

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.

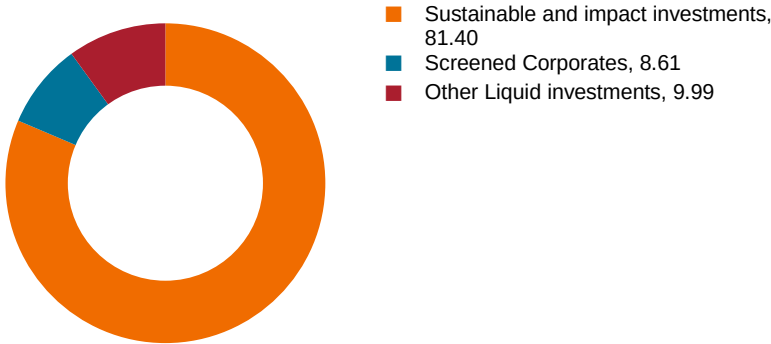
Performance (%)

Returns	Cumulative				Annualised			
	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	10 Year	Since inception
Fund (Gross)	0.82	2.55	2.60	3.80	6.14	—	—	5.34
Fund (Net)	0.77	2.42	2.35	3.29	5.61	—	—	4.82
Benchmark	0.67	1.92	1.87	1.99	4.22	—	—	3.51
Excess returns (Gross)	0.14	0.63	0.73	1.81	1.91	—	—	1.83
Excess returns (Net)	0.10	0.50	0.48	1.29	1.39	—	—	1.31

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	119	589
Modified duration (years)	2.65	2.35
Yield to maturity	5.48	4.63
Current yield	5.30	3.20
Credit spread duration	2.74	0.48
Average rating	A+	AA+

Investments Breakdown (%)



Fund details

Underlying fund inception date	06 February 2023
Inception date	14 March 2023
Total fund net assets	\$77.77m
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	50.3058

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Bloomberg	GOOD
SEDOL	BPLDYH7

Fees & Charges

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

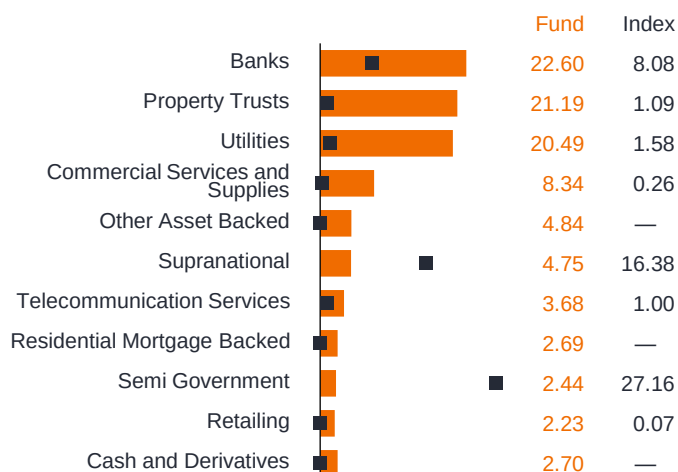
For more information and most up to date buy/sell spread information, visit www.janushenderson.com/en-au/adviser/buy-sell-spreads

Portfolio management

Jay Sivapalan, CFA

Shan Kwee, CFA

Asset Allocation (%)



Top 10 Holdings (%)

	Fund
University Of Tasmania 3.97% 24/03/2032 AUD	2.41
APPF Commercial Finance Pty Ltd 3.6% Sustainability-Linked 11/11/2031 AUD	2.28
DWPF Finance Pty Ltd 2.6% 04/08/2032 AUD	2.18
GPT Wholesale Office Fund No1 3.222% 05/11/2031 AUD	2.07
NEXTERA Energy Capital Holdings INC 6.683% 17Jun55 FRN AUD REGS	1.98
La Trobe University 5.311% 08/08/30 AUD	1.96
ETSA Utilities Finance PTY LTD 5.1082% GREEN 03/06/2027 AUD REGS	1.93
Vicinity Centres Trust 4.927% 02/06/2028 AUD REGS	1.92
Scentre Group Trust 1 6.3673% 10Sep54 FRN AUD	1.85
Mercury NZ Ltd 5.247% 21Mar31 AUD	1.80
Total	20.37

Credit Rating (%)



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Sustainable Credit Active ETF

At a glance

Performance

The Fund returned 0.77% (net) and 0.82% (gross). The Fund outperformed the Benchmark by 0.14% (gross) in June, which returned 0.67% on the month.

Contributors/detractors

Credit allocations and a recovery in the corporate subordinated market lifted excess returns, with duration and curve positioning also contributing to a positive excess return.

Outlook

We continue to see one last RBA hike, to 4.60%. Our high case is one where inflation remains elevated, forcing the RBA to raise interest rates above expectation into 2027.

Investment environment

The market responded positively to the US/Iran ceasefire and resolution plan, with inflation expectations easing. In Australia, resilient growth, firm labour conditions and sticky inflation offset weaker households.

The RBA kept interest rates on hold at 4.35%, in an anticipated pause. The three-month BBSW rose 1bp to 4.46%, while six-month BBSW fell 2bps to 4.80%.

The RBA has led G10 tightening amid persistent inflation, while markets reprice a lagging Fed under new Chair Warsh. Government bond yields moved lower across the curve as markets focussed on the downside of the cycle in coming years. The three-year bond yield fell 11bps to 4.36%, while the 10-year yield declined 11bps to 4.72%.

In spite of proximity to financial year-end, primary credit markets remained active and well received by the market. A growing focus on AI cost control, softening Australian housing, and rising stress among smaller companies weighed on sentiment.

Portfolio review

Investors are set to benefit from Australian cash rates and bond yields lifting to decade peaks providing elevated levels of income which are some of the highest across developed markets. The strategy provided outperformance in each month across the quarter, with a healthy 0.6% gross excess return, and Fund returns were lifted via returns from duration as Australian bond yields retraced some of their rise over 2026. For the financial year the strategy delivered strong outperformance versus the Benchmark, during a period where globally credit spreads remained tight, and the broader Australian bond market only delivered 1.5% into a headwind of higher inflation and bond yields. Australian and global bond yields remain volatile, with the Benchmark incurring a -2.4% return impact from rising yields over the past year.

Credit allocations and a recovery in the corporate subordinated market also lifted excess returns. We have retained our CDS protection positions with CDS spreads offering cheap insurance while global spread markets remaining tight. Overall, this more balanced risk positioning across rates, credit and protection is navigating the noisy environment well while harnessing the available income and gains on offer. Duration and curve positioning was a positive excess return contributor, where we have been actively managing a modest 0.0 - 0.4 year interest rate duration overweight. Specifically seeking to increase duration when higher government yields are available around 5%, which see Australian IG credit yields offering between 6 - 7%.

Primary issuance in AUD credit remained highly active, with the strategy selectively participating in transactions which offer a blend of attractive yield and spread compensation for risk. To put into context how active the market environment was, we rotated into 18 new securities across the quarter while being selective and steering away from more expensive and cyclical subsectors of the market. Some unique opportunities included AA- rated Metlife 10-year bonds yielding 6.3%, and the first Australian data centre subordinated notes from CDC which yielded 7.3%. This sees the strategy well positioned to capitalise on opportunities thrown up by a

more volatile, dispersed market environment while continuing to earn strong levels of income.

The Fund's yield remains close to its highest levels since inception and as the pace of yield movements higher has tempered, this is 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 and in conjunction with normal portfolio construction practices, securities are chosen for their alignment with sustainable themes as well as return potential for investors.

For the Fund's Quarterly ESG Report, please view here: https://go.janushenderson.com/SCF_Quarterly_ESG_Report

For the Fund's Annual ESG Report, please view here: https://go.janushenderson.com/SCF_Annual_ESG_Report

Manager outlook

We continue to see one last RBA hike, to 4.60%. 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 hold a small, long duration position and continue to take advantage of opportunities in volatile markets.

We expect volatility to remain structurally elevated as geopolitical and AI disruption risks impact the global economy. Cognisant of the investment environment and current valuations, our credit strategy remains skewed towards high-quality, investment grade issuers who benefit from resilient business moats, solid earnings power and conservative balance sheets. We are avoiding economically sensitive, lower credit quality and leveraged corporate and consumer focused sectors where default stress remains elevated, or may be highly exposed to AI disruption. All-in yields in low-risk Australian Investment Grade credit remain reasonably attractive versus global credit. In our view, high quality Australian credit will remain resilient through a range of macro-economic environments including a slowing residential housing sector. We have built ample risk capacity, and have prudently elected to maintain material levels of inexpensive credit protection to guard portfolios against downside left-tail risks. Notwithstanding, we remain constructive and are well-invested capturing high and increasing levels of income currently available.

Labelled issuance slowed in June with just four new deals coming to market. Activity was dominated by green issuance, including a \$1 billion green deal from OCBC and two green Lloyds tranches totalling \$750 million, while Standard Chartered added a smaller sustainability-labelled issue. The month was notable for the concentration in bank issuers and the predominance of green labels, reinforcing that financials remain an important conduit for sustainable funding in AUD-related markets.

For in-depth economic analysis and the Australian Fixed Interest Team's outlook, visit <https://go.janushenderson.com/Viewpoint-Jul26>