

CASH FUND – INSTITUTIONAL

As at July 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

\$525.7 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

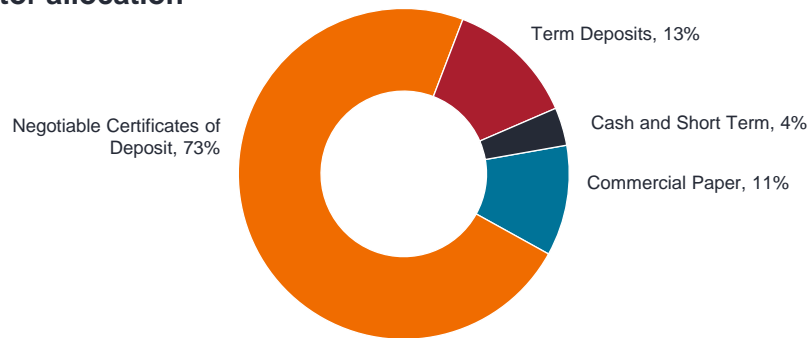
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Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (%p.a.)	5 years (%p.a.)	10 years (%p.a.)	Since inception (%p.a.)
Fund (gross)	0.39	1.00	1.87	3.32	1.22	1.36	1.93	2.86
Fund (net)	0.39	0.98	1.82	3.22	1.11	1.22	1.75	2.66
Benchmark	0.37	0.97	1.81	3.15	1.13	1.20	1.71	2.59
Excess return*	0.02	0.01	0.01	0.07	-0.02	0.02	0.04	0.07

*Excess return is measured against net performance.

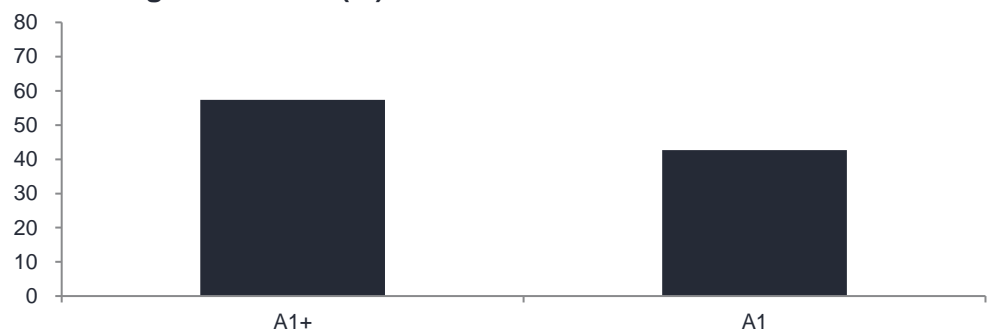
Past performance is not a reliable indicator of future performance.

Sector allocation



Rounding accounts for small +/- from 100%.

Credit rating distribution (%)



Portfolio characteristics

Estimated Weighted Average Yield to Maturity (EWAYTM) ¹	4.29
Benchmark EWAYTM	4.16
Running yield	4.29
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	0.12
Active Position	0.03

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(continued)



**Head of Australian
Fixed Interest**
Jay Sivapalan

Fund performance

The Janus Henderson Cash Fund - Institutional (Fund) returned 0.39% (net) and 0.39% (gross). The Fund outperformed the Bloomberg AusBond Bank Bill Index (Benchmark) in July by 0.02%. The Fund continues its outperformance, beating the Benchmark over the longer term including by 0.07% (net) over the year, and 0.07% (net) since inception per annum.

Market review

In yet another very close call, the Reserve Bank of Australia (RBA) chose to pause its hiking cycle, at 4.10% at their July meeting. They are highly data dependent and assessing the two-sided risks in the context of an already historic hiking cycle. There is just over one cut in 2024 now. Against the current cash rate of 4.10%, three-month bank bills ended 9bps lower at 4.26%. Six-month bank bill yields ended 6bps lower at 4.64%.

Market outlook

The RBA are now monitoring the balance between the slowing household sector, the strong labour market, and high wages growth. We know that the labour market lags the economy, reflecting the monetary policy conditions seen almost a year before, but the turn is difficult to pinpoint. We remain in the midst of the peaking of the economy but believe that policy will continue to grip and slow economic growth, with a shallow recession starting early next year not off the table.

We have reduced the probability of the very last hike in the cycle, with our central case now seeing one more hike to 4.35%. This may come through in either of the next two meetings. However, the longer the RBA leave it, the worse the coincident economic data appears and the harder it is for them to raise rates to tackle inflation. We currently see market pricing of one more rate hike, but delayed until 2024, and then policy held for an extended time, as underestimating the economic headwinds in 2024. We currently see the Australian yield curve as modestly under-valued. We remain on the lookout for tactical opportunities to add further duration on spikes in yields triggered by central bank signalling and data flows.

For in-depth economic analysis and the Australian Fixed Interest Team's outlook, visit go.janushenderson.com/Viewpoint-Aug23.

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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.

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.