

CASH FUND – INSTITUTIONAL

As at July 2022

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

\$450.5 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

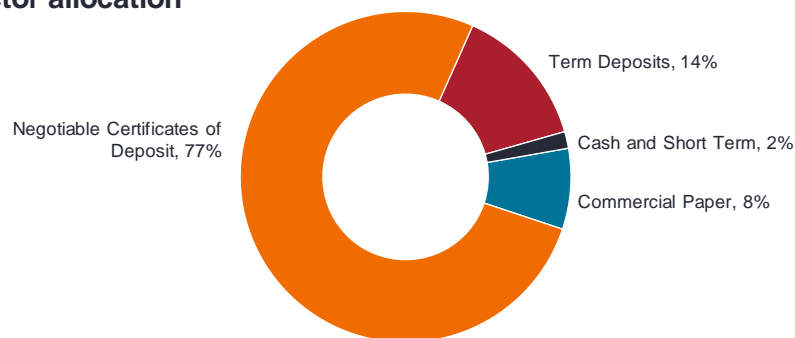
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Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (%p.a.)	5 years (%p.a.)	10 years (%p.a.)	Since inception (%p.a.)
Fund (gross)	0.18	0.23	0.15	0.22	0.42	1.10	1.96	2.83
Fund (net)	0.18	0.20	0.10	0.12	0.28	0.94	1.77	2.62
Benchmark	0.12	0.21	0.20	0.22	0.33	0.94	1.72	2.55
Excess return*	0.06	-0.01	-0.10	-0.10	-0.05	0.00	0.05	0.07

*Excess return is measured against net performance.

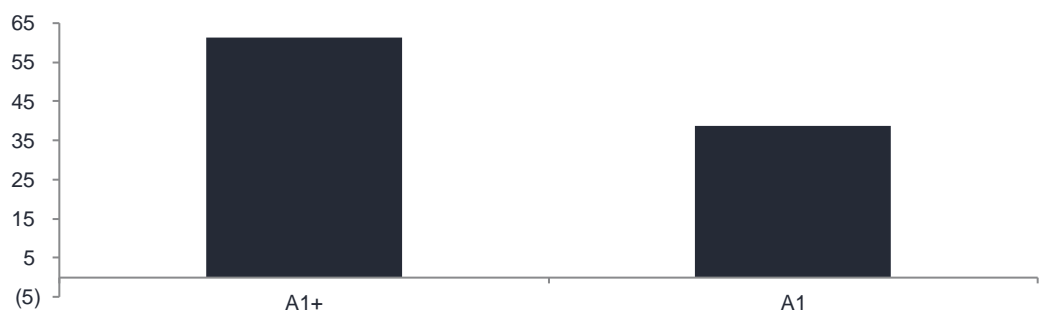
Past performance is not a reliable indicator of future performance.

Sector allocation



Rounding accounts for small +/- from 100%.

Credit rating distribution (%)



Portfolio characteristics

Estimated Weighted Average Yield to Maturity (EWAYTM) ¹	2.23
Benchmark EWAYTM	1.79
Running yield	2.24
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	0.29
Benchmark	0.12
Active Position	0.17

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**Head of Australian
Fixed Interest**
Jay Sivapalan

Fund performance

The three-month bank bill swap rate (BBSW3M) ended the month 63 basis point (bp) higher at 1.81%, and the six-month bank bill rate 74 basis point (bp) higher at 2.67%.

The Janus Henderson Cash Fund - Institutional (Fund) returned 0.18% (net) outperforming the Bloomberg AusBond Bank Bill Index (Benchmark) which returned 0.12% on the month.

Market review

Both the US Federal Reserve (Fed) and the Reserve Bank of Australia (RBA) continued with aggressive front-end loaded monetary tightening against the backdrop of stubbornly high inflation readings. Risk appetite improved as markets saw signs of moderating growth as limiting the amount of prospective monetary tightening. While volatile, both equity and credit markets ended stronger, while yields fell across the curve.

Short-term money market yields continued to rise as markets discounted further near-term tightening. The three-month bank bill yield ended the month 31.5 basis points (bps) higher at 2.12%, while six-month bank bills ended 11bps higher at 2.78%

The RBA lifted the cash rate by a consecutive 0.5% increment in early July to 1.35%. In contrast to recent months, yields fell across the curve despite mixed economic data readings. At the shorter end, the three-year government bond yield fell 46bps to end the month at 2.66%. Further out along the curve, 10- and 30-year government bond yields ended 60bps and 42bps lower at 3.06% and 3.43%.

Market outlook

Whilst the process and journey of policy normalisation, consumer demand moderating, inflation peaking and the forthcoming economic growth slowdown from tighter financial conditions has a long way to go with many more twists and turns, it does seem markets are taking a more balanced view of where cash rates may ultimately peak in this cycle.

For in-depth economic analysis and the Australian Fixed Interest Team's outlook, visit go.janushenderson.com/Viewpoint-Aug22.

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The rise in money market yields is creating opportunities for the Fund to extend its duration.

Investment strategy

Overweight duration – The rise in money market yields is creating opportunities for the Fund to extend its duration. With the volatility in yields remaining relatively high, we will continue to actively add duration when higher yields are on offer, and the spread between bank bill yields and RBA cash rate expectations is wide.

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 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. Margins on commercial paper continue to widen, creating opportunity to further enhance yield pick-up for the Fund.

Term Deposit – We are observing signs of competitive tensions emerging in institutional term deposits as margins have started to increase. We continue to seek opportunities to increase term deposit exposures as margins reset back to pre-COVID-19 levels.

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.