

16 April 2019

Dear Shareholder,

**Update of changes to the Janus Henderson Absolute Return Income Opportunities Fund, formerly named the Janus Henderson Global Unconstrained Bond Fund**

- **With effect 15 February 2019 portfolio management responsibilities were assumed by Nick Maroutsos, Portfolio Manager and Co-Head of Global Bonds at Janus Henderson Investors.**
- **The fund's objective and policy remain unchanged although the investment style will change under the leadership of Nick Maroutsos.**

**Team**

The team supporting Nick Maroutsos on the newly-named Janus Henderson Absolute Return Income Opportunities Fund is deep, with extensive knowledge and experience of investing in global fixed income. The approach under Nick Maroutsos will reflect a more involved team approach to investing, with resource spanning a variety of different asset classes within fixed income and geographies within Janus Henderson.

**Transition**

The name of the fund has been changed to the Janus Henderson Absolute Return Income Opportunities Fund, because this better reflects the naming convention of the existing strategies the team manages and is an extension of what they already do. Nick Maroutsos has built a reputation around absolute return fixed income investing, managing strategies like this for the past 11 years and it was therefore appropriate to rebrand the strategy to better reflect the team's approach.

The objective of the fund remains unchanged: it seeks to maximise total return consistent with the preservation of capital. It seeks to provide long-term positive returns through various market environments.

In managing the fund, the team look to provide an absolute return profile with moderate volatility and a focus on downside protection.

The investment process remains 'unconstrained' in that it is not tied to a specific benchmark, and has significant latitude to pursue opportunities across the fixed income spectrum, including moving between sectors, across credit risk and adjusting duration.

The portfolio is managed in two components, a core element and an 'alpha' element. The core includes assets such as government bonds, corporate bonds, and mortgage-backed

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securities which provide a source of income. Positions are typically hedged back to the base currency, although there may be occasions where small active positions in currencies are undertaken. The core component is complemented by the alpha component, which looks to take advantage of market mispricings and dislocations or to hedge out risks, often through the use of derivatives. The alpha component offers a potential source of incremental return or risk mitigation.

### **View from Nick Maroutsos**

There are five tenets that we aim to adhere to when we manage absolute return income assets: focus on capital preservation, income generation, diversification, low volatility and high levels of liquidity. Clearly, we cannot guarantee we can achieve these five things but it is the mindset that drives our style of investing. Ultimately, we want the portfolio to reflect the better characteristics of bonds, i.e. offer income with an attractive risk-adjusted return profile. This means we expect to take a conservative approach to producing returns, although we will use the alpha component to help produce incremental returns where we believe it is appropriate.

As a team, we are focused on populating the portfolio with high quality assets, helping to provide greater stability of income for the end investor. We invest globally, including potentially within emerging markets, although the primary focus is on developed markets. Investing globally aids diversification and can help lower the overall volatility of the portfolio.

If you have any questions please do not hesitate to contact your distributor or usual Janus Henderson representative.

Yours sincerely,



Jim Cielinski  
Global Head of Fixed Income  
For and on behalf of  
**Janus Henderson Investors**

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**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 and you may not get back the amount originally invested.**

**The information in this communication does not qualify as an investment recommendation.**