

SUSTAINABLE CREDIT ACTIVE ETF

Janus Henderson
INVESTORS

As at June 2025

Fund objective

The Fund seeks 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.

Sustainability objective

The Fund seeks to invest in credit securities which the Manager expects currently or will in the future contribute positively towards eight 'People' and/or 'Planet' themes.

Investment approach

The Manager utilises a proprietary 'Holistic' framework combining qualitative ESG assessments with third-party ESG measures and metrics to assess issuers; a process then complemented by active stewardship and engagement activities.

Benchmark

Bloomberg AusBond Composite 0-5 Yr Index

Risk profile

Medium

Suggested timeframe

3 years

Active ETF

inception date
14 March 2023

Underlying fund

inception date
7 February 2023

Active ETF size

\$2.3 million

Underlying Fund size

\$80.4 million

Management cost (%)

0.50 p.a.

Buy/sell spread (%)

0.06/0.10[^]

Base currency

AUD

Distribution frequency

(if any)
Monthly

ARSN code

662 889 214

APIR code

HGI0694AU

ISIN

AU0000254278

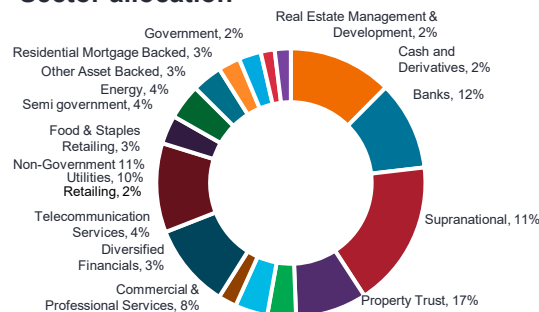
ASX code

GOOD

Performance	1 Month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (gross)	0.54	2.48	4.47	8.49	-	-	-	6.02
Fund (net)	0.49	2.36	4.21	7.95	-	-	-	5.49
Benchmark	0.48	1.97	3.35	6.34	-	-	-	4.18
Excess return*	0.06	0.51	1.12	2.15	-	-	-	1.84

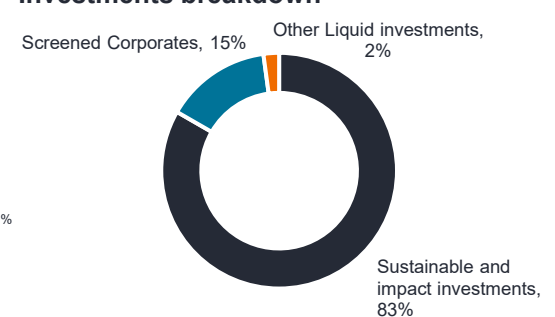
*In line with the fund objective, the excess return is measured against gross performance. Gross return is gross of management costs and sell spread. Past performance is not a reliable indication of future results.

Sector allocation

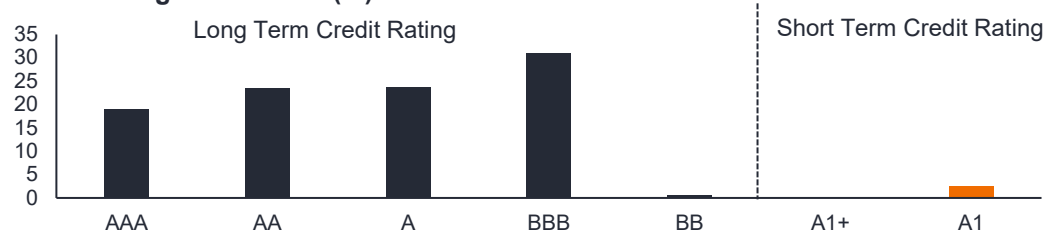


Rounding accounts for small +/- from 100%.

Investments breakdown



Credit rating distribution (%)



Portfolio Characteristics

	Fund	Benchmark
Estimated Weighted Average Yield to Maturity (EWAYTM) ¹	4.58	3.55
Running yield	4.41	3.13
Weighted average credit quality	AA-	AA+
Number of securities (on a look through basis)	103	553
Modified duration	2.48	2.40
Active duration position	0.08	

¹Estimated Weighted Average Yield to Maturity is a measure of the average annual yield of all securities in the Fund (Grossed up for franking credits, where applicable). Benchmark duration is as at month end and therefore does not include rebalancing.

Top holdings

University Of Tasmania 3.97% 24/03/2032 AUD
La Trobe University 5.311% 08/08/30 AUD
NBN CO LTD 4.2% 14/04/2027 AUD REGS
Bank Australia Ltd FRN 22/02/2027 AUD
Commonwealth Bank Of Australia Subordinated FRN BASEL III T2
WOOLWORTHS GROUP LTD 2.75% 15/11/2031 AUD
DWPF Finance Pty Ltd 2.6% 04/08/2032 AUD
CPPIB Capital Inc 1.5% 23/06/2028 AUD REGS
GPT Wholesale Office Fund No1 3.222% 05/11/2031 AUD
Vicinity Centres Trust 4.927% 02/06/2028 AUD REGS

[^] For more information and most up to date buy/sell spread information visit www.janushenderson.com/en-au/investor/buy-sell-spreads.

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**Head of Australian
Fixed Interest**
Jay Sivapalan



Portfolio Manager
Shan Kwee

Fund Performance

The Janus Henderson Sustainable Credit Active ETF (Fund) returned 0.49% (net) and 0.54% (gross). The Fund performed in line with the Bloomberg AusBond Composite 0-5Yr Index (Benchmark) in June, which returned 0.48% over the month.

Market gyrations offered an opportunity to actively add value during the quarter, and return tailwinds remained strong through to the end of financial year. The Fund delivered strong returns during the June quarter and 8.5% gross for the full financial year whilst maintaining a high quality and liquid credit Portfolio, meaningfully outperforming cash and the Benchmark over the same respective periods.

Through the quarter defensive repositioning preserved capital as tight credit valuations normalised wider in April. Our selective positioning in higher quality and defensive credit subsectors, while avoiding exposure to expensive subsectors like hybrids protected the Fund from risk repricing and credit drawdowns. Nimble repositioning of portfolio insurance has also been a key lever during the quarter, given the swings in market sentiment. We actively managed a portfolio insurance position via Credit Default Swaps (CDS) which added value in March and April as global credit spreads sold off swiftly. The Portfolio was then nimbly repositioned, taking profit on this protection position into market weakness. This allowed the Portfolio to participate more fully in the subsequent rally in spreads and risk assets through into the end of June. With global valuations now again looking fairly fully priced, we have just reinstated credit hedges. Another defensive lever was duration positioning focussed in the shorter part of the yield curve, overweight duration added value as bond yields rallied the most in the short end into the April market shock. We trimmed overweight duration by 0.3 year to move neutral versus the Benchmark as RBA cuts now appear fully priced in line with our base case, however some capacity to rally remains should global and local growth outcomes be negatively impacted by the geopolitically uncertain operating environments for companies.

Across the quarter we saw a range of opportunities to rotate credit holdings and enhance spread. We added four new securities to the portfolio across senior corporate bonds from MetLife, Contact Energy (Green Bond tied to renewable energy generation), and Goodman Industrial Partnership, and bank Tier 2 from Heritage and Peoples Choice. In June there were two inaugural corporate subordinated issues, from Melbourne Airport and NextEra Energy offering healthy spreads of 2.0 - 2.6%, which we think generates solid income and potential for outperformance over time and offers better risk adjusted opportunity than BB rated US HY for example which has a current market spread below 2% with higher leverage and tariff exposure. The Fund also participated in two new securitisations one of note was specialist medical industry lender Credabl, who lends to dentists, doctors, vets and other allied health professionals.

The Sustainable Credit 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. These themes include 'Planet' (decarbonisation, circular economy, sustainable buildings, biodiversity) and 'People' (equality and alleviating poverty, inclusion and social diversity, aid disability support, affordable housing).

The Fund invests in a diversified and sustainable allocation of securities with at least 80% exposure to securities deemed 'Sustainable' and/or 'Impact' in our assessment, and has around 75% allocated to investment grade credit.

For further insights from our team, please view the following articles:

- [Affordable Housing – How investors can help to solve it](#)
- [Sustainable buildings – Beyond solar panels and water tanks](#)
- [Promoting decarbonization, the Aussie way](#)
- [Diversity and inclusion. Beyond gender](#)

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Credit spreads and all-in yields particularly in low/no default-risk Australian Investment Grade credit remain reasonably attractive versus global credit

Market Review

Global markets were remarkably unflustered amid significant geopolitical shifts, including US trade negotiations and military conflict with Iran. Local economic indicators like the NAB business survey, household spending and GDP were weak, while inflation printing at 2.1%yoy allows the Reserve Bank of Australia (RBA) to more comfortably meet their objectives.

Despite seismic shifts in the global geopolitical landscape credit markets were stronger. The Australian iTraxx Index ended 2bps tighter at 74bps, while the Australian fixed and floating credit indices returned +0.62% and +0.38% respectively. Attention now turns to the upcoming corporate reporting season.

US high yield and loans continued to recover as expectations of US trade deals and potential rate cuts assisted sub investment grade US credit, outperforming European Loans. Domestic Tier 2 performed well delivering 0.9%, while ASX listed Australian hybrids underperformed cash with a modest 0.1% return. ASX listed hybrids have significantly underperformed other credit markets and cash since the end of March, delivering a slightly negative return even after including the benefit of franking credits.

Market Outlook

Markets continue to price a further 99bps of easing by the RBA, having moved to a more dovish stance amid global uncertainty.

Our base case for the RBA to ease a further 100bps to 2.85%. Our low case reflects a weaker economic outcome and the RBA easing by a total of 250bps. We allocate a modest weight to the low case. Duration remains neutral, as we see better market opportunities elsewhere. We remain vigilant through the volatility to take advantage of mispricing and continue to favour the shorter part of the yield curve.

In recognition of the complex global environment, our credit strategy remains skewed towards high-quality, investment grade issuers operating in defensive sectors, with resilient business models, solid earnings power and conservative balance sheets. Conversely, we are avoiding economically-sensitive, lower credit quality and leveraged corporate and consumer sectors where default stress remains elevated. Credit spreads and all-in yields particularly in low/no default-risk Australian Investment Grade credit remain reasonably attractive versus global credit. We maintain our constructive view that high quality Australian credit will remain resilient through a range of macro-economic environments, and are well-invested across client portfolios. We continue to opportunistically take advantage of credit market rallies to realise profit and identify rotation opportunities to increase overall portfolio credit quality. We also favour actively augmenting levels of credit protection via CDS to take advantage of periods of volatility in market movements.

For in-depth economic analysis and the Australian Fixed Interest Team's outlook, visit <https://go.janushenderson.com/Viewpoint-Jul25>

ESG Commentary

Healthy labelled bond issuance continued in June. Social Bonds from Korea Housing Finance and French Bank BPCE along with a sustainability bond from the South Australian Government followed on from a raft of green bond issuance earlier in the quarter.

The Australian Fixed interest team published a themed piece on the 'circular economy' which can be viewed here <https://www.janushenderson.com/en-au/adviser/article/advancing-sustainability-through-a-circular-economy/>

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As at June Quarter 2025

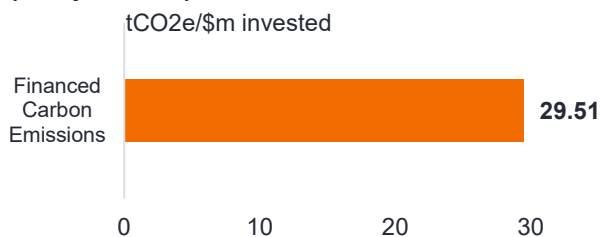
Labelled bonds# structure breakdown

	Fund
Sustainability-linked	7%
Sustainability	8%
Social	8%
Green	41%

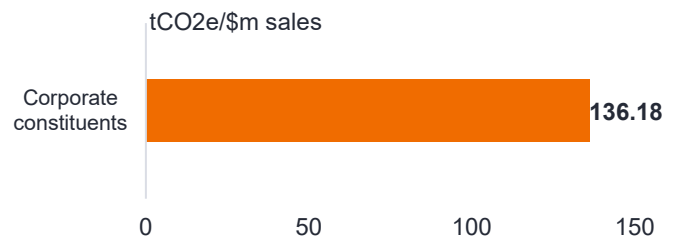
Labelled bonds include use of proceeds bonds such as green, social and sustainability bonds which fund projects with specific and dedicated environmental and/or social benefits and sustainability-linked bonds that do not finance particular projects but rather have their coupons linked to the issuers reaching predetermined sustainability performance targets and key performance indicators. Percentages may not add up to 100% as the breakdown only considers labelled bond investments in the fund.

Source: Janus Henderson Investors

Financed Carbon Emissions (Scope 1 & 2)



Weighted Average Carbon Intensity (Scope 1 & 2)



AUM Coverage of 80.28%. The Coverage refers to the data that is available from MSCI ESG analytics. They do not provide ESG data for all investable companies.

Source: Janus Henderson Investors

	Theme	Measure	Fund	Coverage
PLANET	Decarbonisation	% of issuers with a net zero target by 2050	86%	100%
	Circular economy	% of companies with programs for recycling, re-using and composting	92%	55%
	Sustainable buildings	% of companies who have obtained green building certificates	50%	55%
	Biodiversity	% of companies with a policy on biodiversity in place	81%	100%
PEOPLE	Inclusion & social diversity	% of companies with a minimum of 35% of women in senior positions*	81%	100%
		% of companies with a minimum of 35% of women on the board*	60%	100%
	Affordable housing	Number of dwellings developed to provide more affordable housing projects*	4,900	
		Number of Australians who were assisted in the purchasing or building of a home*	61,000	
	Disability support & services	Of those assisted in the purchasing of new homes, % of households with a disability supported*	30%	
	Social equality & poverty	% of companies that support charitable program, direct contributions to community and have affirmative action policies in place	50%	55%

Source: Janus Henderson Investors

This table denotes the percentage of corporate issuers in the portfolio, deemed sustainable and/or impact, that meet those respective measurements.

Note: * These figures represent outcomes aligning to the relevant 'People' theme, which result from funding provided via instruments in which the Fund invests.

Coverage refers to the percentage of companies in our corporate universe that report on the respective metrics. This data is collated from company sustainability statements as well as third party systems by the investment team.

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Important information

The information in this monthly report was prepared by Janus Henderson Investors (Australia) Funds Management Limited ABN 43 164 177 244, AFSL 444268 (Janus Henderson) and should not be considered a recommendation to purchase, sell or hold any particular security. The Product Disclosure Statement and Target Market Determination for the Fund is available at www.janushenderson.com/australia, and contains more information on the investment objective, how we make ESG assessments and identify 'Sustainable' and 'Impact' investments contributing to 'People' and 'Planet' themes. Past performance is not a reliable indicator of future performance. Performance source: Morningstar, Janus Henderson. Performance figures are calculated using the exit price net of fees and assume distributions are reinvested. Due to rounding the figures in the holdings, breakdowns may not add up to 100%. Securities and sectors mentioned in this monthly report are presented to illustrate companies and sectors in which the Fund has invested. Holdings are subject to change daily. This monthly report contains general information only and is not intended to be nor should it be construed as advice. This monthly report does not take account of your individual objectives, financial situation or needs. Before acting on this information you should consider the appropriateness of the information having regard to your objectives, financial situation and needs. 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. An investment in the Fund is subject to risk, including possible delays in repayment and loss of capital invested. None of Janus Henderson nor any of the Janus Henderson group entities nor their respective related bodies corporate, associates, affiliates, officers, employees, agents or any other person are, to the extent permitted by law, responsible for any loss or damage suffered as a result of any reliance by any reader or prospective investor. You should consider the current PDS before making a decision about the Fund. Dollar figures shown are in Australian Dollars (AUD), unless otherwise stated. Janus Henderson is a trademark of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc.