Janus Henderson INVESTORS

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 (%)

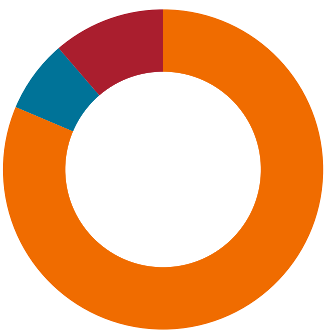
	Cumulative				Annualised			
Returns	**1 Month**	**3 Month**	**6 Month**	**1 Year**	**3 Year**	**5 Year**	**10 Year**	**Since inception**
Fund (Gross)	0.21	2.34	2.27	3.61	5.90	—	—	5.27
Fund (Net)	0.16	2.22	2.01	3.10	5.37	—	—	4.75
Benchmark	0.08	1.82	1.78	2.02	4.00	—	—	3.45
Excess returns (Gross)	0.13	0.53	0.48	1.60	1.89	—	—	1.82
Excess returns (Net)	0.08	0.40	0.23	1.08	1.37	—	—	1.30

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

Characteristics	Fund	Index
Number of holdings	119	594
Modified duration (years)	2.65	2.41
Yield to maturity	5.54	4.73
Current yield	5.22	3.16
Credit spread duration	2.64	0.47
Average rating	A+	AA+

Investments Breakdown (%)



- Sustainable and impact investments, 81.37
- Screened Corporates, 7.31
- Other Liquid investments,, 11.31

Fund details

Underlying fund inception date	06 February 2023
Inception date	14 March 2023
Total fund net assets	$76.38m
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	50.3631

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 (%)

	Fund	Index
Banks	23.06	7.80
Property Trusts	21.59	1.05
Utilities	17.92	1.60
Commercial Services and Supplies	8.48	0.25
Other Asset Backed	4.83	—
Supranational	4.83	15.87
Telecommunication Services	3.75	0.97
Residential Mortgage Backed	2.73	—
Semi Government	2.48	25.01
Retailing	2.28	0.10
Cash and Derivatives	4.50	—

Top 10 Holdings (%)

	Fund
University Of Tasmania 3.97% 24/03/2032 AUD	2.45
APPF Commercial Finance Pty Ltd 3.6% Sustainability-Linked 11/11/2031 AUD	2.33
DWPF Finance Pty Ltd 2.6% 04/08/2032 AUD	2.19
GPT Wholesale Office Fund No1 3.222% 05/11/2031 AUD	2.11
La Trobe University 5.311% 08/08/30 AUD	2.01
Vicinity Centres Trust 4.927% 02/06/2028 AUD REGS	1.97
Scentre Group Trust 1 6.3673% 10Sep54 FRN AUD	1.90
Mercury NZ Ltd 5.247% 21Mar31 AUD	1.84
Heritage and People's Choice 4.6949% 2029	1.77
SVENSKA HANDELSBANKEN AB 5.137% 17Feb31 AUD	1.73
Total	**20.28**

Credit Rating (%)

	Fund	Index
AAA	10.08	60.69
AA	26.96	30.02
A	25.89	5.22
BBB	31.89	4.08
BB	0.68	—
Cash and Derivatives	4.50	—

FOR MORE INFORMATION PLEASE VISIT **JANUSHENDERSON.COM**

Janus Henderson INVESTORS

Sustainable Credit Active ETF

At a glance

Performance

The Fund returned 0.16% (net) and 0.21% (gross). The Fund outperformed the Benchmark by 0.13% (gross) in July, which returned 0.08% on the month.

Contributors/detractors

Income and positive sector and security contributions from key positions in REITs, Banks, and recent CDC subordinated bonds contributed alongside credit protection positions. Interest rate duration dragged on total returns.

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

Markets remained volatile amid persistent inflation concerns, geopolitical tensions and tariff uncertainty, while rising bond yields challenged risk assets. In Australia, resilient employment contrasted with subdued activity and softening housing conditions.

The Reserve Bank of Australia (RBA) did not meet in July, with the cash rate remaining at 4.35%. The three-month BBSW rose 4 basis points (bps) to 4.5% and six-month BBSW increased 3bps to 4.83%.

Inflation remains above the RBA's target range, but came in lower than consensus for the June quarter. Australian government bond yields rose across the curve, reflecting the global repricing of rate expectations. The 3 year bond yield increased 13bps to 4.49%, while the 10 year yield rose 21bps to 4.93%.

Credit markets were shaped by concerns over AI-driven spending, Middle East tensions, tariff volatility and rising bond yields, while US corporate earnings showed resilience ahead of Australia's own reporting season.

Portfolio review

The Fund delivered outperformance versus the Benchmark, helping buffer returns from a more challenging rising yield environment which saw negative returns from broader bond markets. Income and positive sector and security contributions from key positions in REITs, Banks, and recent CDC subordinated bonds lifted outperformance. Portfolio insurance from credit protection positions as global concern about global energy and AI related debt supply and spending crept into US market pricing also was a small positive contributor over the month.

Interest rate duration was a drag on total returns as Australian and global bond yields remain volatile. As yields have reached toward their year highs again, we see the current outright yield environment on higher grade Australian credit as offering attractive risk return characteristics in a broader allocation. We favour Australian duration over US and will look to capture any overshoots on government bond yields above 5%, which translates to credit yields offering between 6 - 7%. As a result, duration has been lifted to be 0.2 years overweight versus the Benchmark. We have retained CDS protection positions with CDS spreads offering cheap insurance while global spread markets remaining tight. Overall, this more conservative balance of risk positioning across rates, credit and protection is navigating the noisy environment well while harnessing the available income and gains on offer, while we remain well poised to extend risk into more meaningful opportunities that may arise.

Primary issuance finally calmed in July ahead of Australian and offshore earnings reporting seasons, we used this period to take some profits on sectors that have become quite fully valued like bank Tier 2 and replenish liquidity. We participated in two new deals favouring shorter three-year insurance notes from Challenger, and a new seven-year bond from Dexus Wholesale Property yielding 6.1% at issue both in the A rating band. This sees the Portfolio well positioned to capitalise on anticipated supply set to resume across August and September, as well as opportunities thrown up by a more volatile, dispersed market environment while earning very solid income in the meantime. The Fund's yield remains close to its highest levels since inception.

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 Quarterly ESG Report, please view here: https://go.janushenderson.com/SCF_Quarterly_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 favour a small, long duration position and continue to take advantage of opportunities in volatile markets.

We expect credit volatility to remain structurally elevated as geopolitical and macro risks persist whilst left-tail risks continue to proliferate. We would also add disruption risks and opportunities related to the accelerating impact of AI across a significant part of the global economy. In recognition of this complex and bifurcated investment environment, our credit strategy remains skewed towards high-quality investment-grade issuers that benefit from resilient moats, solid earnings power and conservative balance sheets. Conversely, we are avoiding economically sensitive, lower credit quality and leveraged corporate and consumer focused sectors where default stress remains elevated, or which are highly exposed to AI disruption. Credit spreads and all-in yields particularly in low/no default-risk Australian Investment Grade credit remain reasonably attractive vs global credit. In our view, high-quality Australian credit will remain resilient through a range of macro-economic environments. While we remain constructive and are well-invested across our client portfolios, we are becoming increasingly discerning on new portfolio additions and have actively re-built ample capacity to take advantage of likely periods of opportunity. Lastly, we have prudently elected to maintain material levels of inexpensive credit protection to protect against downside left-tail risks.

Labelled bond issuance rebounded in July, with sustainability-linked issuance the heaviest segment via regular issuers including the Inter-American Development Bank, International Finance Corporation and Standard Chartered Bank. JPMorgan also came to market with a green bond issue toward month-end. Against a backdrop of rising bond yields and modestly wider credit spreads, the resilience of ESG issuance suggests sustainable financing remains an important source of capital market activity for both public-sector and high-quality investment-grade borrowers.

For in-depth economic analysis and the Australian Fixed Interest Team's outlook, visit https://go.janushenderson.com/Viewpoint-Aug26