

CASH FUND – INSTITUTIONAL

As at September 2021

Fund objective

The Fund seeks to achieve a total return after fees that exceed the total return of the Benchmark, over rolling annual periods.

Investment approach

The Fund is an actively managed portfolio of high quality short term securities that seek to provide investors with low risk exposure to secure cash investments and returns that closely track the prevailing level of short-term interest rates. The manager seeks to add value using a combination of interest rate and yield enhancement strategies.

Benchmark

Bloomberg AusBond Bank Bill Index

Risk profile

Very Low

Suggested timeframe

1 year

Inception date

31 July 2008

Fund size

\$743.9 million

Minimum investment

\$100,000

Management cost (%)

0.10 p.a.

Buy/sell spread (%)

0.00/0.00

Distribution frequency (if any)

Monthly

ARSN code

127 731 006

APIR code

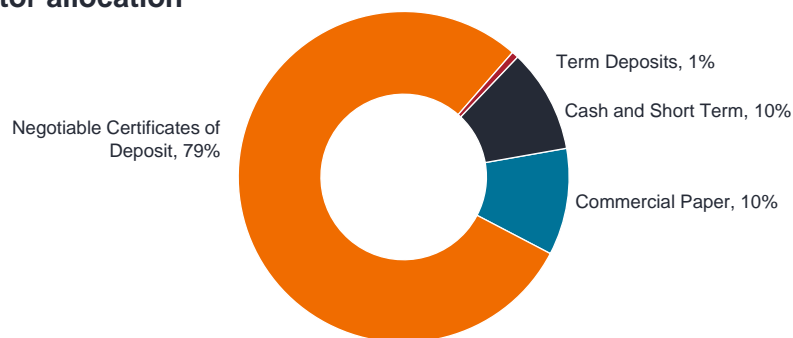
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Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (%p.a.)	5 years (%p.a.)	10 years (%p.a.)	Since inception (%p.a.)
Fund (gross)	0.01	0.03	0.05	0.14	0.97	1.41	2.34	2.99
Fund (net)	0.00	0.00	-0.01	0.00	0.81	1.23	2.14	2.78
Benchmark	0.00	0.01	0.01	0.04	0.78	1.20	2.07	2.70
Excess return*	0.00	-0.01	-0.02	-0.04	0.03	0.03	0.07	0.08

*Excess return is measured against net performance.

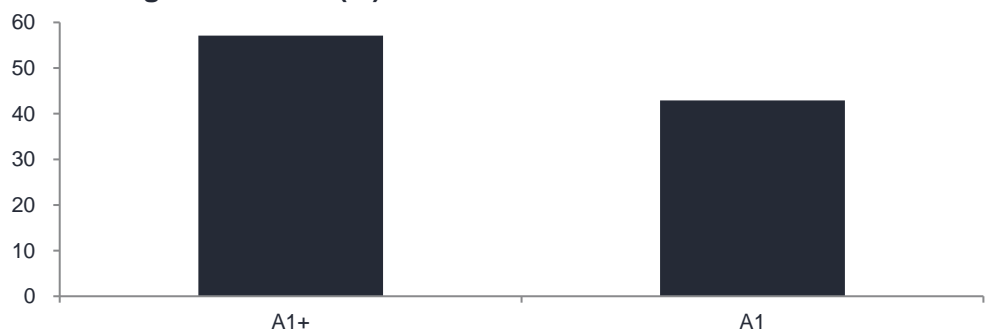
Past performance is not a reliable indicator of future performance.

Sector allocation



Rounding accounts for small +/- from 100%.

Credit rating distribution (%)



Portfolio characteristics

Estimated Weighted Average Yield to Maturity (EWAYTM) ¹	0.06
Benchmark EWAYTM	0.03
Running yield	0.06
Weighted Average Credit Quality	AAA

¹Estimated Weighted Average Yield to Maturity is a measure of the average annual yield of all securities in the Fund.

Modified duration	Years
Fund	0.12
Benchmark	0.13
Active Position	-0.01

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(continued)



**Head of Australian
Fixed Interest**
Jay Sivapalan

Fund performance

Money market yields were relatively steady to slightly higher as the Reserve Bank of Australia (RBA) reiterated its commitment to keeping funding costs low until the labour market and inflation outlook have improved. The three-month bank bill swap rate (BBSW3M) ended the month 1 basis point (bp) higher at 0.02%, and the six-month bank bill rate ended 2bps higher at 0.05%.

The Janus Henderson Cash Fund – Institutional (Fund) returned 0.01% (gross), outperforming the Bloomberg AusBond Bank Bill Index (Benchmark) which was flat for the month.

The key factors driving excess returns have been the Fund's allocation to non-major banks and commercial paper issued by high quality corporates. These have been offering attractive margins over bank bill swap rates.

Market review

- A shift to a more hawkish stance by offshore central banks, higher energy prices and disruptions to global supply chains led to heightened financial market volatility. Equity and credit markets were weaker while inflation expectations edged higher.
- Economic data painted a picture of an economy doing well pre-lockdowns followed by a sharp fall in activity looking to have troughed in August. Labour market conditions deteriorated in August with hours worked and employment down sharply.
- A lift in term premia on more persistent than expected global inflation pressures saw 10-year and 30-year government bond yields end 33.5bps and 35bps higher at 1.49% and 2.37%.
- Credit markets were cautious digesting the implications of US Federal Reserve tapering and the potential for the default of Evergrande, a major Chinese property developer.
- The Australian bond market, as measured by the Bloomberg AusBond Composite 0+ Yr Index had a notable drawdown in September returning -1.51%.

Market outlook

- The Australian economy will likely contract around 3% in the September quarter but rising vaccination rates and roadmaps out of NSW and Victorian lockdowns mean that the economy is far from out. We look for these two states to gradually reopen over the December quarter and enter into "catch up mode".
- The sharp lift in longer government bond yields has restored significant value and compensation for term risk. We still see some modest upside risk as markets continue to adjust to conventional and unconventional monetary policy normalisation by a number of key offshore central banks.
- Spread sectors are likely to remain well-supported, with corporates in particular, continuing to benefit from the tailwinds of a cyclical recovery and persistent accommodative policy settings. We remain attracted to semi-government securities in the current low yield environment, particularly those issued by NSW which is close to coming out of lockdown.

For in-depth economic analysis and the Australian Fixed Interest Team's outlook, visit go.janushenderson.com/Viewpoint-Oct21

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(continued)

Given current market expectations and RBA forward guidance, we expect money market yields to remain at current levels for the foreseeable future.

Investment strategy

The following is a summary of the key strategies in the Fund:

Interest rates:

Neutral duration – Given current market expectations and RBA forward guidance, we expect money market yields to remain at current levels for the foreseeable future. Given this, we are comfortable allowing the Fund's duration to remain in line with the Benchmark.

Sector allocation:

Non-major banks – Non-major banks pay a premium above major banks to compete for funding. The Fund has allocated a prudent proportion to this sector in order for investors to enjoy slightly higher yields.

Commercial Paper – We favour a selective allocation to high quality commercial paper as the available yield premium is relatively attractive versus other money market instruments.

Term Deposit – Availability of institutional term deposits remains relatively limited as excess liquidity in funding markets continues to limit bank appetite funding. With the ending of the Term Funding Facility offered by the RBA, we are expecting banks to return to the market for funding in coming months. When this happens, we will take advantage accordingly as we recently did with the new green term deposit.

Important information

A Product Disclosure Statement and Additional Information Guide for the Fund dated 30 September 2021 is available at www.janushenderson.com/australia.

Past performance is not a reliable indicator of future performance. Performance source: Morningstar, Janus Henderson. Performance figures are calculated using the exit price net of fees and assume distributions are reinvested. Due to rounding the figures in the holdings, breakdowns may not add up to 100%. The information in this monthly report was prepared by Janus Henderson Investors (Australia) Funds Management Limited ABN 43 164 177 244, AFS Licence 444268 and should not be considered a recommendation to purchase, sell or hold any particular security. Securities and sectors mentioned in this monthly report are presented to illustrate companies and sectors in which the Fund has invested. Holdings are subject to change daily. This monthly report contains general information only and does not take account of your individual objectives, financial situation or needs. 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. None of Janus Henderson Investors (Australia) Funds Management Limited nor any of the Janus Henderson group entities nor their respective related bodies corporate, associates, affiliates, officers, employees, agents or any other person are, to the extent permitted by law, responsible for any loss or damage suffered as a result of any reliance by any reader or prospective investor. You should consider the current PDS, available at www.janushenderson.com/australia, before making a decision about the Fund. Target Market Determinations for funds issued by Janus Henderson are available here: www.janushenderson.com/TMD. Dollar figures shown are in Australian Dollars (AUD), unless otherwise stated.