

CASH FUND – INSTITUTIONAL

As at March 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

\$535.0 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

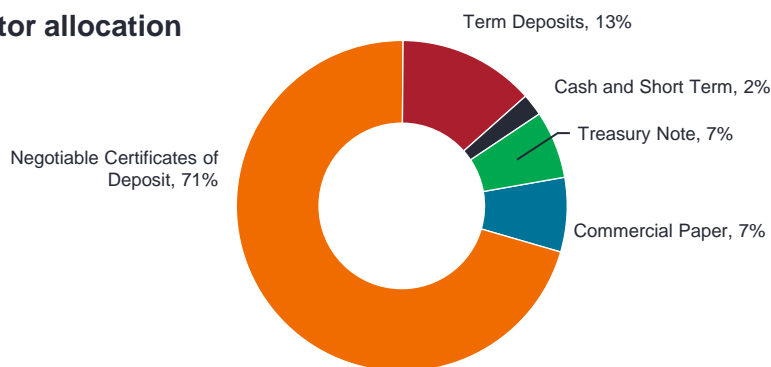
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Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (%p.a.)	5 years (%p.a.)	10 years (%p.a.)	Since inception (%p.a.)
Fund (gross)	0.30	0.84	1.67	2.12	0.82	1.25	1.91	2.83
Fund (net)	0.29	0.81	1.62	2.02	0.70	1.10	1.73	2.64
Benchmark	0.28	0.79	1.54	2.04	0.73	1.08	1.68	2.56
Excess return*	0.01	0.02	0.08	-0.02	-0.03	0.02	0.05	0.08

*Excess return is measured against net performance.

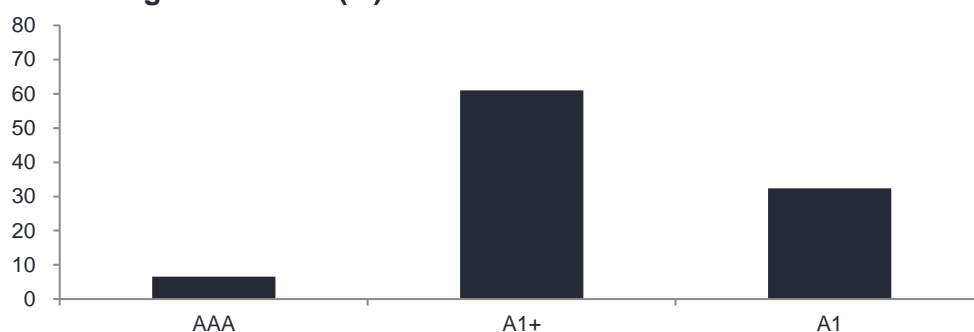
Past performance is not a reliable indicator of future performance.

Sector allocation



Rounding accounts for small +/- from 100%.

Credit rating distribution (%)



Portfolio characteristics

Estimated Weighted Average Yield to Maturity (EWAYTM) ¹	3.64
Benchmark EWAYTM	3.66
Running yield	3.41
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

The Janus Henderson Cash Fund - Institutional (Fund) returned 0.29% (net) and 0.30% (gross). The Fund outperformed the Bloomberg AusBond Bank Bill Index (Benchmark) by 0.01% (net) in March.

The Fund continues to benefit 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. The Fund also benefited from its recent allocation to Commonwealth Treasury notes as bank paper underperformed as a result of Bank Bill versus OIS spreads widening and reversing the spread inversion witnessed earlier in the year.

Market review

The Reserve Bank of Australia (RBA) lifted the cash rate by another 0.25% to 3.60% in early March. While maintaining that further tightening was likely, the tone of the RBA's commentary was less hawkish than February's communications. Further to this, short-term money markets remained volatile as offshore banking sector developments led markets to shift from pricing in further monetary tightening to pricing in a 3.60% cash rate peak for this cycle, with a high chance of a 0.25% cut in the cash rate by year's end. Three-month bank bill yields ended 15bps higher at 3.72%, a little over the prevailing cash rate. Six-month bank bill yields picked up the change in monetary policy expectations, ending 14.5bps lower at 3.79%.

Market outlook

With banking sector sentiment still skittish, we suspect the RBA will be inclined to take the pragmatic path and leave monetary settings unchanged in April. We look for the RBA to lift the cash rate by 0.25% in May to 3.85%, using March quarter CPI data as a smoking gun.

Our sense is that market pricing of a 3.60% peak in the cash rate is too low and pricing of an easing cycle starting late this year/early next year is too early.

Current market pricing is more consistent with a developing recession that crunches inflation and allows the RBA to ease sooner.

Strategically, we remain on the lookout for opportunities to add duration on spikes in yields on central bank signalling and data flows, as we enter the later stages of the economic cycle. However, tactically we remain cautious with the current level of monetary policy easing already priced in.

For in-depth economic analysis and the Australian Fixed Interest Team's outlook, visit go.janushenderson.com/Viewpoint-Apr23.

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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.