%)




## Codes

| | |
|---|---|
| **ISIN** | IE00BKKNGZ56 |
| **Bloomberg** | JANHYUU |
| **Cusip** | G50116865 |
| **SEDOL** | BKKNGZ5 |
| **WKN** | A2AN3D |
| **Valoren** | 34751309 |

## Fees & charges (%)

| | |
|---|---|
| **Annual management charge (AMC)** | 0.60 |
| **Ongoing charge (OCF)** | 0.62 |

All ongoing charges stated are as per latest published report and accounts.

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.

Under some circumstances initial charges may apply. Please refer to the Prospectus for more details.

# Additional fund information

Tax assumptions and reliefs depend upon an investor's particular circumstances and may be subject to change. Please note the performance target is to be achieved over a specific annualised time period. Refer to the performance target wording within the objective. Please note: due to rounding the figures in the holdings breakdowns may not add up to 100%. This is an Irish Investment Company regulated by the Central Bank of Ireland. 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. To obtain our prospectus and any additional information please visit our website on: www.janushenderson.com. A short-term trading fee may be applied upon exiting the fund as per the prospectus. 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.

## Investment policy

The Fund invests at least 80% of its assets in US high yield, unrated or non-investment grade, (equivalent to BB+ rated or lower) corporate bonds or preference shares, issued by companies, governments, public authorities, and international organisations or any other type of issuer. At least 51% of the Funds assets will be invested in bonds. The Fund may also hold other assets including bonds of other types from any issuer, cash and money market instruments. The Sub-Investment Adviser may use derivatives (complex financial instruments) to reduce risk, to manage the Fund more efficiently, or to generate additional capital or income for the Fund. The Fund is actively managed with reference to the Bloomberg U.S. Corporate High Yield Bond Index, which is broadly representative of the bonds in which it may invest, as this forms the basis of the Fund's performance target. The Sub-Investment Adviser has discretion to choose investments for the Fund with weightings different to the index or not in the index, but at times the Fund may hold investments similar to the index.

## Investment strategy

The Sub-Investment Adviser draws on Janus Henderson's integrated fixed income and equity research function, to identify the best risk-adjusted opportunities for the Fund. The strategy has the flexibility to deviate significantly from the index on a sector basis while having a strong focus towards the US. The investment process is dynamic with allocations to different types of bonds determined by the opportunities which exist and is supported by a proprietary research and risk management system.

## Fund specific risks

When the Fund, or a share/unit class, seeks to mitigate exchange rate movements of a currency relative to the base currency (hedge), the hedging strategy itself may positively or negatively impact the value of the Fund due to differences in short-term interest rates between the currencies. 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. An issuer of a bond (or money market instrument) may become unable or unwilling to pay interest or repay capital to the Fund. If this happens or the market perceives this may happen, the value of the bond will fall. When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise (or are expected to rise). This risk is typically greater the longer the maturity of a bond investment. The Fund invests in high yield (non-investment grade) bonds and while these generally offer higher rates of interest than investment grade bonds, they are more speculative and more sensitive to adverse changes in market conditions. 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 to help achieve its investment objective. This can result in leverage (higher levels of debt), which can magnify an investment outcome. Gains or losses to the Fund may therefore be greater than the cost of the derivative. Derivatives also introduce other risks, in particular, that a derivative counterparty may not meet its contractual obligations. 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.

## Source for fund ratings/awards

Overall Morningstar Rating™ is shown for Janus Henderson share classes achieving a rating of 4 or 5.

# Glossary

**Discount**
When the market price of a security is thought to be less than its underlying value, it is said to be 'trading at a discount'. Within investment trusts, this is the amount by which the price per share of an investment trust is lower than the value of its underlying net asset value. The opposite of trading at a premium.

**Duration**
How far a fixed income security or portfolio is sensitive to a change in interest rates, measured in terms of the weighted average of all the security/portfolio's remaining cash flows (both coupons and principal). It is expressed as a number of years. The larger the figure, the more sensitive it is to a movement in interest rates. 'Going short duration' refers to reducing the average duration of a portfolio. Alternatively, 'going long duration' refers to extending a portfolio's average duration.

**Future**
A contract between two parties to buy or sell a tradable asset, such as shares, bonds, commodities or currencies, at a specified future date at a price agreed today. A future is a form of derivative.

**High yield bond**
A bond which has a lower credit rating below an investment grade bond. It is sometimes known as a sub-investment grade bond. These bonds usually carry a higher risk of the issuer defaulting on their payments, so they are typically issued with a higher coupon to compensate for the additional risk.

**Option**
A derivative instrument where one party pays/receives the total return of the underlying asset or market index, in exchange for payments typically linked to LIBOR.

**Secured loan**
A loan where the borrower has promised to give the lender certain assets if they fail to make repayments.

**Tracking error**
This measures how far a portfolio's actual performance differs from its benchmark index. The lower the number, the more closely it resembles the index.

**WAM (Weighted Average Maturity)**
The average time remaining until the maturity of assets in a portfolio.

**Yield to worst**
If a bond has special features, such as a call (ie, the issuer can call the bond back at a date specified in advance), the yield to worst is the lowest yield

the bond can achieve provided the issuer does not default.

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