

# CASH FUND – INSTITUTIONAL

## As at August 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

\$485.6 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

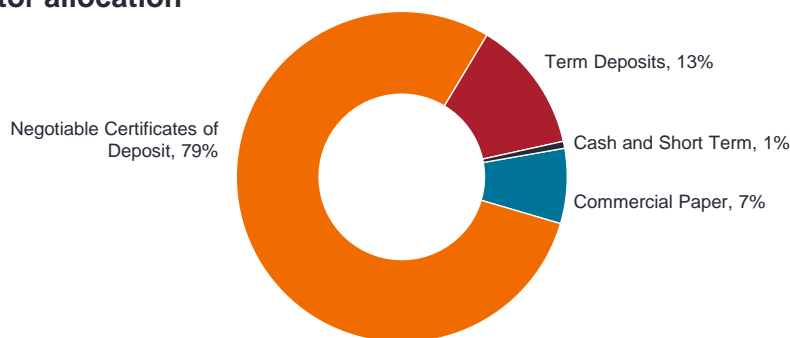
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Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (%p.a.)	5 years (%p.a.)	10 years (%p.a.)	Since inception (%p.a.)
Fund (gross)	0.17	0.35	0.31	0.38	0.44	1.11	1.94	2.82
Fund (net)	0.16	0.32	0.25	0.28	0.31	0.95	1.75	2.62
Benchmark	0.15	0.33	0.35	0.37	0.36	0.95	1.70	2.54
Excess return*	0.01	-0.01	-0.10	-0.09	-0.05	0.00	0.05	0.08

\*Excess return is measured against net performance.

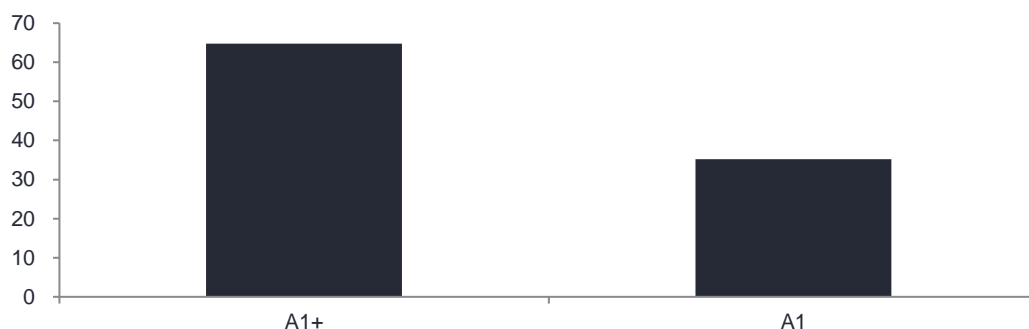
Past performance is not a reliable indicator of future performance.

### Sector allocation



Rounding accounts for small +/- from 100%.

### Credit rating distribution (%)



### Portfolio characteristics

Estimated Weighted Average Yield to Maturity (EWAYTM) <sup>1</sup>	2.39
Benchmark EWAYTM	2.17
Running yield	2.40
Weighted Average Credit Quality	AAA

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

Modified duration	Years
Fund	0.24
Benchmark	0.13
Active Position	0.11

## CASH FUND – INSTITUTIONAL

(continued)



**Head of Australian  
Fixed Interest**  
Jay Sivapalan

### Fund performance

The three-month bank bill swap rate (BBSW3M) ended the month 34 basis point (bp) higher at 2.46%, and the six-month bank bill rate 23 basis point (bp) higher at 3.01%.

The Janus Henderson Cash Fund - Institutional (Fund) returned 0.16% (net) outperforming the Bloomberg AusBond Bank Bill Index (Benchmark) which returned 0.15% on the month.

### Market review

Renewed central bank inflation-fighting resolve, and a preparedness to bear the costs of tighter monetary conditions, pushed global and domestic yields higher. Equity and credit markets gave back earlier gains following a hawkish Jackson Hole speech made by US Federal Reserve (Fed) Chair Powell.

The Reserve Bank of Australia (RBA) lifted the cash rate by another widely expected 0.5% increment in early August to 1.85%. Short-term money market yields continued to rise as markets discounted further tightening. The three-month bank bill yield ended the month 34 basis points (bps) higher at 2.46%, while six-month bank bills ended 22bps higher at 3.01%. In terms of the tightening cycle, markets increased the quantum of tightening with a 3.20% cash rate priced by year end and 3.85% in mid-2023.

### Market outlook

Central bank inflation fighting narratives have become more urgent and hawkish. At his Jackson Hole speech, Fed Chair Powell noted that the costs of bringing inflation down rise the more entrenched it becomes. To avoid higher inflation expectations becoming entrenched, the Fed signalled that it would take policy settings to as restrictive levels as needed, for as long as is needed.

For in-depth economic analysis and the Australian Fixed Interest Team's outlook, visit [go.janushenderson.com/Viewpoint-Sep22](https://go.janushenderson.com/Viewpoint-Sep22).

### Investment strategy

Overweight duration – With demand still strong in the Australian economy, we look for the Reserve Bank of Australia (RBA) to lift the cash rate by 50bps in September to 2.35%, just below estimates of the neutral cash rate. With much of the heavy lifting done, the RBA is likely to shift to 'business as usual' 25bps tightening increments thereafter, and we look for the cash rate to peak at 3.10% by late 2022/early 2023 and hold at that level until early 2024. Market pricing is more aggressive, building in a 3.85% cash rate mid-2023. We therefore maintain a modest overweight to duration, focusing on the front to mid part of the yield curve.

### Important information

A Product Disclosure Statement and Additional Information Guide for the Fund dated 30 September 2021 is available at [www.janushenderson.com/australia](https://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](https://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](https://www.janushenderson.com/TMD). Dollar figures shown are in Australian Dollars (AUD), unless otherwise stated.