

**SHINING A LIGHT ON THE.....**  
**Janus Henderson Strategic Bond Fund**

**AT A GLANCE**

Investment Objective	
To provide a return by investing in higher yielding assets including high yield bonds, investment grade bonds, government bonds, preference shares and other bonds. The Fund may also invest in equities.	

<b>Inception Date</b>	31 <sup>st</sup> January 1995
<b>Fund Factsheet Link</b>	<a href="http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=FOGBR04DCW">http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=FOGBR04DCW</a>

Management	
<b>Manager Name</b>	<b>Start Date</b>
John Pattullo	1 <sup>st</sup> October 1999
Jenna Barnard	1 <sup>st</sup> January 2006

Top 10 Holdings		
<b>Total number of holdings</b>	193	
<b>Assets in Top 10 Holdings</b>	48.10%	
<b>Name</b>	<b>Sector</b>	<b>% of Assets</b>
Cbot Us 5yr Note Sep19 (30/08/2019)	-	13.39%
Inactive Cbot Us 10yr Note Sep19 (30/...	-	6.55%
Long Gilt Future Sept19	-	6.54%
Australia (Commonwealth of) 2.75%	-	3.96%
Canada (Government of) 2%	-	3.91%
Inactive Asx Australia 10y Bond Sep19...	-	3.03%
United States Treasury Notes 2.75%	-	2.97%
Australia (Commonwealth of) 2.25%	-	2.83%
Australia (Commonwealth of) 3.75%	-	2.57%
Euro BUND Future Sept19	-	2.34%

Volatility Measurements	
<b>3-Yr Std Dev (volatility)</b>	3.22%
<b>3-Yr Mean Return (average)</b>	3.45%

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## FUND PERFORMANCE

Performance from 1<sup>st</sup> January 2013 to 30<sup>th</sup> September 2019:

	2013	2014	2015	2016	2017	2018	2019
<b>Janus Henderson Strategic Bond Fund</b>	5.13%	7.27%	2.57%	4.63%	5.47%	-2.01%	9.54%
<b>Vanguard Global Bond Index</b>	-0.13%	7.97%	1.25%	3.51%	2.00%	-0.11%	7.67%

Performance over 12 months, 3 years, 5 years, and 10 years:

	1 year	3 years	5 years	10 years
<b>Janus Henderson Strategic Bond Fund</b>	9.90%	11.04%	24.03%	81.98%
<b>Vanguard Global Bond Index</b>	8.81%	6.61%	17.57%	46.36%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

## UPDATE....

The team have been at the helm for over 10 years and the performance is one of the strongest within the sector. The team focus on three core tenets – thematic bond investing, sensible income and pragmatic duration management. They aim to deliver a total return in any environment.

They are aware that the media and market is waging a war on bonds, but they still believe there is a place within portfolios. If investors believe we are in an environment where rates will remain lower for longer then there is a place for bonds. The move towards alternatives, they believe, is dangerous because they don't behave in the same way.

In terms of forecasting they think this is a dangerous game; in 2018 people were forecasting rates would rise. In the US rates have fallen, in the UK rates may go down and it demonstrates how forecasters are rarely right.

In terms of the fund they look at what they call sensible income. Focused on large cap, non-cyclical businesses, strong free cash flows, disciplined management teams and large equity cushion. They do not invest in emerging markets, energy or distressed debt.

Over 35% of the fund is invested into “new world” or “global titan” businesses; 21.2% of the fund is invested in the modern economy such as Amazon, Apple, Equinix, McAfee and Verizon. 38.6% of the fund is invested in names they consider global titans which includes the likes of AT&T, McDonalds, Procter & Gamble and Walmart.

In terms of asset allocation, the fund is currently 53% in investment grade, 27% in sovereign and the balance mix of other debt.

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In terms of passive vs active they are concerned with passive as this is the reverse of equities, in that you get the most indebted companies, and they think this increases the risk vs an actively managed fund.

In summary, the team believe investors shouldn't accept everything that is being printed. If an investor thinks rates will remain lower for longer then there is still a place for bonds. However, if investors think inflation will rise quickly then now is not a time to invest. The team have delivered consistent long-term performance and therefore if investors are looking for a strategic bond then this might be one to consider.

*The source of information in this note has been provided by Janus Henderson and is correct as at September 2019. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*