

Janus Henderson Australian Fixed Interest MPS Fund

Manager Profile

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Manager Overview

Janus Henderson Investors (Australia) Institutional Funds Management Limited ('Janus Henderson Investors') is the investment manager of the Janus Henderson Australian Fixed Interest MPS Fund and is ultimately owned by Janus Henderson Group plc ('Janus Henderson'). Janus Henderson is a global asset manager with more than 345 investment professionals and expertise across all major asset classes. Janus Henderson's commitment to active management offers clients the opportunity to outperform passive strategies over the course of market cycles. Headquartered in London, Janus Henderson is dual listed on the New York Stock Exchange (NYSE) and the Australian Securities Exchange (ASX). As at 31 December 2020, Janus Henderson had \$520 billion in assets under management, more than 2,000 employees and offices in 26 cities worldwide.

From its origins in bottom-up, analysis-based strategies with a strong research-based approach to security selection, Janus Henderson today offers active management across equities, fixed income, alternatives and multi-asset strategies. With investment teams situated around the world which serve intermediary, institutional and individual investors globally, Janus Henderson seeks to actively position portfolios to connect clients with their financial goals.

Investment Philosophy and Style

Janus Henderson's Australian Fixed Interest Team ('Team') investment approach is fundamentally driven and seeks to take advantage of situations where market pricing has become misaligned with economic and investment fundamentals.

The Team believes that investment markets are at times, influenced by non-fundamental factors that may cause prices to periodically overshoot their fair value levels. For Australian fixed interest portfolios, the biggest inefficiency that the Team seeks to exploit is the disproportionate impact that short term factors may have on the valuation of long term securities.

Using an active approach, the Team seeks to add value relative to market benchmarks by identifying these situations and constructing portfolios to capture value as these mispricings unwind. In Australian fixed interest, this may occur in the absolute level of interest rates, the shape of the yield curve, the relative value between sectors or the pricing of individual securities.

Investment Process

The Janus Henderson investment process is implemented in three stages. The first stage involves fundamental research by analysts and strategists who review the economic outlook (driving interest rate management), market research (including sector allocation) and credit research, or security selection. This research assists the Team to identify periods where there may be a gap between market/security pricing and the Team's estimates of fair value. The size of these gaps will determine the interest rate, sector and security strategies determined from the second stage of the investment process.

The second stage is strategy formulation. The Team applies a range of strategies including duration and yield curve management, sector rotation and individual fixed interest asset selection. From a bottom-up perspective, the Team uses a three stage filter to determine which securities and in what magnitude, they find their way into the portfolio:

- Credit analysis: Assessment of quality, which incorporates consideration of material ESG risks, price and the diversification benefits to the portfolio
- Pricing for risk: An assessment of “fair value”
- Investment guidelines: Sector exposures and concentration limits.

The last stage looks at portfolio construction using the Team’s proprietary risk tool. It allows the measurement of interest rate risk, sector risk, credit risk and exposure by security type, and aims to ensure strategies are implemented in a timely manner and aligned with various risk /return objectives of portfolios.



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WFSL is the responsible entity for the Janus Henderson Australian Fixed Interest MPS Fund ARSN 625 874 026 ('Fund'). A Product Disclosure Statement or other disclosure document ('PDS') is available for the Fund and can be obtained by calling 1800 819 935 or by visiting bt.com.au/MPS. The Financial Services Guide ('FSG') for WFSL can also be obtained via the Product Disclosure Statement page on bt.com.au. Any retail client should obtain and consider the PDS for the Fund and the FSG before deciding whether to acquire, continue to hold or dispose of units in the Fund.

The Fund is only accessible through the CoreSeries Portfolios, a range of managed portfolio options available within BT Managed Portfolios ARSN 604 066 686 (BTMP). WFSL is the responsible entity and issuer of interests in BTMP. BTMP is available through Panorama Investments or Panorama Super. BT Portfolio Services Ltd ABN 73 095 055 208 AFSL 233715 (BTPS) operates Panorama Investments and administers Panorama Super. BT Funds Management Limited ABN 63 002 916 458 AFSL 233724 (BTFM) is the trustee and issuer of Panorama Super, which is part of Retirement Wrap ABN 39 827 542 991. Westpac Banking Corporation ABN 33 007 457 141 AFSL and Australian credit licence 233714 (Westpac) is the issuer of the BT Cash Management Account and the BT Cash Management Account Saver. Together, these products are referred to as the Panorama products. A PDS for the relevant Panorama products can be obtained by contacting BT on 1300 881 716. A retail investor should obtain and consider the relevant PDS before deciding whether to acquire, continue to hold or dispose of interests in the Panorama products. Conditions, fees and charges apply for the Panorama products and may change. The Panorama products are only available in Australia.

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WFSL has appointed Janus Henderson Investors (Australia) Institutional Funds Management Limited ABN 16 165 119 531 AFSL No. 444266 as the investment manager ('Manager') for the Fund. The Manager has consented to the statements pertaining to it in this document, in the form and context in which they appear and has not withdrawn its consent as at the date this document was published

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Information current as of 31 December 2020.

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