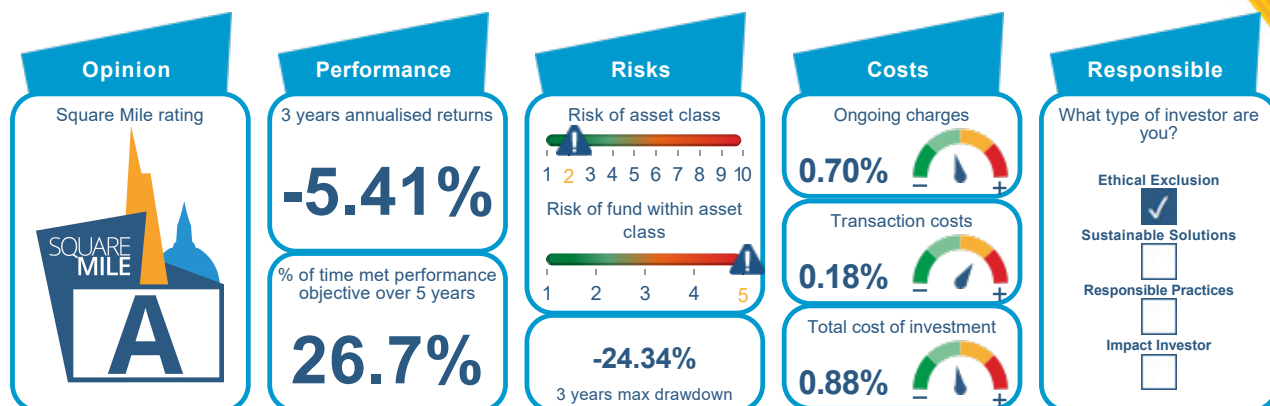


Janus Henderson Strategic Bond I Inc

September 2024



Source: Square Mile and Refinitiv, Data as at: 31st July 2024.

Overview

The aim of the fund is to generate income, along with some capital growth over a market cycle. The level of income is not explicitly targeted and may vary depending on market conditions. Capital growth is not guaranteed, and the capital value of the fund may fluctuate, particularly over short to medium time periods.

Whilst the managers look to outperform the sector, we think a core Bloomberg Global Aggregate index is a helpful, long-term, comparator for the fund, on the basis that the fund tends to have a significant exposure to interest rate risk. That said, we expect both their higher exposure to credit and the manager's active allocation across fixed income sectors to drive healthy index outperformance over time.

Square Mile's Expected Outcome

We believe outperforming the Bloomberg Global Aggregate Index (hedged to GBP) by 200 bps p.a., net of fees, over rolling 5-year periods is a reasonable expectation for this fund.

Square Mile's Opinion

While the retirement of John Pattullo, Co-Head of Global Bonds, at the end of March 2025, will be a relevant loss to the team, we believe the fund is in good hands under Jenna Barnard and Nicholas Ware. Jenna Barnard, Co-Head of the Global Bonds team, will continue to apply the long-standing investment approach. Ms Barnard has worked alongside Mr Pattullo for the last 20 years, developing the investment process with her strong asset allocation and credit selection skills. Mr Ware has significant experience in credit markets and has worked in the team for the last 12 years.

Ms Barnard and Mr Ware are very experienced investors who are adept at managing macroeconomic, market and security specific risks over a range of market conditions. The thoughtful process and flexible mandate mean that the fund should be well positioned to benefit in various economic scenarios, with the managers aiming to take advantage of wherever they see the best opportunities in bond markets. Indeed, they can invest across the fixed income universe, and will rotate through different parts of the market depending on where they see the most value.

The fund tends to have a focus on corporate bonds and is therefore likely to perform well when these markets are rising, that said the managers are not afraid to build up large duration positions, which tends to provide ballast to fund returns when wider markets struggle. In all, we believe the fund should be of interest to investors seeking a mixture of income and capital growth over a market cycle as well as the potential for a diversified return stream, but who are prepared to accept a degree of capital volatility, particularly over the shorter term.

Fund Manager's Formal Objective

The investment manager follows a flexible strategy that seeks to deliver total returns (capital appreciation and income) from investments across the entire spectrum of fixed income assets. Using careful macroeconomic research and credit analysis, the portfolio managers actively vary the allocation to different types of bonds to suit the prevailing economic environment.

Outcome: Capital Accumulation, Income	Domicile: UK
Active/Passive: Active	Benchmark: Bloomberg Global Aggregate (hedged to GBP)
Asset Class: Fixed Income	IA Sector: IA Sterling Strategic Bond
Yield: 3.59%	Fund size: £2,168 M
Fund Manager: Jenna Barnard, John Pattullo	Distribution Pay Date: February, May, August, November
Fund Price: 1.1 Pounds	Dividend Frequency: Quarterly
Currency of Share Class: GBP	Share Class Launch Date: 04/09/2000

Source: Square Mile and Refinitiv. Data as at: 31st July 2024

Asset Manager Overview

Janus Henderson was formed in 2017 following the merger of US based Janus Capital Group, which was founded in 1969, and Henderson Global Investors which was founded in the UK and has a history dating back to the 1930s. Prior to the merger, this fund was managed by Henderson Global Investors.

Fund Manager/Team Overview

In June 2024, John Pattullo, announced that he will be retiring at the end of March 2025 after more than 27 years at Janus Henderson. Nicholas Ware, who has been in the team since 2012 will become a named co-portfolio manager on 1 July 2024. Until March 2025 the fund will therefore be managed by John Pattullo, Jenna Barnard and Nicholas Ware. Ms Barnard joined the firm in 2002 as a credit analyst and was promoted to portfolio manager in 2004. Prior to this she worked as a credit analyst at Orbitex Investments. Mr Ware joined the company as Director of Loans in 2009 and became a director of strategic fixed income in 2012. Prior to this he worked as a senior portfolio analyst at credit hedge fund manager Highland Capital Management. Mr Pattullo and Ms Barnard are the Co-Heads of Global Bonds at Janus Henderson Investors and are supported by a small team, as well as the wider fixed income resources of the company.

Investment Philosophy & Process Overview

The managers believe that different fixed income assets will perform well at different stages of the economic cycle, and that taking a flexible approach to managing portfolios is therefore the key to delivering sustainable returns. It is expected that the fund will generate a significant amount of its performance from asset allocation decisions, and historically the managers have not been afraid to move the fund around to express their views, an area where we believe they have considerable skill.

The investment process considers three key factors: fundamentals, valuations and market momentum. The importance of each of these factors will vary depending on the individual market and the time horizon involved, and thus the process allows some flexibility to account for this. The fundamental analysis takes into account such elements as secular trends, the point in the economic cycle and monetary policy conditions. This fundamental view is then combined with an opinion on valuations, both in absolute and relative terms, and momentum indicators (technical and sentiment) to identify the most attractive parts of the market at any given point in time. Most of the positions in the fund will be taken with a medium- to long-term view, but the managers can also take shorter-term tactical positions if they deem it appropriate. Once the most attractive markets have been identified, the managers undertake extensive and rigorous bottom-up analysis on individual companies and bonds so as to populate the portfolio with attractive securities. The result should be a well-diversified portfolio with varied sources of risk and return.

The fund has a flexible mandate to allow it to take full advantage of the managers' asset allocation skills and can invest freely across the fixed income spectrum including government bonds, investment grade bonds and sub-investment grade bonds. In addition, it can hold up to 50% in convertible bonds, 30% in emerging market bonds, 50% in preference shares and 20% in equities (although this equity allocation is seldom used). Cash can be used as part of the asset allocation process to express both long-term and short-term views if the managers deem it appropriate. The fund will be at least 80% hedged back to sterling.

ESG Integration

Fund ESG Integration

Environmental, social and governance risks are considered within the fund's credit research process, which may raise red flags from an investment perspective. The fund also often scores well from an ESG perspective due to the investment process leading the managers and the analysts away from the cyclical sectors that often score poorly on environmental grounds (e.g. oil and gas).

In July 2022 several exclusions were formalised, where the managers avoid investing in corporate issuers with 10% or more revenues derived from the following sectors: controversial weapons, oil and gas generation and production, oil sands extraction, shale energy extraction, thermal coal extraction, power generation, arctic oil and gas extraction, tobacco, animal fur, adult entertainment and gambling. Also, the fund will avoid investing in any company that fails to comply with the UN Global Compact Principles.

Risk Summary

This fund's managers invest in fixed interest markets and are relatively active in terms of rotating through markets. Thus, it may be exposed to various different risks at times, including interest rate, credit, currency, emerging market and derivative risks, although the managers look to control these risks through active asset allocation and careful security selection. As the risks are varied, it is unlikely that they will all be pointing in the same direction at the same time, and indeed some may offset each other to some extent. Over time, the most significant risks are likely to be interest rate risk and credit risk. Interest rate positioning is used to express views, and can generate significant returns, but can also lead to volatility in the capital value of the fund at times. Credit risk will be prevalent in the corporate bond holdings of the fund and, whilst the managers carry out detailed fundamental credit research in order to avoid credit issues, such risk is likely to be present in the fund, to a greater or lesser extent, most of the time. The fund can invest in both investment grade and sub-investment grade credit. If default rates in these areas of the market increase, it is likely to have an adverse impact on the fund and, whilst any impact should be softened by the extensive credit research which the team undertakes, there is always a possibility that a bond in the fund could default on its obligations. Though, as the fund is well diversified, the impact of any individual bond defaulting should be small. Whilst risk cannot be completely eliminated from a fund such as this, and indeed should not be, as this would eliminate all sources of return, we believe that the managers take a sensible approach to managing risk in this fund, only taking it on where they believe they are rewarded to do so.

Additional Information

Annualised Return: -5.41%

Annualised Volatility: 9.19%

Max Drawdown: -24.34%

Max Gain: 7.09%

Max Loss: -12.48%

Sharpe Ratio: -

Sortino Ratio: -0.73

(3 years data to last month end unless otherwise stated)

Qualitative Risk Assessment

	Significant	Potentially Significant	Not Significant
Equity Risk			
Interest Rate Risk			
Credit Risk			
Exchange Rate Risk			
Liquidity Risk			
Emerging Markets Risk			
Derivative Risk			
Manager Risk			

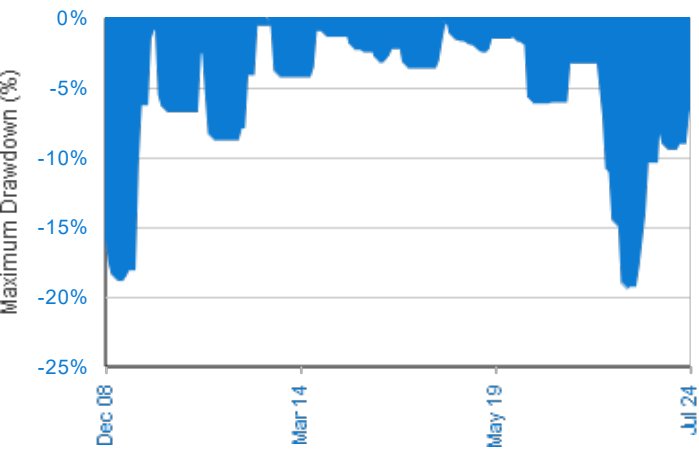
For the full summary of the risks, [click here](#)

3 Year Rolling Sector Outperformance



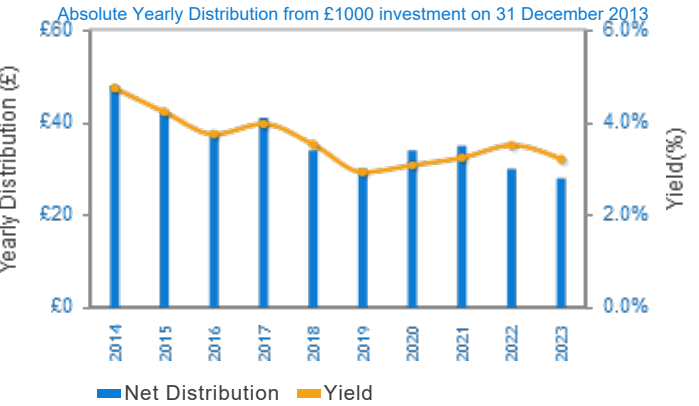
Source: Square Mile and Refinitiv, Data as at: 6th September 2024.
Share price total return.

Maximum Drawdown (Rolling 12 Months)



Source: Square Mile and Refinitiv, Data as at: 6th September 2024

Income



This graph assumes that income is distributed to shareholders and not reinvested.
Yield represents share price fluctuations.
Source: Square Mile and Refinitiv, Data as at:

Calendar Year Performance To Quarter End

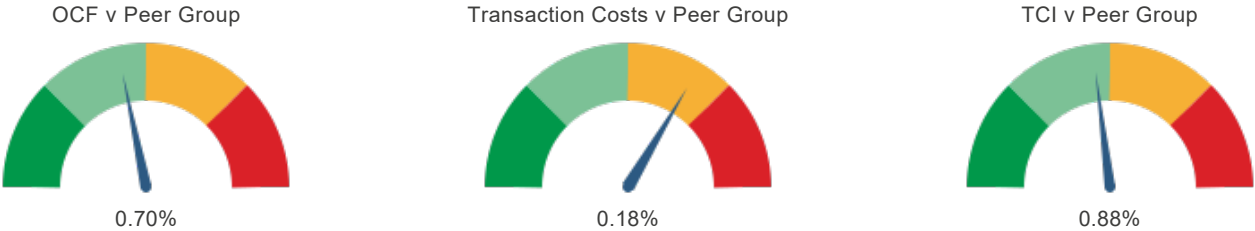
Period	Fund (%)	Sector (%)
2023	4.5	7.9
2022	-17.6	-12.0
2021	0.1	0.9
2020	10.4	6.4
2019	9.5	8.9

Source: Square Mile and Refinitiv, Data as at: 14th September 2024

Value for Money

The total cost of investment (TCI) of the clean share class of this fund is around the median of the peer group. We believe that this represents good value for money, given the level of experience and the knowledge of the managers of the fund, and the flexible mandate of the fund, which calls upon the managers to use both asset allocation skills and security analysis to generate the desired outcome for investors.

In line with MiFID II regulations, asset management firms are required to disclose all of the costs and charges related to the running and administration of their funds, which can include items outside of the OCF, such as research costs. Janus Henderson absorbs the costs associated with its research, which slightly reduces the overall fee paid by investors.



Source: Square Mile and Refinitiv, Data as at: 31st July 2024.

The Square Mile ratings are reviewed every 6 months. For full details on the methodologies, [click here](#).

For a full list of all Square Mile rated funds, [click here](#).

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