

# CASH FUND – INSTITUTIONAL

## As at September 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

\$440.6 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

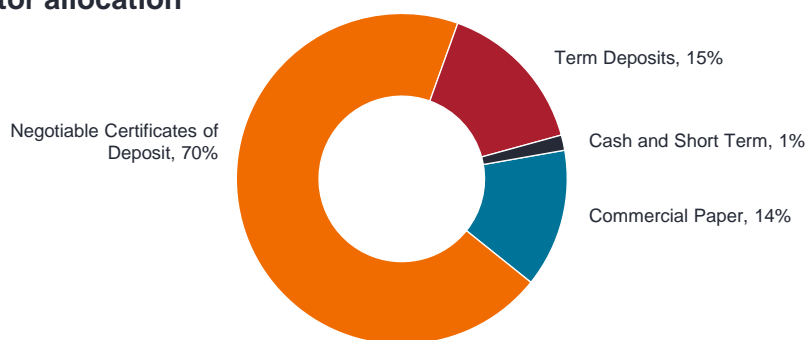
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Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (gross)	0.35	1.14	2.06	3.77	1.46	1.43	1.96	2.88
Fund (net)	0.34	1.11	2.01	3.67	1.35	1.29	1.78	2.68
Benchmark	0.34	1.08	1.99	3.56	1.36	1.28	1.73	2.61
Excess return*	0.00	0.03	0.02	0.11	-0.01	0.01	0.05	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) <sup>1</sup>	4.25
Benchmark EWAYTM	4.09
Running yield	4.25
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	0.11
Benchmark	0.12
Active Position	-0.01

# CASH FUND – INSTITUTIONAL

(continued)



**Head of Australian  
Fixed Interest**  
Jay Sivapalan

## Fund performance

The Janus Henderson Cash Fund - Institutional (Fund) returned 0.34% (net) and 0.35% (gross). The Fund performed in line with the Bloomberg AusBond Bank Bill Index (Benchmark) in September. The Fund continues its outperformance, beating the Benchmark over the longer term including by 0.11% (net) over the year, and 0.07% (net) since inception per annum.

The Fund continues to benefit and outperform from selection of securities providing income advantage via allocation to major bank term deposits, short commercial paper, and securities issued by regional banks, which are earning a margin over bank bill swap rates. The Fund has maintained a neutral duration position relative to the Benchmark, with market pricing of near term RBA cash rates remaining relatively fair in our opinion. We look for increases in pricing of imminent RBA hikes or a widening in bills versus overnight indexed swap spread to warrant any duration extension in the Fund, for now value is mainly presenting further out along the bond yield curve.

## Market review

One full RBA hike is priced by the end of April 2024, while easing is not priced until 2025, and a very shallow one at that. Against the current cash rate of 4.10%, three-month bank bills ended 1bp higher at 4.14%. Six-month bank bill yields ended 3bps higher at 4.40%.

## Market outlook

The RBA are now monitoring the balance between the slowing household sector, the strong labour market, and high wages growth. 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. The RBA are closely monitoring the rise in oil prices as well as global economic slowing as risks to the outlook.

We currently see market pricing of one hike and easing in 2025 as underestimating the economic headwinds in 2024. We currently see the Australian yield curve as under-valued at points in the curve. 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-Oct23](https://go.janushenderson.com/Viewpoint-Oct23).

For further insights on our duration view please visit: <https://go.janushenderson.com/bond-markets-much-ado-about-duration-monthly-reports>

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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 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 29 September 2023, and the Additional Information Guide, dated 29 September 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.