

Sustainable Credit Active ETF

ISIN AU0000254278

Investment objective

The Fund seeks to achieve a sustainability objective and a performance objective. The sustainability objective is to invest in debt securities which the Manager expects currently or will in the future contribute positively towards 'People' and/or 'Planet' themes. The performance objective is to achieve a total return before fees that exceeds the total return of the Benchmark by 0.75% p.a. over rolling three year periods.

Investment approach

The Fund provides investors with exposure to an actively managed diversified credit strategy that seeks to invest in 'Sustainable' and/or 'Impact' debt securities. This includes debt securities issued by entities with robust sustainable practices and/or investments with the potential to enhance outcomes for society's wellbeing and/or protection of the planet, based on the Manager's assessment.

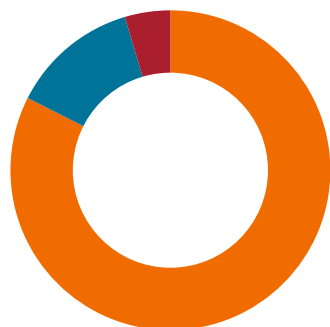
Performance (%)

Returns	Cumulative				Annualised			
	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	10 Year	Since inception
Fund (Gross)	0.41	-0.08	-0.04	2.96	4.79	—	—	4.93
Fund (Net)	0.37	-0.20	-0.28	2.44	4.27	—	—	4.41
Benchmark	0.18	-0.03	-0.39	1.07	3.04	—	—	3.14
Excess returns (Gross)	0.23	-0.04	0.36	1.89	1.75	—	—	1.79
Excess returns (Net)	0.19	-0.16	0.11	1.38	1.23	—	—	1.27

Net performance figures are calculated using the exit price net of fees and assume distributions are reinvested. Past performance is not a guide to future performance.

Characteristics	Fund	Index
Number of holdings	136	592
Modified duration (years)	2.58	2.38
Yield to maturity	5.69	5.21
Current yield	5.05	3.64
Credit spread duration	2.41	0.47
Average rating	A+	AA+

Investments Breakdown (%)



- Sustainable and impact investments, 82.46
- Screened Corporates, 12.94
- Other Liquid investments, 4.60

Fund details

Underlying fund inception date	06 February 2023
Inception date	14 March 2023
Total fund net assets	\$97.41m
Asset class	Fixed Income
Domicile	Australia
Structure	Managed Investment Scheme
Base currency	AUD
Benchmark	Bloomberg AusBond Composite 0-5 Yr Index
Distribution frequency (if any)	Monthly
Risk profile	Medium
Suggested timeframe	3 years
ARSN code	662 889 214
APIR code	HGI0694AU
Exchange	ASX
Ticker	GOOD
NAV	49.8976

ISIN	AU0000254278
Bloomberg	GOOD
SEDOL	BPLDYH7

Fees & Charges

Management fee (% p.a.)	0.50
Buy/sell spread (%)	0.06/0.10

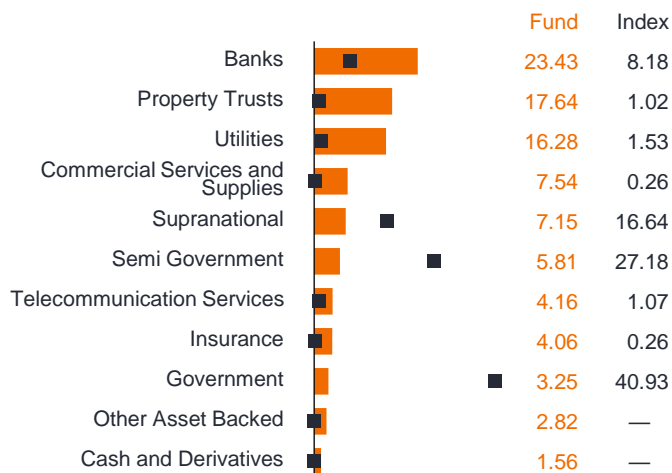
For more information and most up to date buy/sell spread information, visit www.janushenderson.com/en-au/adviser/buy-sell-spreads

Portfolio management

Jay Sivapalan, CFA

Shan Kwee, CFA

Asset Allocation (%)



Top 10 Holdings (%)

Security	Fund (%)	Index (%)
Australia Government Bond 4.25% 21/06/34 AUD	3.25	—
University Of Tasmania 3.97% 24/03/2032 AUD	2.33	—
La Trobe University 5.311% 08/08/30 AUD	2.13	—
Bank Australia LTD 4.70229% 27Nov28 FRN AUD	2.06	—
Contact Energy Ltd 6.398% GREEN 21/11/2030 AUD REGS	1.81	—
Commonwealth Bank Of Australia Subordinated FRN BASEL III T2 11/11/2031 AUD	1.80	—
APPF Commercial Finance Pty Ltd 3.6% Sustainability-Linked	1.79	—
CPPIB Capital Inc 1.5% 23/06/2028 AUD REGS	1.71	—
DWPF Finance Pty Ltd 2.6% 04/08/2032 AUD	1.68	—
GPT Wholesale Office Fund No1 3.222% 05/11/2031 AUD	1.59	—
Total	20.16	—

Credit Rating (%)



FOR MORE INFORMATION PLEASE VISIT JANUSHENDERSON.COM

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Sustainable Credit Active ETF

At a glance

Performance

The Fund returned 0.37% (net) and 0.41% (gross). The Fund outperformed the Benchmark by 0.23% (gross) in April, which returned 0.18% on the month.

Contributors/detractors

Credit allocation and selection across Banks and REITs contributed positively, while interest rate duration detracted as bond yields rose.

Outlook

We see the RBA continuing to raise interest rates to address rising inflation risks, amid tight supply.

Investment environment

Inflation remains a broad market concern, and bond markets reacted to fluctuating oil prices. Locally, fuel lifted CPI to 4.6%yoy while underlying inflation stayed elevated. Labour markets remained tight, though softer confidence reflected lagged economic impacts.

The RBA held the cash rate at 4.10% awaiting May's meeting. Short-term funding markets saw modest upward pressure, with three-month BBSW rates rising to 4.37%, while six-month rates were steady at 4.77%.

Government bond yields rose, with three-year yields up 11bps to 4.76% and 10-year yields up 9bps to 5.06%, reflecting ongoing inflation concerns.

A temporary ceasefire improved sentiment attracting a flurry of domestic primary issuance. The Australian iTraxx Index closed 15bps tighter at 77bps, while the Australian fixed and floating rate credit indices returned +0.20% and +0.47% respectively.

Over two weeks, ~\$10bn of non-financial corporate debt was issued into the Australian market, replenishing Australian corporate IG value, while bank senior spreads remained tight.

Portfolio review

Returns stabilised and income generation is lifting with interest rates higher in anticipation of a third consecutive hike from the RBA. Strong demand for high quality Australian credit remains, with a flurry of primary market issuance from corporates readily absorbed by the market. Credit was a positive contributor as spreads tightened modestly and rising available income lifted returns, whilst interest rate duration partially offset this as bond yields rose. April's positive excess returns were predominantly driven credit allocation and selection across the Banks and REITs subsector.

The volatile yield backdrop is offering some scope to add value with market overreactions to short term news present. Late in March we had positioned the Portfolio overweight duration by 0.25 years versus the Benchmark, as longer end bond yields crested above 5%, and Australian IG credit yields hovered between 6 - 6.5%. With the announcement of a temporary ceasefire in April helping bond yields rally as oil prices temporarily declined, we elected to take part profit on duration moving down to a 0.15 year overweight.

We had been retaining risk capacity and liquidity anticipating the resumption of primary supply and potential cheapening in valuations which became available as primary roared to life in April. The Fund participated in 8 new transactions including green bonds from AAA rated Bright Green ABS, A rated corporates like Mirvac Wholesale Office Fund, as well as BBB utilities such as PowerCo a NZ electricity distributor. Overall, we have worked to improve the income and overall spread return potential of the Fund.

The strategy recently completed its three-year track record since inception, pleasingly delivering over 1.7% above Benchmark before fees versus a target of 0.75% consistently over the period. From a forward-looking perspective, bond investors are set to benefit from improved return prospects as yields are elevated particularly in Australia. The Fund's yield has increased in recent months to its highest levels since the

Fund's inception as broader Australian bond yields have lifted to their highest levels since 2011. The pace of yield movements higher have tempered allowing the income benefits to begin to flow through.

The Fund has a dual mandate; a sustainability objective and a performance objective. Each company within the portfolio has gone through our credit approval process, which includes negative screens, credit analysis and a sustainability assessment using our proprietary holistic ESG framework. In conjunction with normal portfolio construction practices, securities are chosen for their alignment with sustainable themes as well as their return potential for investors.

For further insights from our team, please view articles on some of our investment themes for this Fund here:

https://go.janushenderson.com/SCF_Investment_Theme_Articles

For the Fund's ESG Reports, view the Quarterly Report here:

https://go.janushenderson.com/SCF_Quarterly_ESG_Report and the

Annual Report here:

https://go.janushenderson.com/SCF_Annual_ESG_Report

Manager outlook

We see the RBA continuing to raise interest rates to address rising inflation risks, amid tight supply. Our high case is one where inflation remains elevated and the RBA are forced to raise interest rates more than expected into 2027.

Our low case reflects a weaker economic outcome, particularly if supply constraints and rising costs act as a tax to subdue growth. We hold no tilt at present, viewing the risk profile as broadly distributed. We adjusted our duration position modestly, taking advantage of mid-month lower yields in targeted tenors. We continue to take advantage of opportunities in volatile markets.

We expect volatility to persist as geopolitical and macro shifts pose left-tail risks. The accelerating impact of AI on potentially significant parts of the global economy also presents a disruptive challenge within which we see opportunities for credit investors. This backdrop, paired with close to peak valuations across a range of risk assets including equities, property and credit, saw us positioned well for income, but with a defensive posture in portfolios in terms of credit sensitivity. Our reductions to higher beta credit sectors, insurance via sizeable credit protection positions, and increased allocations to highly liquid assets will help shield investors. Given market moves thus far have been quite nuanced, we are approaching return opportunities in two phases. First, we have taken advantage of the opportunity to capture higher yields post a repricing of the RBA's perceived course by increasing allocations to high quality corporate debt which are offering better entry points today. Looking forward, we stand ready to take advantage of mispricing opportunities in issuers operating upstream and downstream of businesses directly impacted by higher oil prices, inflation, private credit issues, and capital demands due to AI capex.

A raft of labelled bond issuance occurred in the second half of April as market conditions became more conducive to primary supply. The largest transactions included a green bond from the Western Australian state government and a sustainability Bond from the European Investment Bank. Additional green issuance came from utility distribution company

PowerCo, alongside supranationals such as the Asian Development Bank and the European Bank for Reconstruction and Development.

For in-depth economic analysis and the Australian Fixed Interest Team's outlook, visit <https://go.janushenderson.com/Viewpoint-May26>