

Janus Henderson Absolute Return Income Fund

For professional investors only | For promotional purposes

A diversified global fixed income portfolio that seeks consistent positive ('absolute') returns through various market conditions.¹

May be suitable for investors seeking a complement to cash and/or traditional benchmark-oriented fixed income funds.

Designed to:

Deliver absolute returns: The fund aims to provide positive returns above those earned on cash-equivalent instruments. It seeks positive returns over the long term through various market environments by investing primarily in fixed income securities and derivative instruments from around the world.²

Combine capital preservation and income generation: The managers exploit the full armoury of the fund's unconstrained mandate seeking to diversify risk and avoid loss, while targeting opportunities that offer prospects for moderate capital gain or attractive income.

Manage risk: There is an emphasis on risk management and low volatility. The managers have a low tolerance for all types of risk and are particularly keen to mitigate interest rate risk, i.e. sensitivity to changes in interest rates (the fund has historically had a duration of -2 to +2 years, although it may move outside this range).

Benefiting from:

Renowned investment team: The fund is managed by experienced investment professionals from within the Global Macro Fixed Income Team, who are solely focused on managing absolute return strategies. Co-manager Daniel Siluk has been instrumental in developing the team's proprietary risk management system.

Avoidance of benchmark biases: Guided by a 6-12 month secular macro outlook that seeks to align with the investment objective horizon, the managers aim to add value across sectors and geographies. Unconstrained by benchmarks the managers can exploit overlooked and under-represented areas and materially increase exposure to defensive assets to help preserve capital.

Uncorrelated sources of return: A careful mix of traditional fixed income securities from around the world together with judicious use of derivatives creates a diversified portfolio. The appropriate level of risk to take is foremost in the managers' minds, helping to offer low volatility and low correlation to equities and conventional bond portfolios.



Change can be signalled but also arrive unexpectedly. Our absolute return approach allows us to exploit directional trends and value opportunities while a low tolerance for risk helps in our aim of preserving investors' capital."

Nick Maroutsos, Co-Fund Manager

Opportunity set:

In aggregate, bonds remain a safer, less volatile investment proposition than equities and a useful diversifier to equity risk. A shift in monetary policy direction, however, means investors can no longer take for granted that the environment for bonds will remain benign. Expectations are that accommodative monetary policy globally will gradually be removed over the coming years, either through higher interest rates and/or a dialling back of quantitative easing, which could lead to heightened volatility.

Against this backdrop, an absolute return approach to bond investing has advantages. Our approach means positions can be adjusted based on the changing attractiveness of their risk and return potential. The team's expertise in absolute return investing – blending "yield foundation" of mostly short-dated credits with more specialist strategies "structural alpha" – ensures a strong emphasis on capital preservation and a drive for seeking risk-relevant opportunities whatever the market condition.

Important information

Past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise. The creditworthiness of an issuer, market conditions, monetary policy and currency fluctuations are among the factors that can cause an investment in bonds to fall or rise.

Please read the Key Investor Information Document and Prospectus if considering investing.

¹ Absolute returns are not guaranteed. The fund aims for consistency of returns meaning they should demonstrate low levels of volatility.

² Using derivatives can involve a higher level of risk.

Key characteristics

Fund objective*	To seek positive, consistent returns above those that would be earned on cash-equivalent instruments.
Fund managers	Nick Maroutsos and Daniel Siluk
Launch date	4 May 2016
Structure	Irish Investment Company (UCITS)
Benchmark	None
Base currency	USD
Income distribution	Monthly
ISIN code	IE00BZ76W439 (A USD Accumulation) IE00BD359618 (I EUR Accumulation hedged) IE00BD0FWQ57 (I EUR Income hedged)

*Please see the prospectus for the full fund objectives.

Janus Henderson Investors for Fixed Income

- Global coverage across the full range of fixed income asset classes, including government debt, global credit, secured assets and derivative instruments
- Dedicated alpha teams focused on idea generation within each area of expertise
- Risk management embedded in each investment process
- A total of US\$80.1bn fixed income assets under management at 31 December 2017

Source: Janus Henderson Investors

Fund managers

Janus Henderson Global Macro Fixed Income Team



Nick Maroutsos
Co-Fund
Manager

Nick Maroutsos is a Portfolio Manager at Janus Henderson Investors, responsible for co-managing the Absolute Return Income strategy and Short Duration Income ETF (VNLA). Additionally, Mr. Maroutsos is a founder and managing director of Kapstream Capital. Prior to forming Kapstream in 2006, he was with PIMCO from 1999 to 2005. From 2002 to 2005, Mr. Maroutsos was vice president at PIMCO in Australia, where he worked with key clients and managed the development and launch of new strategies for the Australian market. From 2001 to 2003, he was a senior portfolio analyst on the global trading team, managing the global fixed income portfolios and firm-wide global strategies. This entailed analyzing fixed income markets, the strategic implementation of all global portfolios, and portfolio construction. Mr. Maroutsos joined PIMCO's Newport Beach, California, office in 1999. He is a sought-after expert on the global bond market and is a key speaker at industry forums and conferences. Mr. Maroutsos and his colleagues have received numerous industry accolades and recognition. Mr. Maroutsos holds a bachelor of arts degree in economics from the University of California San Diego and an MBA from the Anderson School of Management at the University of California Los Angeles. He has 19 years of financial industry experience.



Daniel Siluk
Co-Fund
Manager

Daniel Siluk is a Portfolio Manager at Janus Henderson Investors, responsible for co-managing the Absolute Return Income strategy and Short Duration Income ETF (VNLA). Mr. Siluk joined Janus when it acquired Kapstream in 2015. Prior to joining Kapstream in 2009, Mr. Siluk served as manager of Investment Analytics at Challenger, a position he held from 2007 to 2009. At Challenger, Mr. Siluk was responsible for providing attribution and risk metrics for the firm's internal funds management business, as well as their boutique partnerships, which included Kapstream. Before Challenger, Mr. Siluk spent four years in London, where he implemented and tested attribution and risk systems. Mr. Siluk's employers included Insight Investment, the funds management arm of Halifax Bank of Scotland and Northern Trust. Mr. Siluk holds a bachelor of applied finance from Macquarie University. He has 15 years of financial industry experience.

An absolute return (positive return) is not guaranteed and you may not get back the amount originally invested. Past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations. Yields may vary and are not guaranteed.

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