

GLOBAL PROPERTY EQUITIES FUND

UK Next Generation Forum 2023

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Investing in the opportunities of tomorrow

Global Property Equities

INVESTMENT PHILOSOPHY

Real Estate is a continuously evolving asset class where structural trends create opportunity in parts of the market and lead some historically core property types towards irrelevance.

We aim to actively identify real estate securities driving the future of the sector, without bias toward style, property type or market cap.

We believe a high-conviction process, driven by fundamental stock picking and systematic risk controls, can generate consistently strong risk-adjusted returns.

Demographic & technology trends shaping the future

DIGITISATION



DEMOGRAPHICS



SUSTAINABILITY



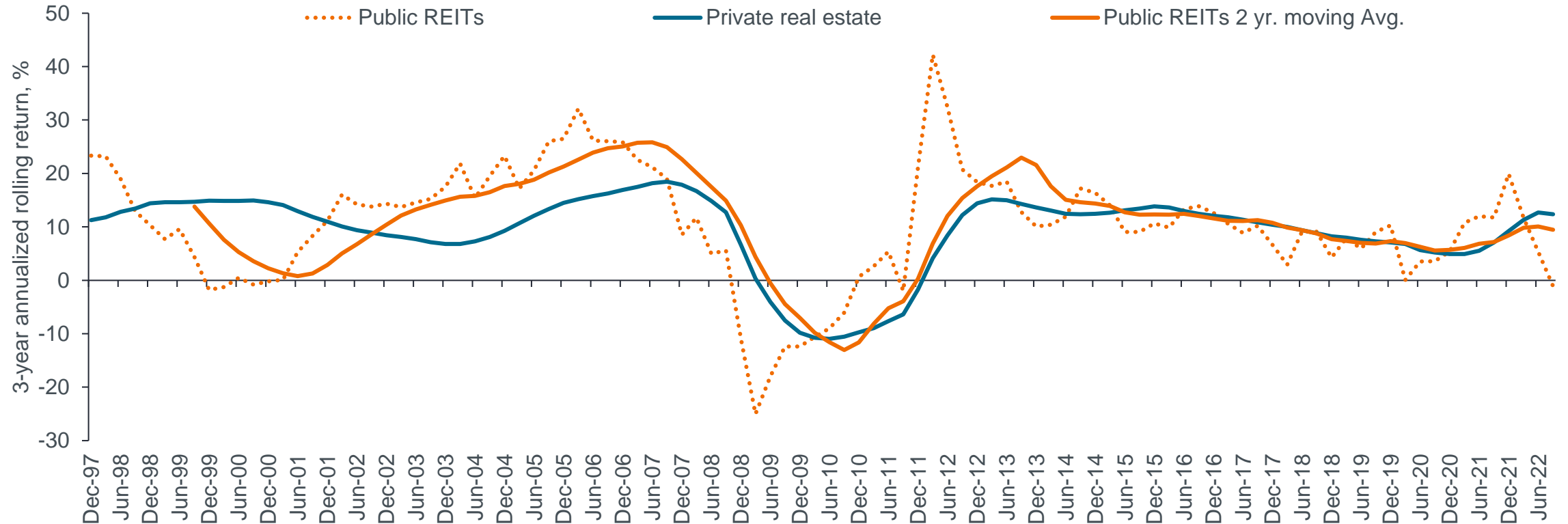
CONVENIENCE LIFESTYLE



Source: Janus Henderson Investors, as at 31 December 2022.

REITs are real estate; but volatility creates opportunity

Public REITs with a 2-year moving average resemble the private real estate index



Source: Morningstar Direct, Public REITs: FTSE Nareit All Equity REITs TR USD, Private real estate: NCREIF Fund ODCE, as at 1 January 1995 to 30 September 2022.

Janus Henderson Global Property Equities Fund

Fund overview



High-conviction, all-cap fund investing in REITs and real estate related securities, with a sector-leading active share



Differentiated approach to fundamental research and portfolio construction, focused on opportunities across the asset class including alternatives and non-benchmark sectors



Global team with local expertise, leveraging local insight and industry relationships, seeking to generate alpha

General Characteristics

Inception

Fund: 11 January 2023

Strategy: 3 January 2005

AUM

Fund: £5.0 Mn

Strategy: £1.1 Bn

Performance target

To outperform the FTSE EPRA Nareit Developed Index by at least 2% per annum, before the deduction of charges, over any 5 year period.

Investment Style

Global All-Cap Core

Holdings Range

50 – 60

Typical Active Share

> 70%

Typical Beta

0.95 – 1.05

Expected Turnover

50% – 100%

Regional Allocation

+/- 10% benchmark weight in North America and Asia-Pacific

+/- 5% benchmark weight in Europe

Sector Allocation

+/- 10% benchmark weight at the regional level for core U.S. sectors

Typical Tracking Error

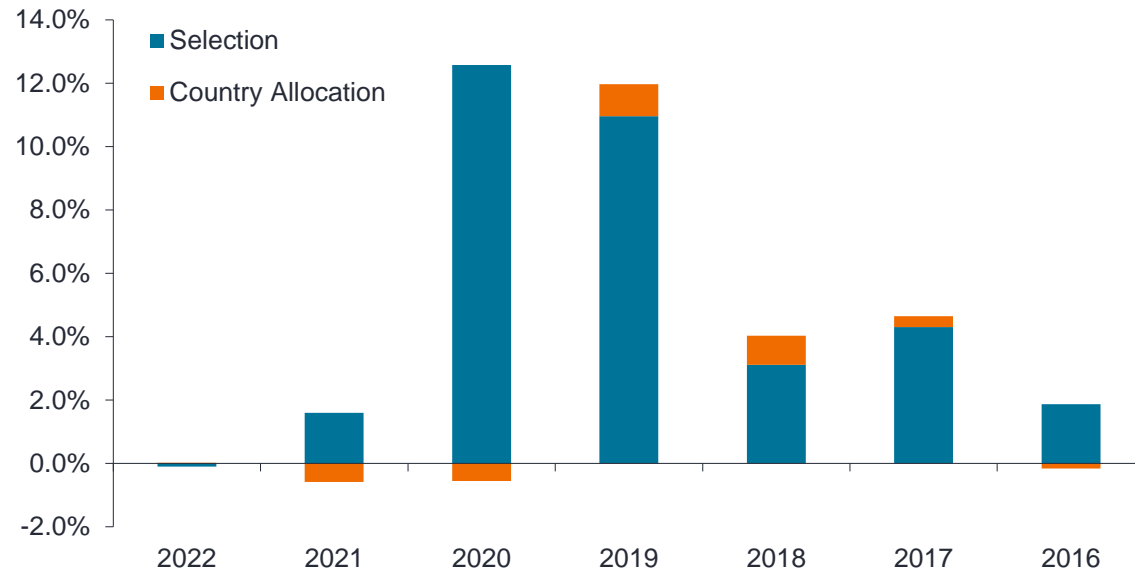
200 – 400bps

Source: Janus Henderson Investors, as at 31 December 2022.

Delivering attractive risk-adjusted returns

Performance (rep account)

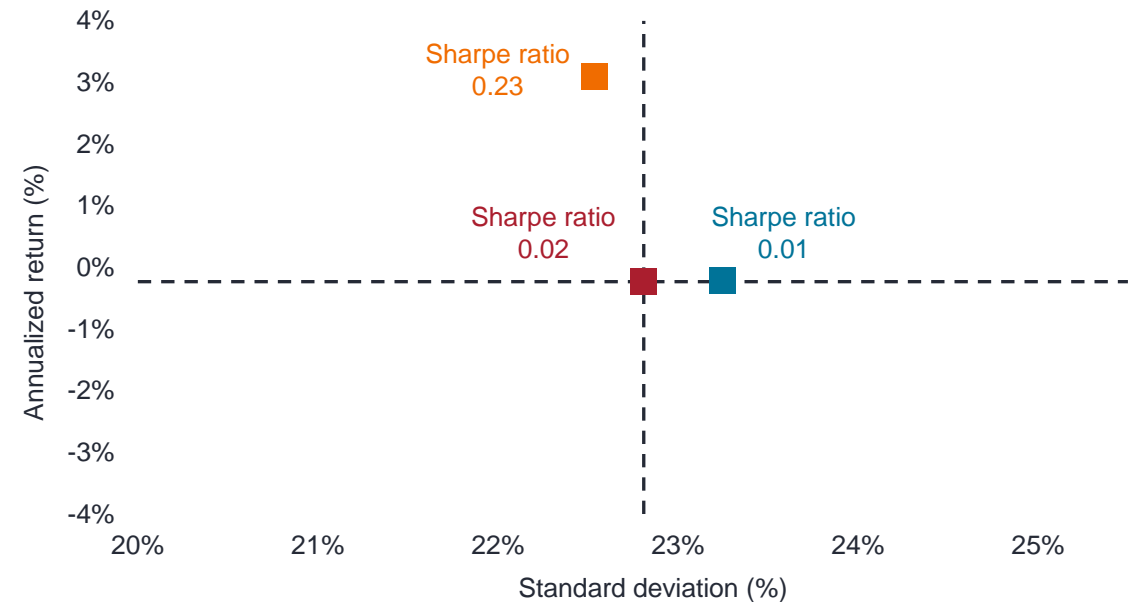
Calendar year performance attribution



Stock selection is the main source of alpha

Source: Janus Henderson Investors, FactSet, as at 31 December 2022.
 Note: Representative account: Janus Henderson Horizon Global Property Equities Fund. Performance in USD. Performance attribution and contribution reflect returns gross of advisory fees and may differ from actual returns as they are based on end of day holdings. Attribution is calculated by geometrically linking daily returns for the portfolio and index. Contribution represents the weighted contribution to overall performance for the time period held. Portfolio variance compares performance of the portfolio to the index. It consists of various elements such as the impact of security selection, portfolio weightings, currency exposure etc.
Past performance does not predict future returns.

5-year risk / return (31/12/17 – 31/12/22)



Source: Janus Henderson Investors, eVestment, as at 31 December 2022.
 Note: Rep account, net of fees, using I2 USD share class, in USD. Peer Group: Property – Indirect Global. The Morningstar peer group is applicable for the representative account, which is a SICAV. For the Janus Henderson Global Property Equities Fund (OEIC), the relevant peer group comparator is the IA Property Other. The representative account is believed to most closely reflect the current portfolio management style. The strategy representative account might not be available on all jurisdictions. Please consult availability of other structures with your sales representative.
Past performance does not predict future returns.

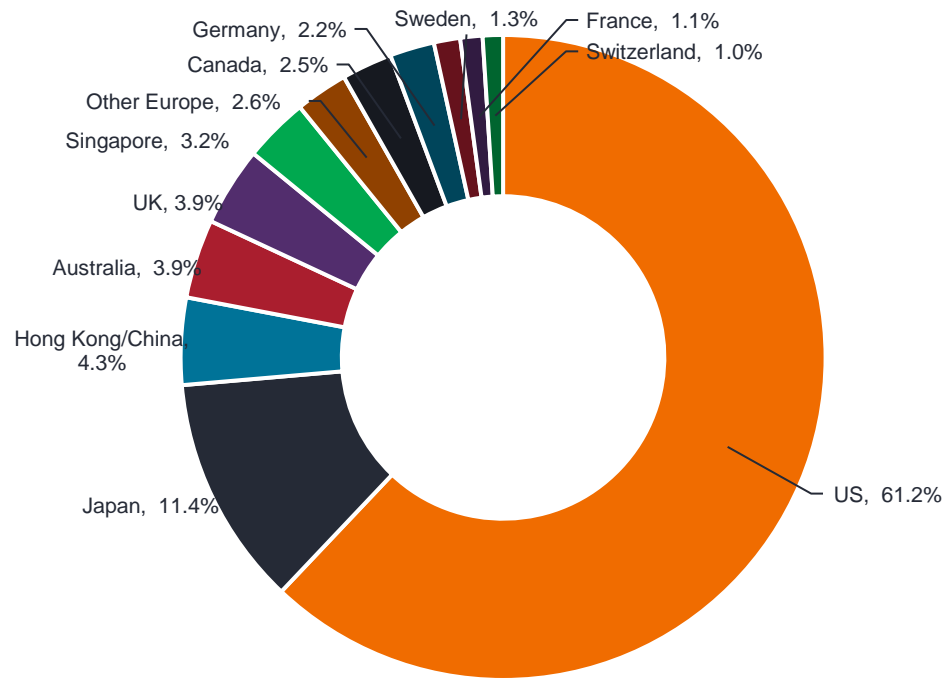


Investment process

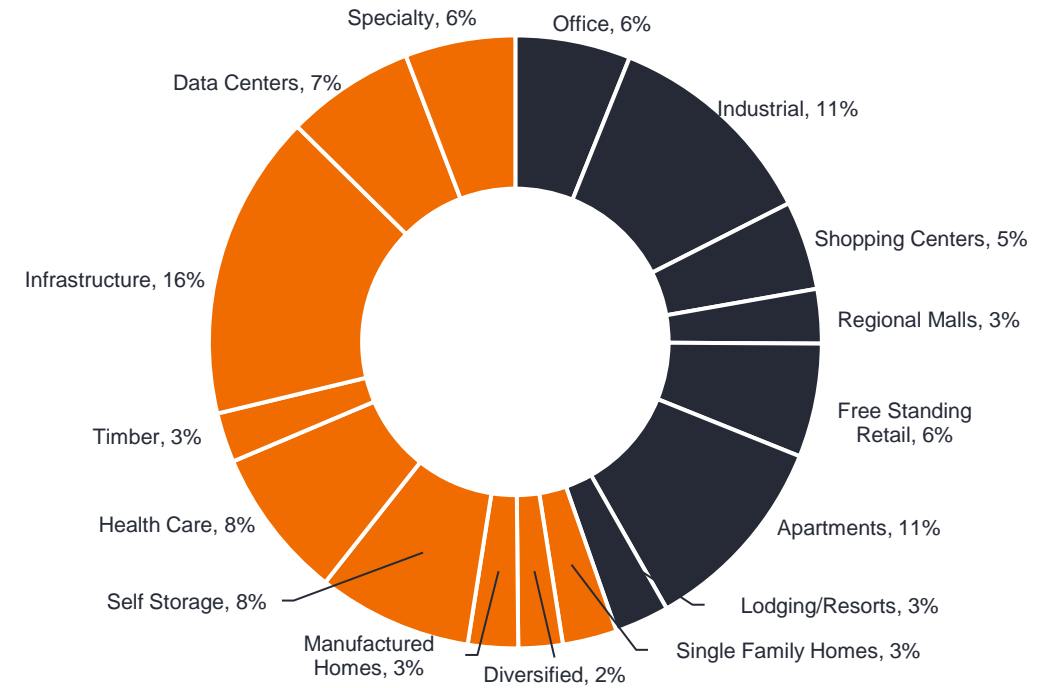
Investment universe; Broad geographic and sector exposure

We will look beyond the core sectors and the benchmark

Global REITs enhance diversification benefit



Specialty sectors constitute c.50% of US REIT universe

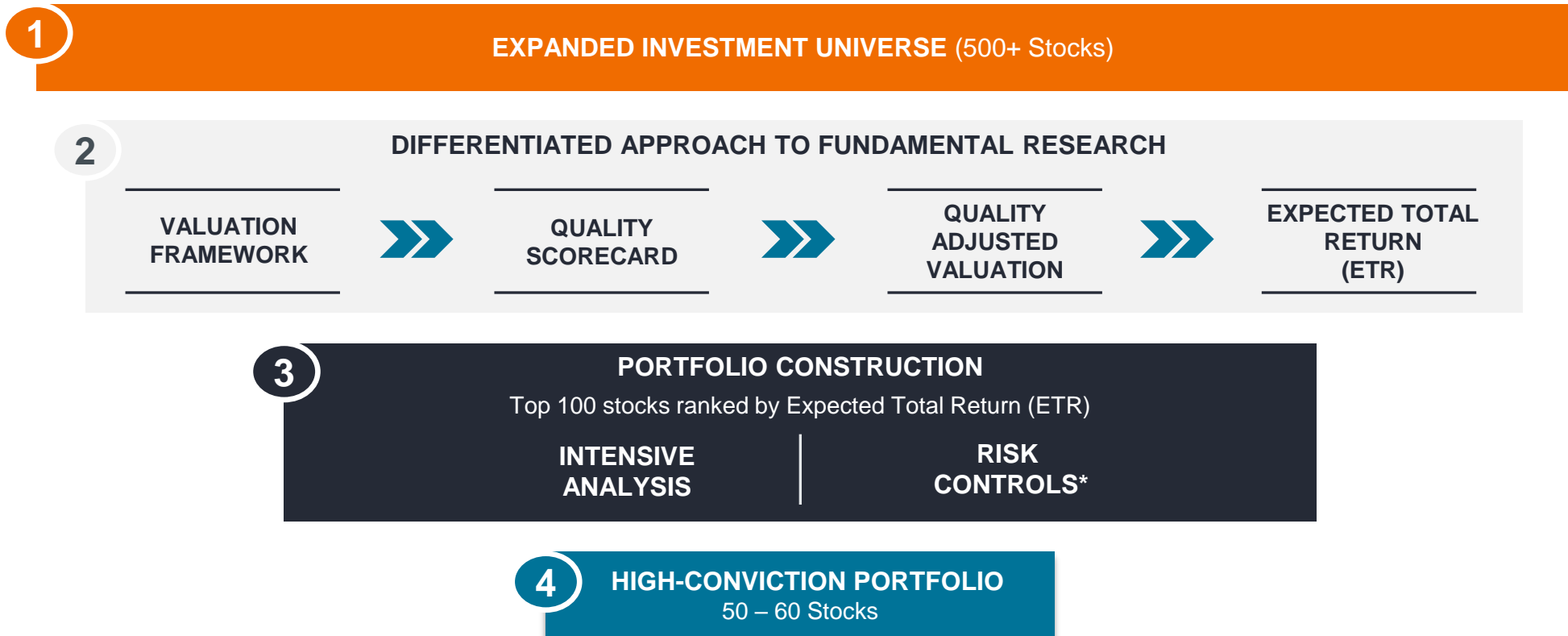


Free float market cap of index \$1.5 trillion

Source: Janus Henderson Investors, FTSE, as at 31 December 2022.
 Note: LHS: FTSE EPRA Nareit Developed Index. RHS: FTSE Nareit All REITs Index.
 Free float market cap : FTSE EPRA/NAREIT Developed Index.

Investment process overview – focus on what matters

Disciplined process investing across the global real estate universe, regardless of style, size, and property type



Source: Janus Henderson Investors, as at 31 December 2022.

Note: There is no assurance that the investment process will consistently lead to successful investing.

*Risk Controls reference limits on exposure.

Investment process – quality scorecard

Scorecard systematically captures the team's expertise

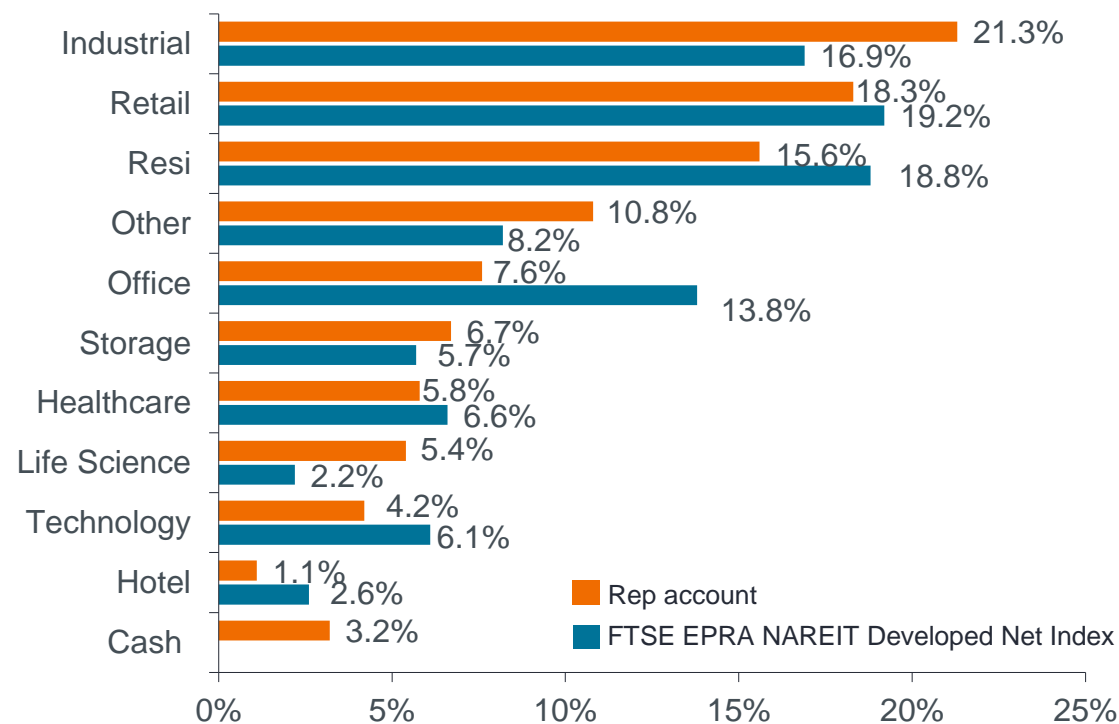


Source: Janus Henderson Investors, as at 31 December 2022.

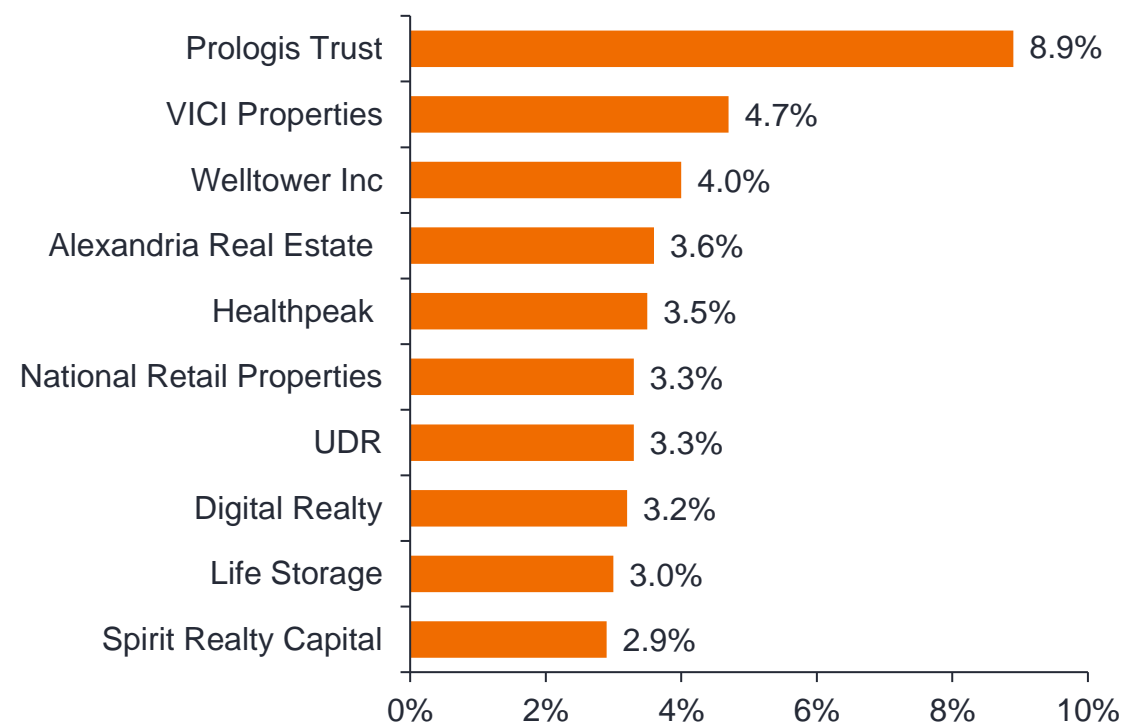
Output reflects sector and stock conviction

Portfolio positioning as at 31 December 2022

Sector positioning



Top 10 portfolio holdings



Source: Janus Henderson Investors, as at 31 December 2022.

Note: Representative account. Technology includes cell towers and data centres. Others include student accommodation, gaming, manufactured housing etc. Life Science includes purpose-built laboratory and R&D space. Healthcare includes senior housing, skilled nursing homes, hospitals, and medical offices. References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned. Portfolio holdings are subject to change.

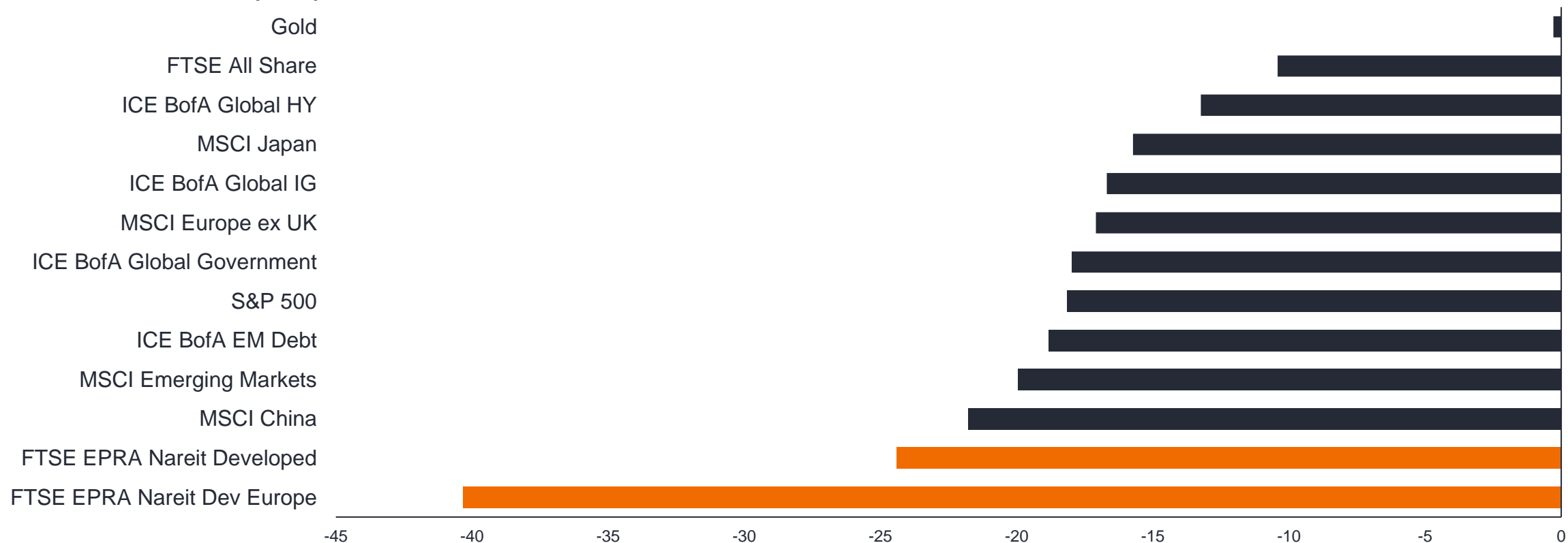
Past performance does not predict future returns.

Review of 2022; What's in the price?

2022: nowhere to hide

But listed real estate has fared worse than most

Total returns in 2022 (USD)



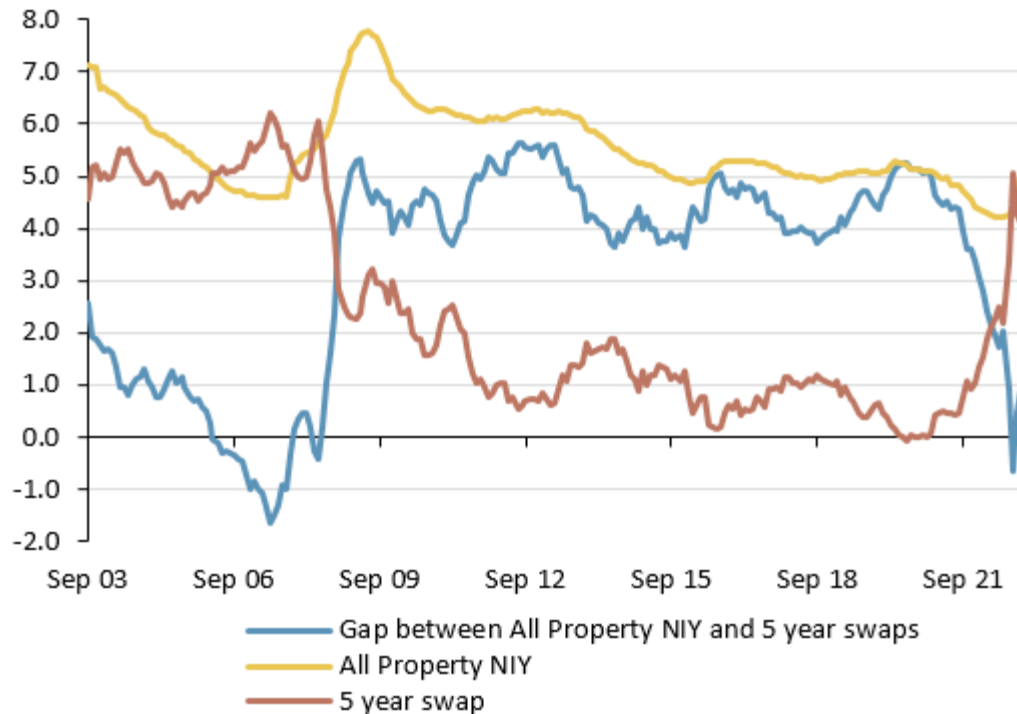
Source: Janus Henderson Investors Analysis, Bloomberg, as at 31 December 2022.

Past performance does not predict future returns.

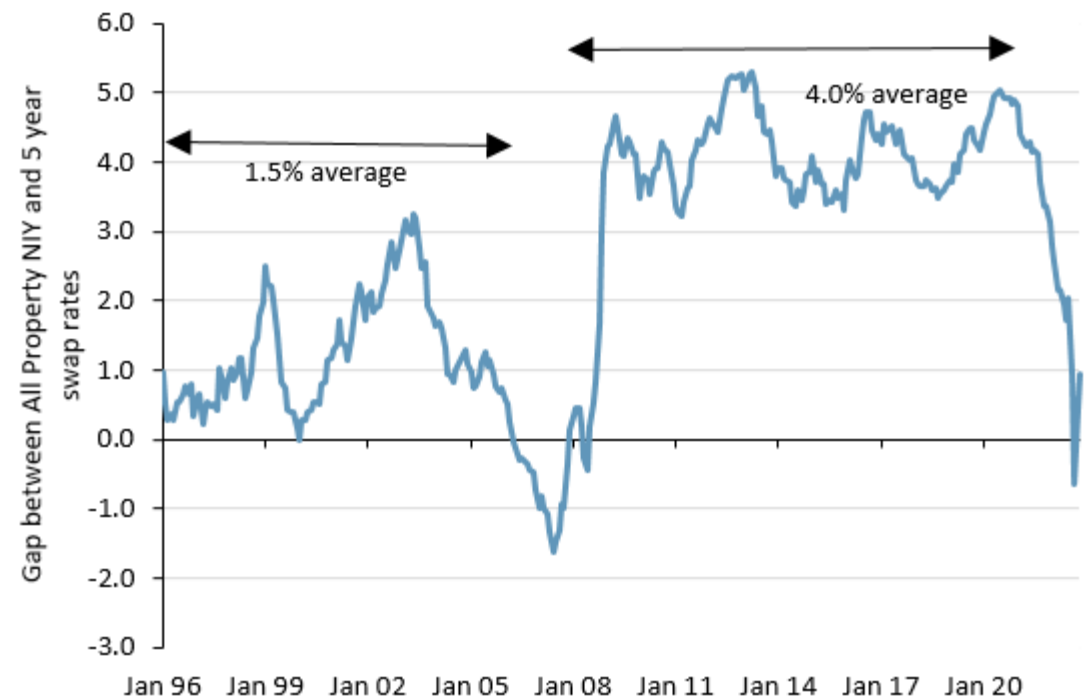
Rebuilding risk premium

Capital values adjusting to new funding backdrop with higher yields

Gap between property yields and swap rates gone



Changing gap between UK property yields and financing rates



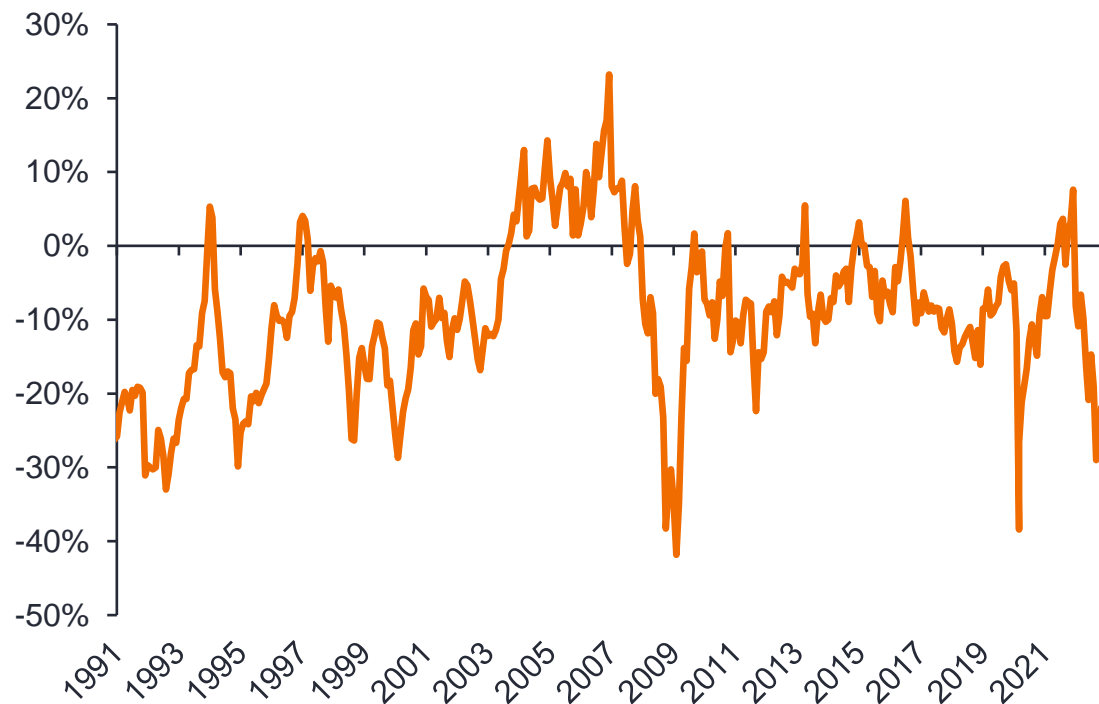
Source: Refinitiv Datastream, MSCI, Panmure Gordon Real Estate Chartbook, as at 30 November 2022.

Note: NIY= Net Income Yield.

Listed RE has priced in major write-downs yet to be taken by private managers

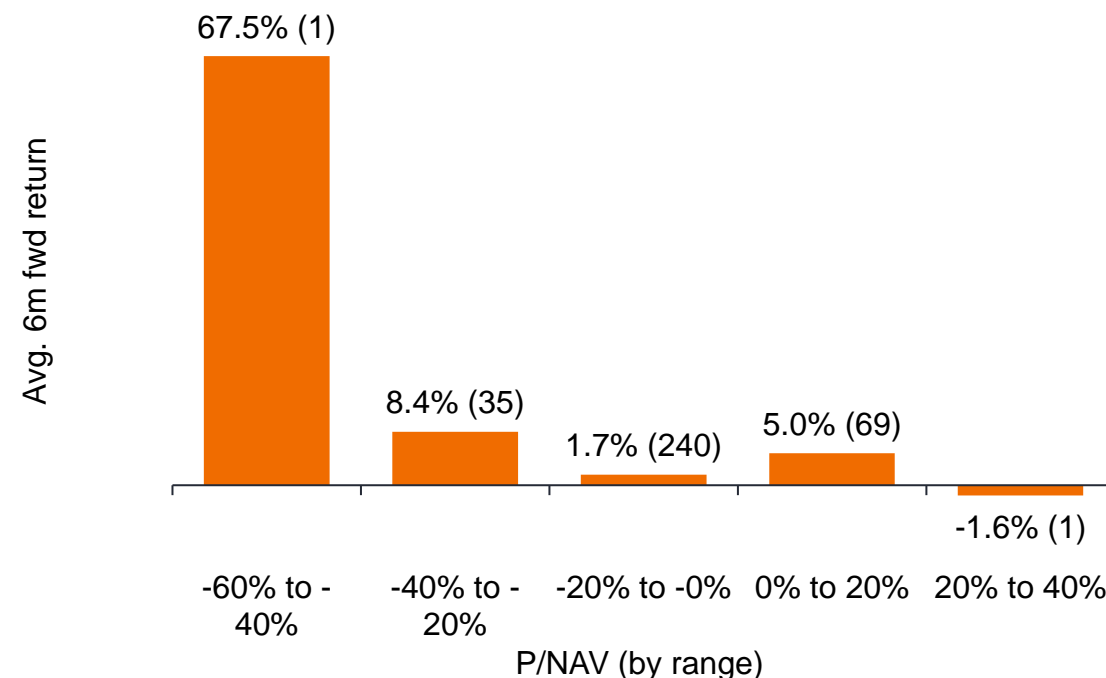
Historically buying wide discounts was rewarded

Global Property Equity markets premium/(discount) to NAV



Source: UBS, Janus Henderson Investors Analysis, as at 31 December 2022.
Note: UBS coverage universe.

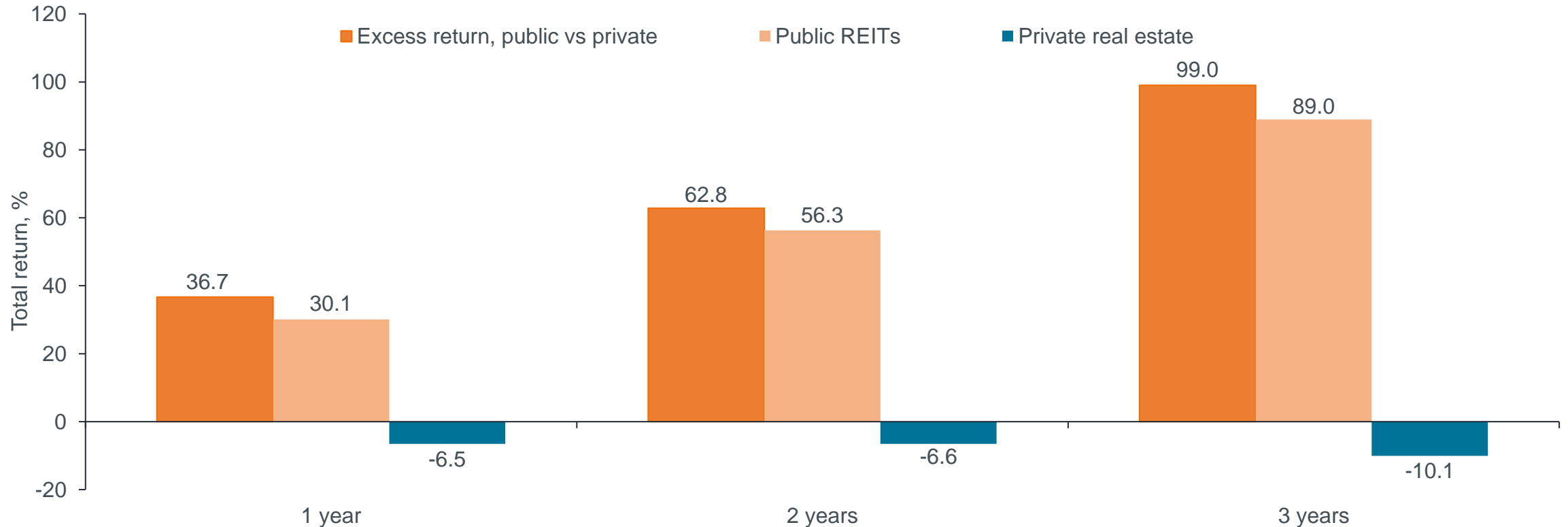
Spot REIT pricing & subsequent six-month returns (# data points)



Source: Datastream, UBS, Janus Henderson Investors Analysis, as at 30 April 2022.
Note: 6m forward price returns for EPRA Developed Index. 1993 to 2022.
Past performance does not predict future returns.

Similar assets, different prices = the opportunity

Since 1990, when discounts to NAV are $\geq 20\%$, over the next three years, public outperformed private 100% of the time, with 99% higher return on average



Source: Morningstar Direct, Public REITs: FTSE Nareit All Equity REITs TR USD, Private real estate: NCREIF Fund ODCE, as at 1 January 1990 to 30 September 2022, Discount to NAV data from Green Street Advisors.

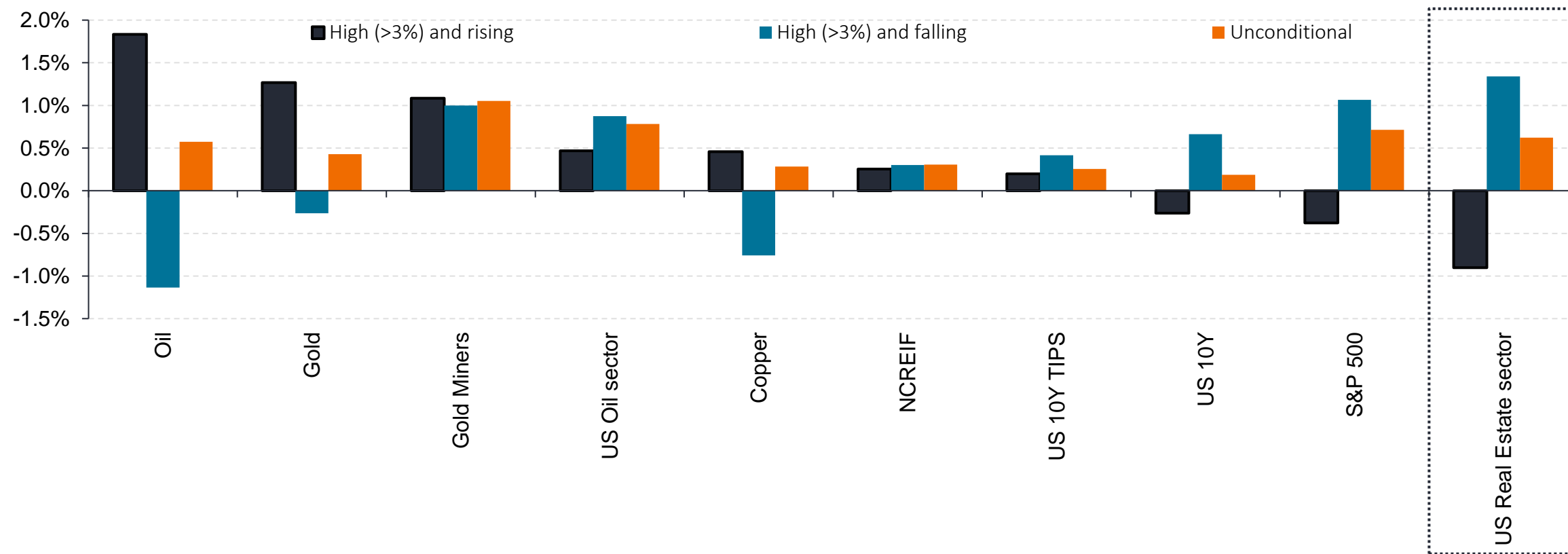
Past performance does not predict future returns.

Where now?

Asset allocation & inflation

REITs have outperformed other real assets when inflation was high AND falling

Average monthly, real return (%)

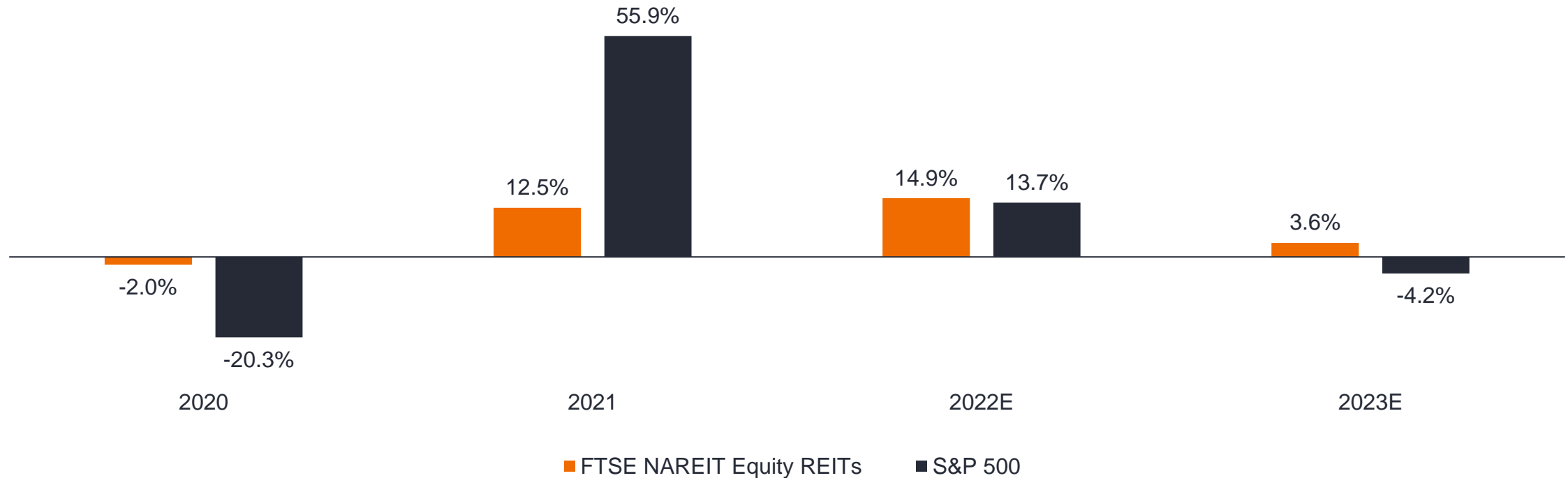


Source: Refinitiv Datastream, Haver Analytics, Kenneth French, Goldman Sachs Global Investment Research, Janus Henderson Investors Analysis, 15 September 2022. Note data since 1950, inflation based on US CPI.

Income resilience may be key in 2023

US REIT earnings poised to grow in 23 versus a decline for the S&P?

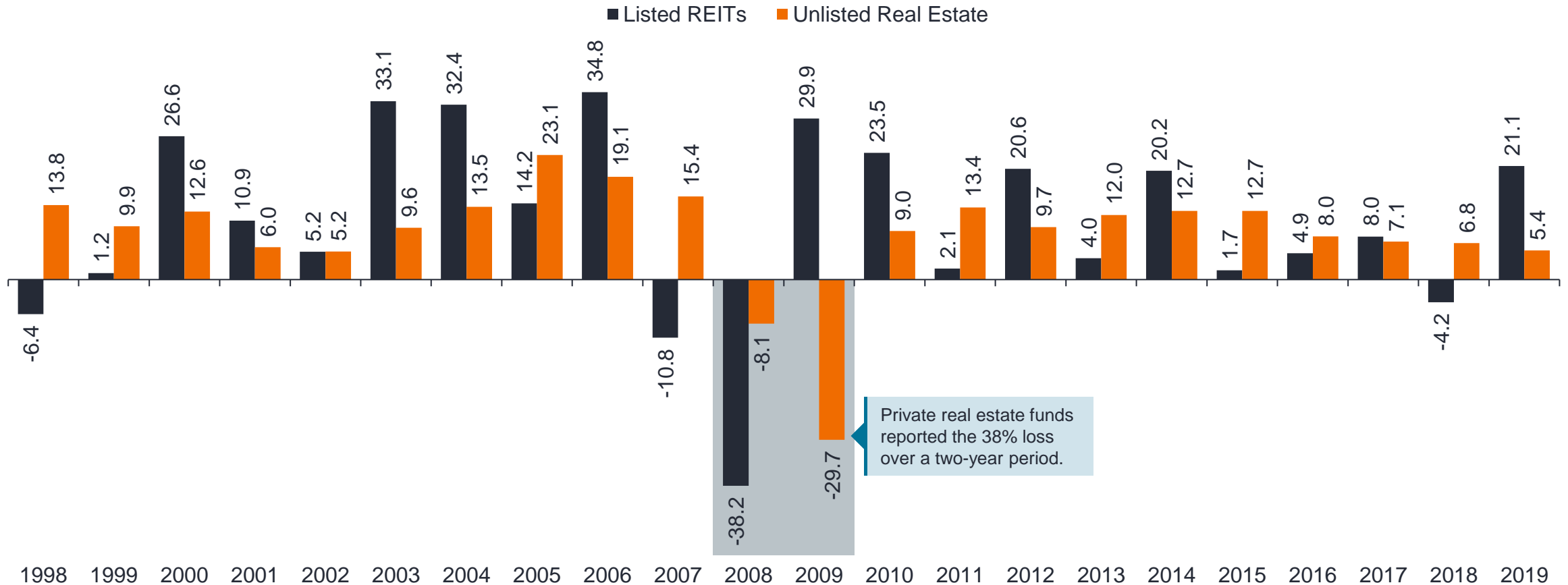
Earnings growth: US REITs vs S&P 500



Source: FTSE Russell, S&P Global Indices, Bloomberg, Janus Henderson Investors Analysis, as at 31 December 2022.

Note: There is no guarantee that past trends will continue, or forecasts will be realised. The views are subject to change without notice.

Finally: Remember: REITS historically fall & recover first



Source: CEM Benchmarking report, Janus Henderson Investors Analysis, as at 31 December 2019.

Note: The above are the Team's views and should not be construed as advice and may not reflect other opinions in the organisation. The views are subject to change without notice.

Appendix

Biography



Guy Barnard, CFA

Co-Head of Global Property Equities | Portfolio Manager

Guy Barnard is Co-Head of Global Property Equities at Janus Henderson Investors, a position he has held since 2014. He is also a Portfolio Manager responsible for managing the Global Property Equities, Global Real Estate Equity Income and Pan European Property Equities strategies. Guy joined Henderson in 2006 as an analyst and became a portfolio manager in 2008 and deputy head of Global Property Equities in 2012. Before Henderson, he worked for UBS in financial control.

Guy holds a first class BSc degree (Hons) in mathematics and management from Loughborough University. He holds the Chartered Financial Analyst designation and has 19 years of financial industry experience.

Source: Janus Henderson Investors, as at 30 September 2022.

Contact us

janushenderson.com



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