

# CASH FUND – INSTITUTIONAL

## As at May 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

\$551.2 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

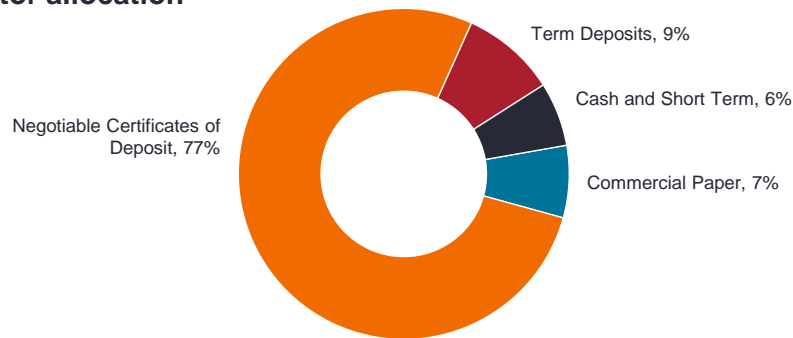
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Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (gross)	0.30	0.91	1.73	2.79	1.00	1.29	1.92	2.84
Fund (net)	0.29	0.89	1.68	2.68	0.88	1.15	1.73	2.65
Benchmark	0.29	0.89	1.65	2.64	0.91	1.14	1.69	2.57
Excess return*	0.00	0.00	0.03	0.04	-0.03	0.01	0.04	0.08

\*Excess return is measured against net performance.

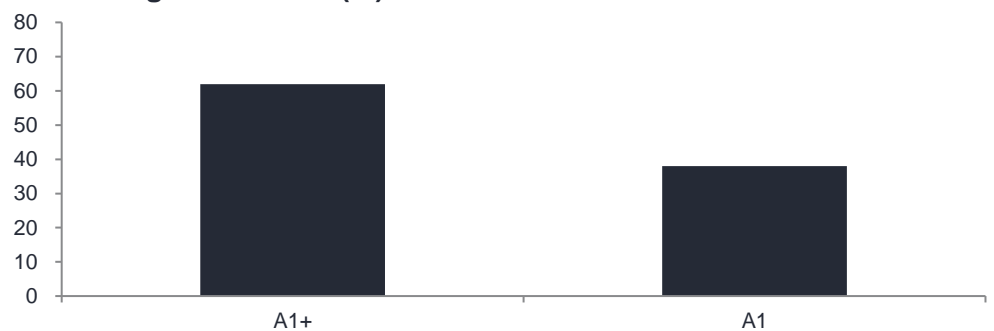
Past performance is not a reliable indicator of future performance.

## Sector allocation



Rounding accounts for small +/- from 100%.

## Credit rating distribution (%)



## Portfolio characteristics

Estimated Weighted Average Yield to Maturity (EWAYTM) <sup>1</sup>	3.99
Benchmark EWAYTM	3.89
Running yield	3.60
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	0.14
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 performed in line with the Bloomberg AusBond Bank Bill Index (Benchmark) in May. The Fund continues its outperformance, beating the Benchmark over the longer term including by 0.04% (net) over the year, and 0.08% (net) since inception per annum.

## Market review

The Reserve Bank of Australia (RBA) has turned a hawkish corner, worrying about the impacts of wage increases and low productivity growth. They raised interest rates 25 basis points (bps) in June, following the 25bps at the May meeting and the cash rate now stands at 4.10%. They remain data dependent and will be pulled between solid inflation signals and incrementally slowing real economic data. Three- and 10-year government bond yields ended the month 37bps and 27bps higher at 3.37% and 3.60%.

## Market outlook

As we approach the end of the RBA's extraordinary tightening cycle, the immediate path is often murky. The economic data tends to be inconsistent, as the famous long and variable lags tend to grip some sectors sooner than others. This drives market volatility, amid policy uncertainty. As the news starts to come in consistently, that enables markets to price the next, downward, phase.

We see the RBA raising the cash rate twice more, to a peak of 4.60%. The RBA raised the stakes at their June meeting, with a rise in emphasis on the risks from higher wages and low productivity on inflation. They acknowledge the pressures on households but have warned of the risks to the whole economy if inflation does not moderate to target as expected. We have a modest tilt to further tightening by the RBA, which is contingent on a more resilient economy than expected.

For in-depth economic analysis and the Australian Fixed Interest Team's outlook, visit [go.janushenderson.com/Viewpoint-Jun23](https://go.janushenderson.com/Viewpoint-Jun23).

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(continued)

**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**

The Product Disclosure Statement for the Fund, dated 30 September 2022, and the Additional Information Guide, dated 30 May 2023, are available at [www.janushenderson.com/australia](http://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](http://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](http://www.janushenderson.com/TMD). Dollar figures shown are in Australian Dollars (AUD), unless otherwise stated.