

CASH FUND – INSTITUTIONAL

As at February 2023

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

\$496.5 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

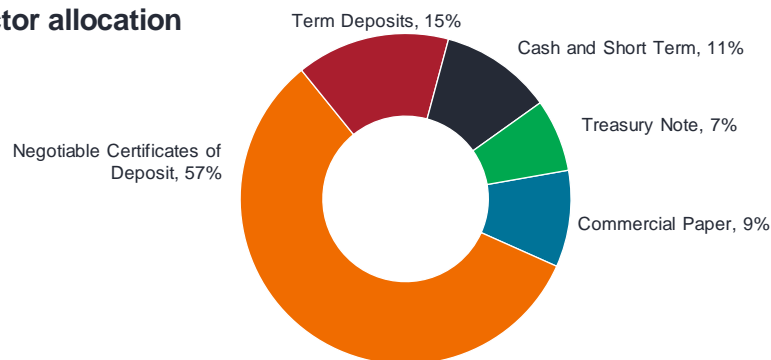
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Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (%p.a.)	5 years (%p.a.)	10 years (%p.a.)	Since inception (%p.a.)
Fund (gross)	0.25	0.81	1.50	1.81	0.75	1.22	1.91	2.83
Fund (net)	0.24	0.78	1.45	1.71	0.62	1.07	1.72	2.63
Benchmark	0.24	0.76	1.40	1.76	0.66	1.05	1.68	2.56
Excess return*	0.00	0.02	0.05	-0.05	-0.04	0.02	0.04	0.07

*Excess return is measured against net performance.

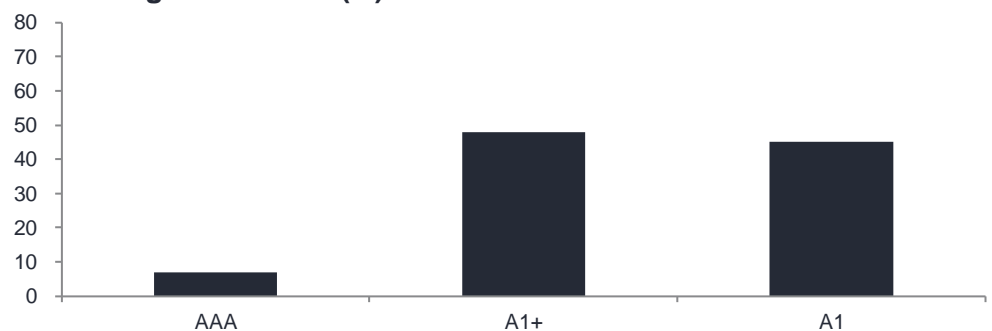
Past performance is not a reliable indicator of future performance.

Sector allocation



Rounding accounts for small +/- from 100%.

Credit rating distribution (%)



Portfolio characteristics

Estimated Weighted Average Yield to Maturity (EWAYTM) ¹	3.49
Benchmark EWAYTM	3.45
Running yield	3.24
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	0.15
Benchmark	0.13
Active Position	0.02

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(continued)



**Head of Australian
Fixed Interest**
Jay Sivapalan

Fund performance

The Janus Henderson Cash Fund - Institutional (Fund) returned 0.24% (net) and 0.25% (gross). The Fund performed in line with the Bloomberg AusBond Bank Bill Index (Benchmark) in February.

The Fund benefitted from its allocation to major bank term deposits, notice period accounts and securities issued by regional banks which are earning a margin over bank bill swap rates. As money market yields rose the Fund was appropriately cautious on duration, and will look for opportunities to capitalise on higher cash rate structures. Inversion in Bank Bill vs OIS spreads saw us actively rotate out of bank paper into Commonwealth Treasury notes which offered higher yields for the same tenors adding yield advantage.

Market review

Stubborn inflation and hawkish central banks led to higher yields as markets moved to discount further monetary tightening. Risk appetite waned, with both equity and credit markets softening.

Short-term money markets remained volatile as monetary tightening expectations pivoted on Reserve Bank of Australia (RBA) signalling. Three- and six-month bank bill yields ended 19 basis points (bps) and 21bps higher at 3.56% and 3.93%. In terms of the tightening cycle, markets are now looking for the cash rate to peak around 4.25% during the second half of the year.

Market outlook

While monetary policy is a blunt instrument and operates with long and variable lags, it seems the slowdown in activity late last year hasn't carried over into early 2023. Despite low levels of consumer sentiment and cost of living pressures, the January NAB Business Survey recorded improving business conditions, forward orders and capacity utilisation. Labour and purchase costs continued to lift at a fast pace.

This resilience was also evident offshore, particularly in the US, where markets shifted from looking through the tightening cycle to building in more tightening. Central banks, including the RBA, look set to continue their strategy of providing a dose of concentrated tightening, risking recession, to stop higher inflation from becoming entrenched.

A hawkish RBA, clearly anxious about the inflation outlook and indicating that work still needs to be done, has led us to factor in a 4.1% peak in the cash rate by mid-year. Given the change to our cash rate forecasts, we currently see yields as broadly fairly valued. We remain on the lookout for opportunities to add duration on spikes in yields as we enter the more mature phase of the tightening cycle.

For in-depth economic analysis and the Australian Fixed Interest Team's outlook, visit go.janushenderson.com/Viewpoint-Mar23.

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Margins on commercial paper have been widening, creating opportunity to further enhance yield pick-up for the Fund.

Investment strategy

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

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 have been widening, creating opportunity to further enhance yield pick-up for the Fund.

Term deposits – Banks are now paying a reasonable premium to take deposit funding in the form of term deposits and notice accounts. As such, we have allocated a reasonable amount to these deposits.

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.