

Janus Henderson
— INVESTORS —

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Joint Investment Forum 2019

Searching for Income

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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.

LEARNING OBJECTIVES

Framework

1

To understand the importance of income in current market conditions

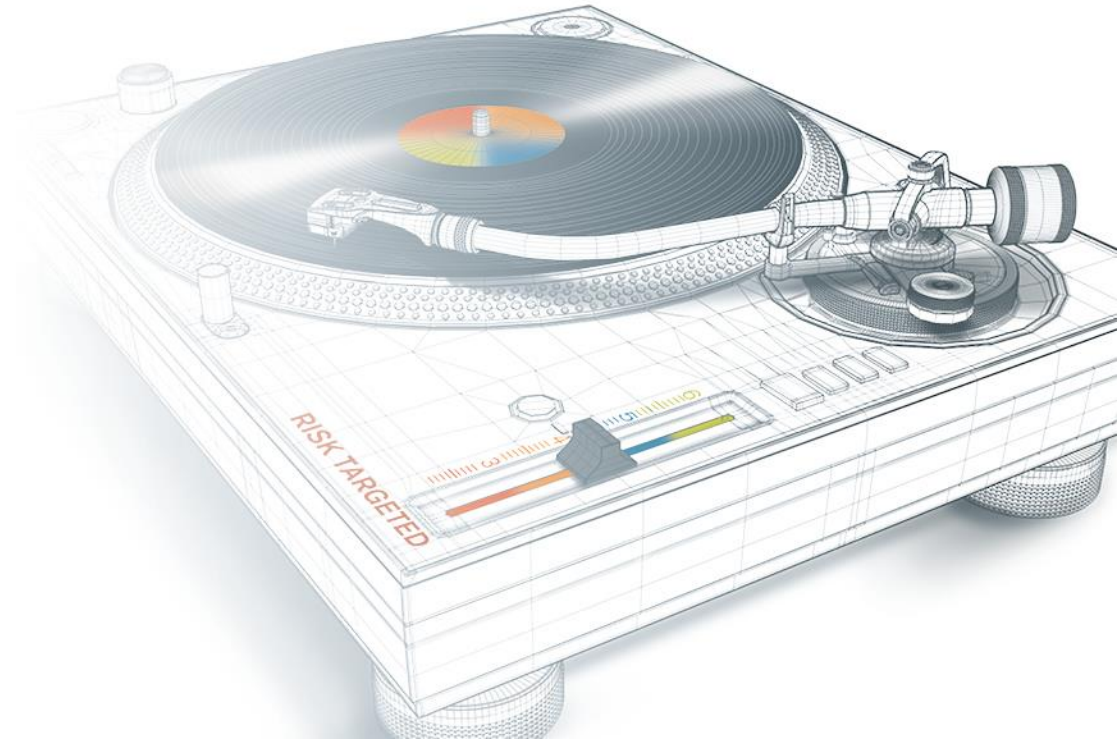
2

To recognise how using natural income can remove sequencing risk

3

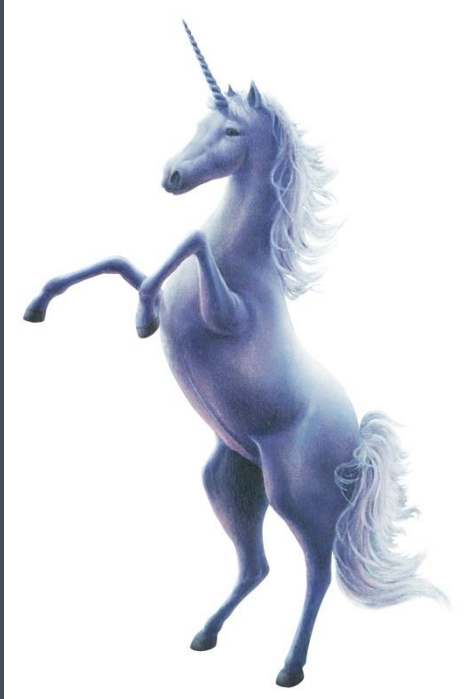
To comprehend how diversification can offer regular income for clients' portfolios

**Three areas that
excite us!**



THE IMPORTANCE OF INCOME

While the many chase unicorns, we're happy to be dinosaurs



Source: iStock

VS



WHY WE CONSIDER ESG FACTORS

Identifies risk metrics and return opportunities

Are investors incorporating

The letters 'ESG' are rendered in a large, bold, sans-serif font. Each letter is filled with a vertical gradient that transitions from a dark green at the top to a light green in the middle, and finally to a grey at the bottom. The letters have a subtle drop shadow effect.

factors into their investment decisions?

Yes 18%

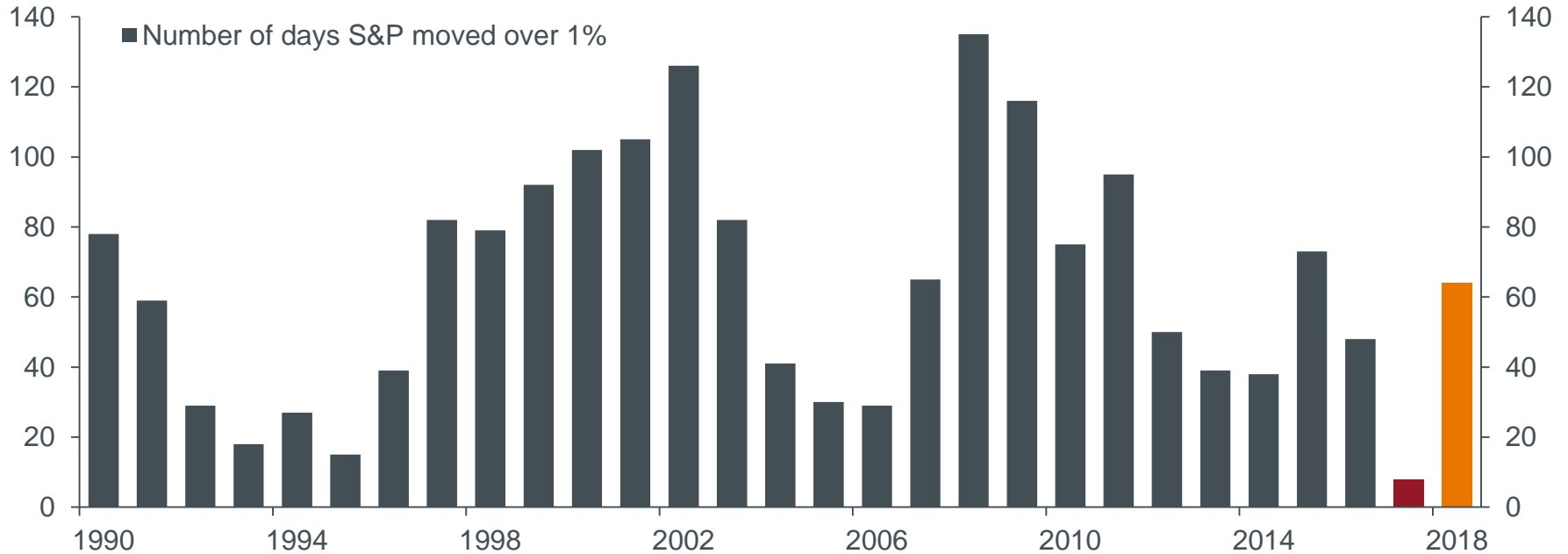
Planning 43%

No 38%

VOLATILITY IS BACK TO NORMAL

Time to be active

Daily moves in equities

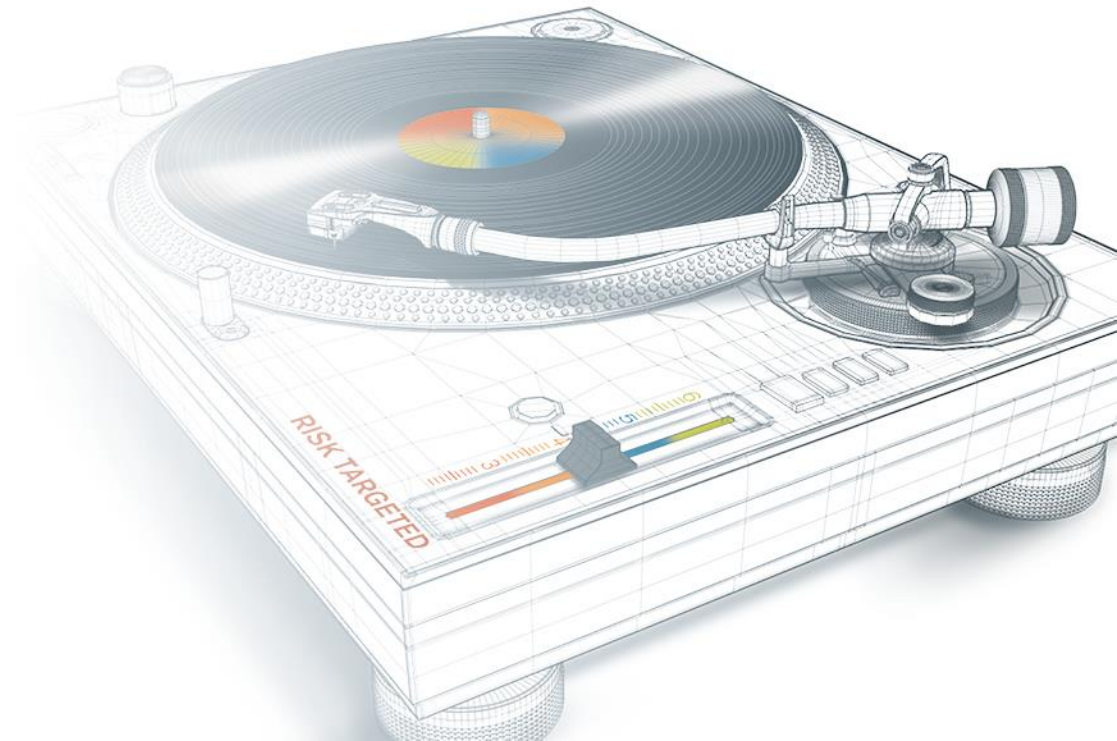


Source: Bloomberg, as at December 2018

Notes: Dark bars show the number of days in a year when the S&P 500 has moved up or down by more than 1%, orange bar shows 2018 so far

Past performance is no guide to future performance

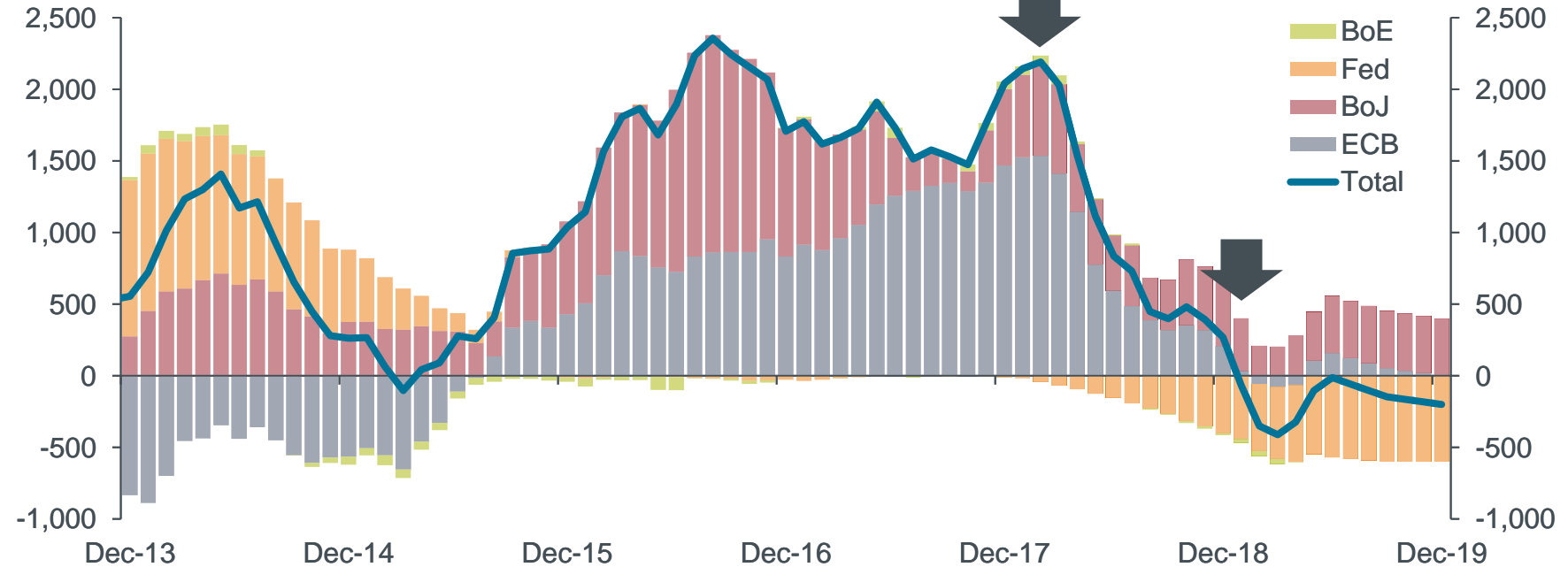
Two areas that worry us!



REGIME CHANGE

Moving to quantitative tightening

Year-on-year flow of asset purchases (\$ billions)



Source: Bloomberg, TS Lombard, 30 December 2018 Note: Projections after June 2018 are forecasts
Federal Reserve (Fed), European Central Bank (ECB), Bank of Japan (BoJ), Bank of England (BoE)
Past performance is no guide to future performance

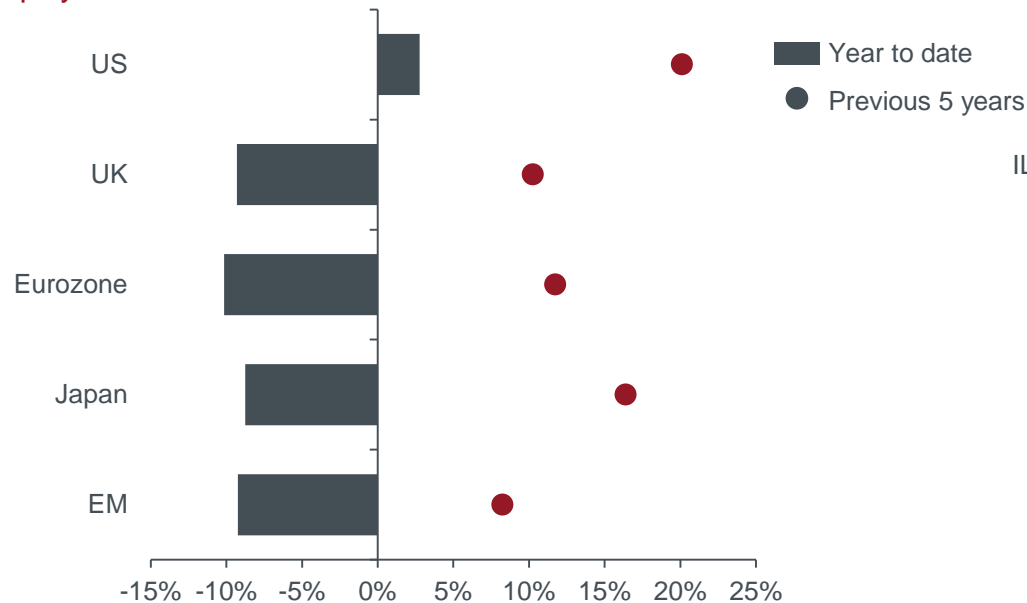
RISING TIDES FLOAT ALL BOATS



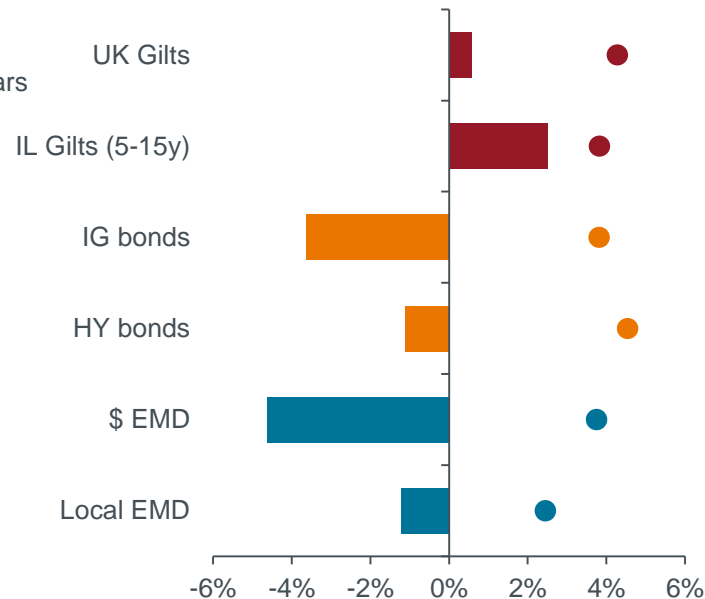
REGIME CHANGE

Divergence of performance

Equity total returns



Bond total returns

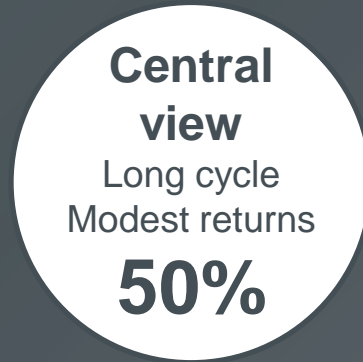


Source: Bloomberg, as at 30 December 2018. Total returns year-to-date in 2018 and in the 5 years to the end of 2017

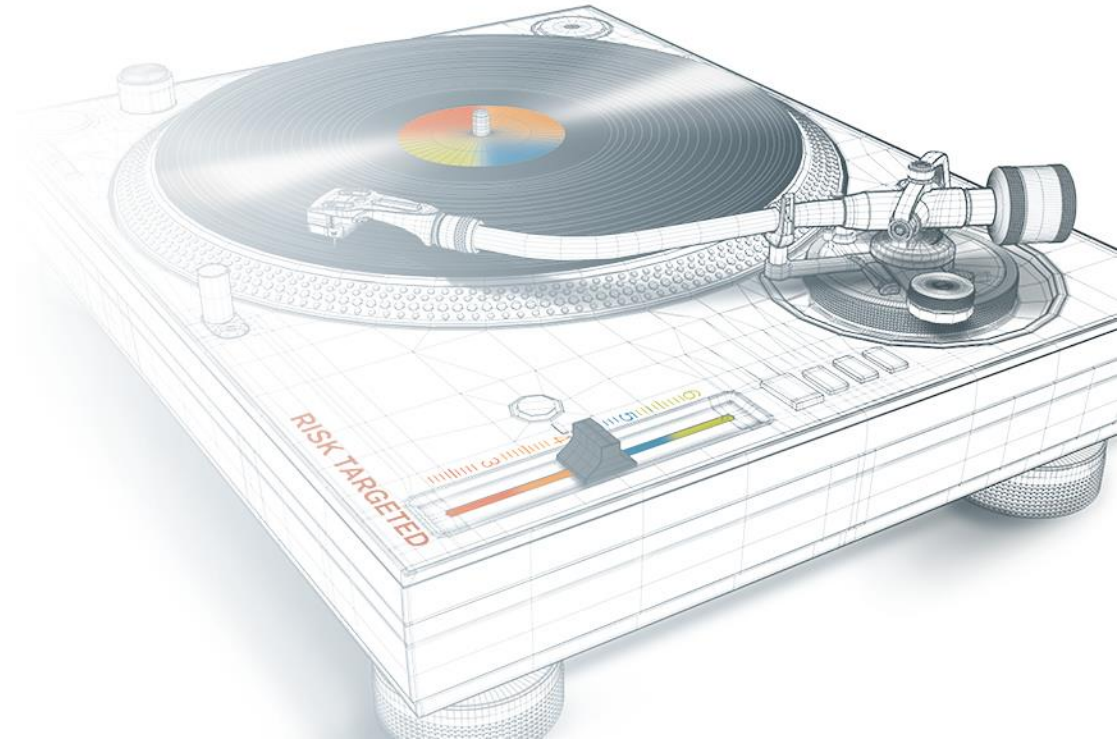
Note: Please see below for currencies. Returns in GBP: S&P 500, FTSE All Share, Eurostoxx 50, Topix, MSCI Emerging Markets & Latin America Indices, FTSE All Share, UK All Stocks Gilt & 5-15 year Index-Linked Gilt Indices, J.P. Morgan GBI-EM Index, Janus Henderson UK Property PAIF. Returns in USD: JP Morgan EMBI Global Index, Markit iBoxx USD Liquid Investment Grade & USD Liquid High Yield Indices.

WHERE COULD WE BE WRONG?

An uncertain outlook



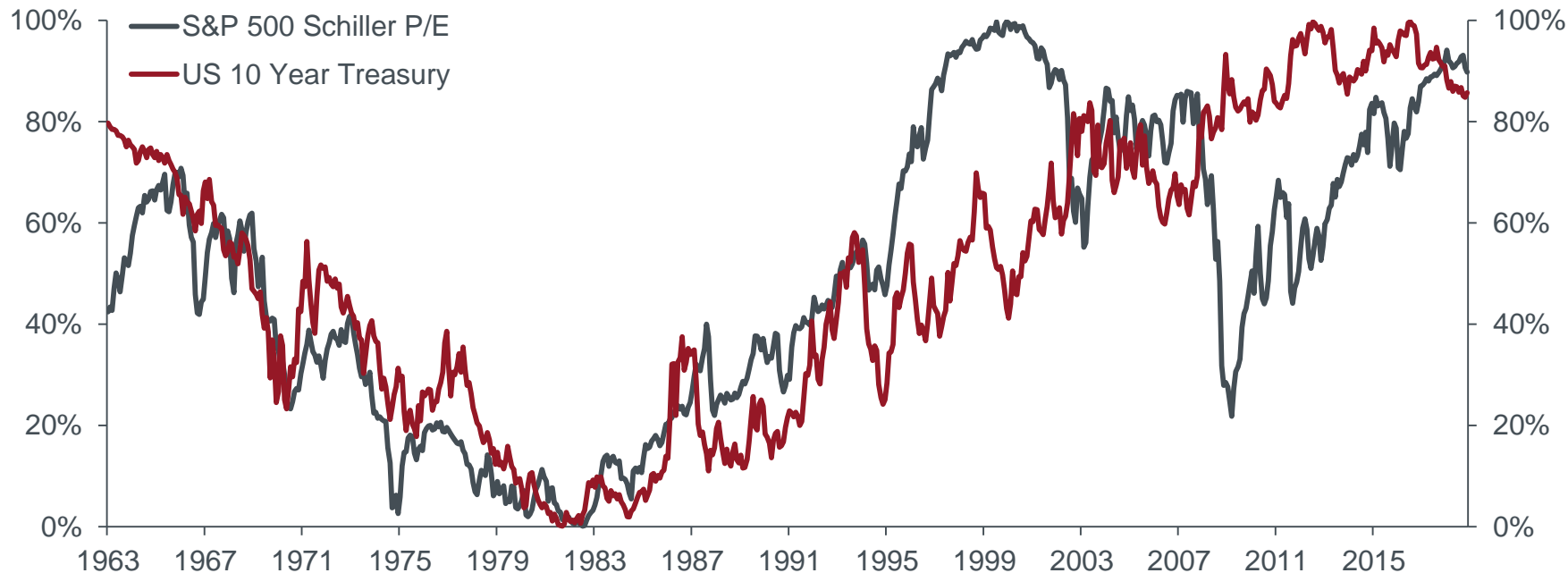
If you remember
one thing...



DIVERSIFY

But...watch the perceived free lunch

Relative expensiveness to own history



Source: Bloomberg, IMF Forecasts and Citi. All investments involve risk and may lose value. The value of your investment can go down depending upon market conditions. Past performance is not a guide to future performance.

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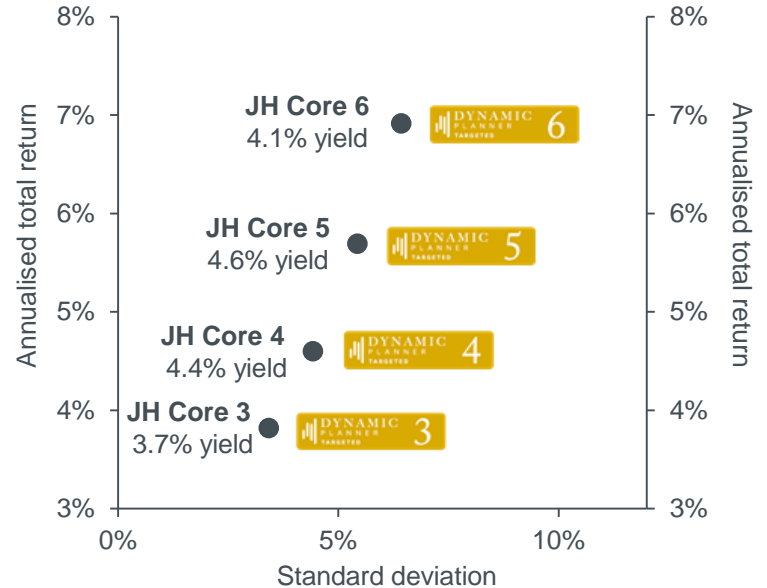
To comprehend how diversification can offer regular income for clients' portfolios

JANUS HENDERSON MULTI-ASSET CORE INCOME

Key features



5 year risk adjusted returns



Source: Janus Henderson Investors as at 31 December 2018. 5 years of monthly data net of fees and tax. Yields may vary. Yield = 12m historic, I Inc share class. Returns in GBP and past performance is not guaranteed.

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