

WAR, INFLATION & BIOTECH

HUBBIS INDEPENDENT WEALTH MANAGEMENT
FORUM 2022

11 May 2022, Singapore

Andrew Hendry, CFA
Head of Distribution Asia



IMPACT OF WAR



Source: The EurAsian Times, 28 Mar 2022

FOR INSTITUTIONAL INVESTOR USE ONLY / NOT FOR PUBLIC VIEWING OR DISTRIBUTION.

AGENDA



What is the opportunity?

How to get access?

When is the right time?

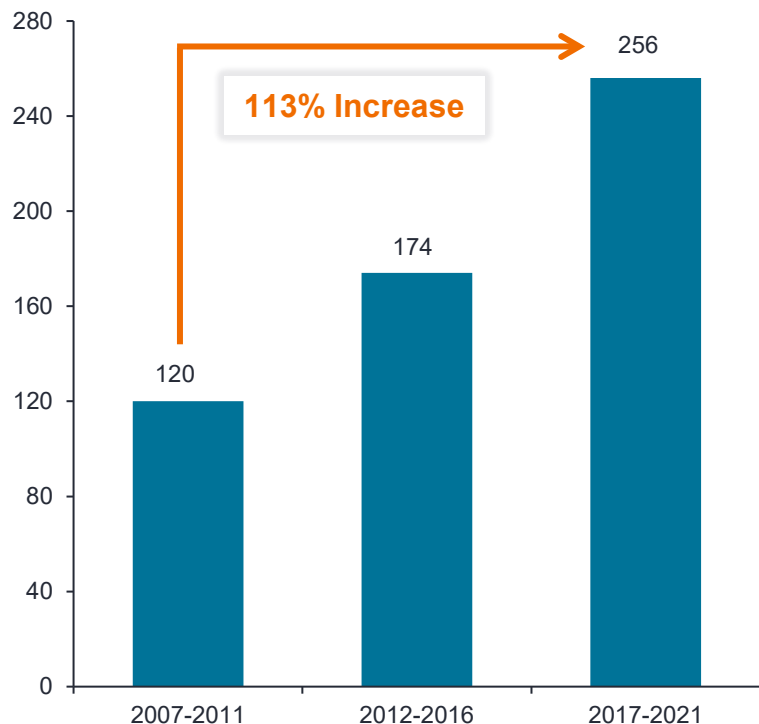
Source: Janus Henderson Investors, as of March 2022.

FOR INSTITUTIONAL INVESTOR USE ONLY / NOT FOR PUBLIC VIEWING OR DISTRIBUTION.

WHY HEALTHCARE? ACCELERATING INNOVATION

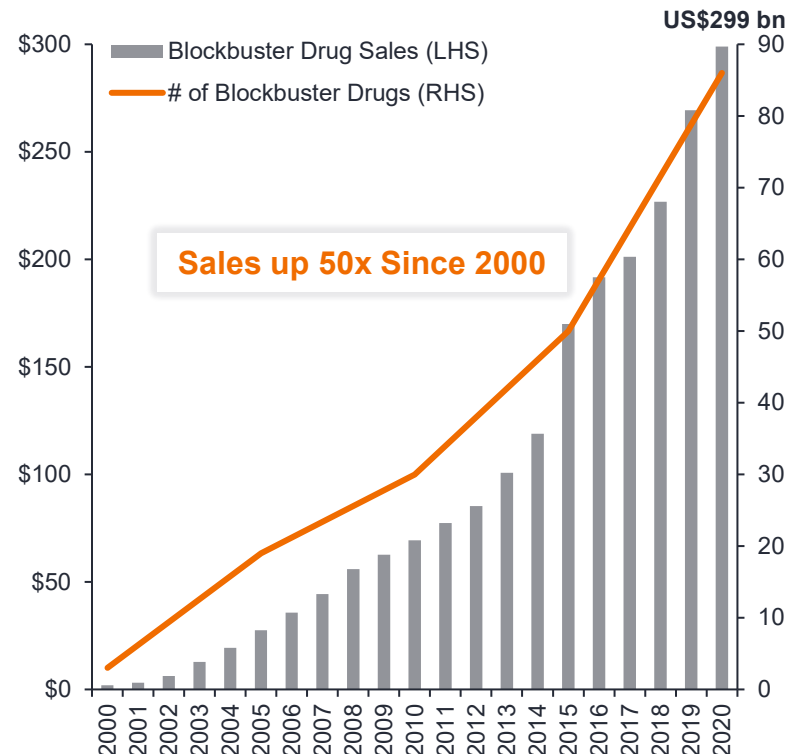
Dramatic improvements in scientific productivity

Number of Drugs Receiving FDA Approval



Source: FDA, as at 31 December 2021.

Blockbuster Drug Sales (US\$ billions)



Source: Janus Henderson, ISI Research, as at 31 December 2020.

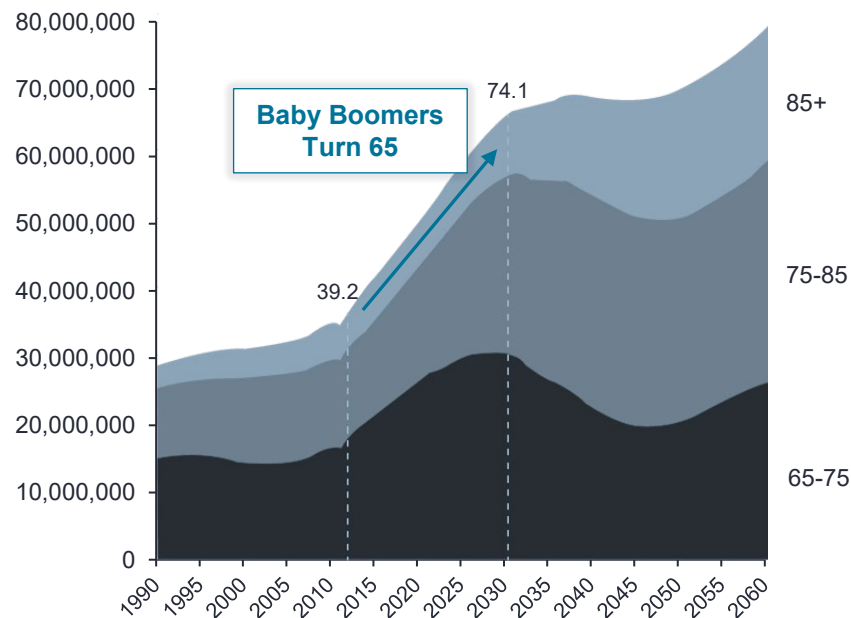
Note: Blockbuster drug = > US\$1 billion in annual sales

FOR INSTITUTIONAL INVESTOR USE ONLY / NOT FOR PUBLIC VIEWING OR DISTRIBUTION.

WHY HEALTHCARE? DEMOGRAPHICS

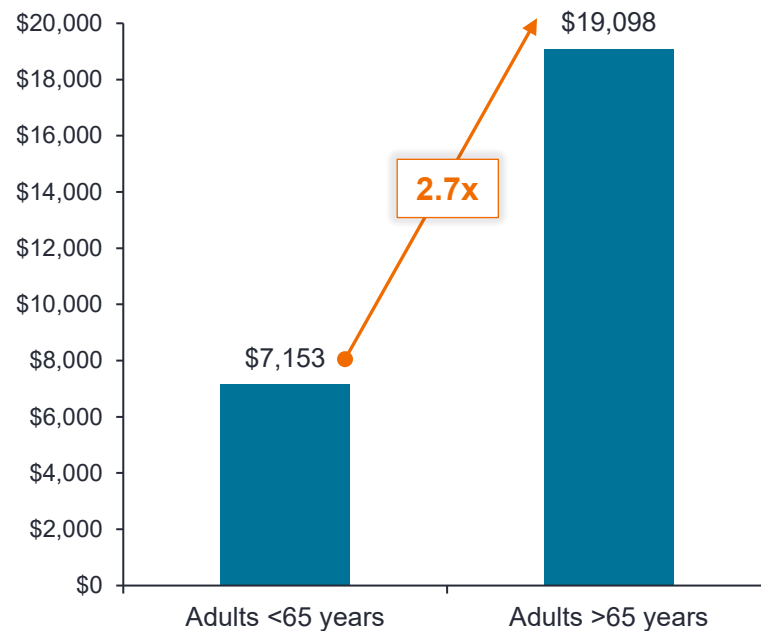
Healthcare spending to increase as the US undergoes a demographic shift

US Population Age 65+ (Millions)



- 10K people a day in the US will turn 65 through 2030

Healthcare Spending Per Capita



- People over 65 spend 2.7x more on health care than adults under 65

Source: US Census Bureau, December 2019.

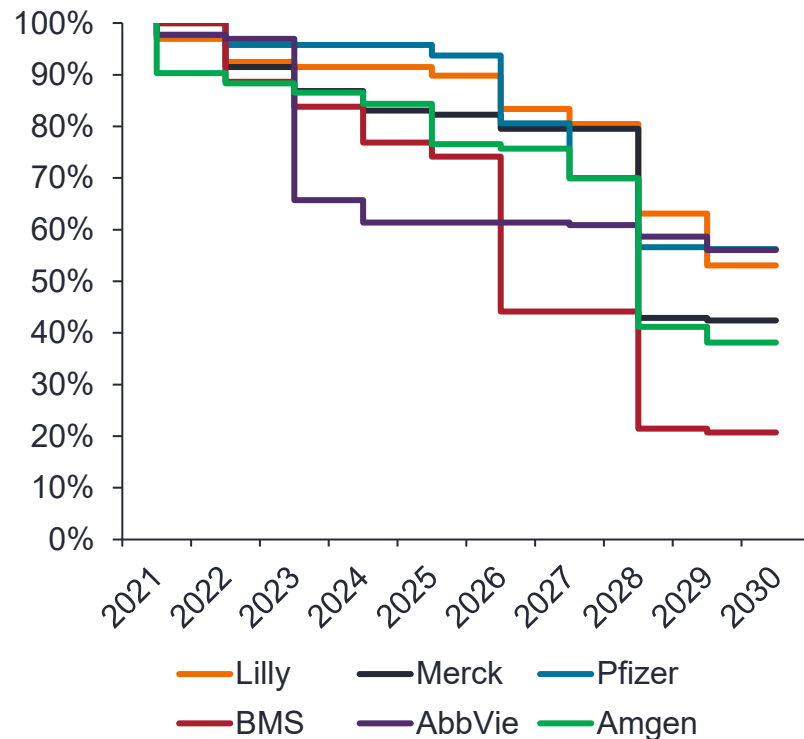
Source: CMS Data on total HC expenditure, 2014.

FOR INSTITUTIONAL INVESTOR USE ONLY / NOT FOR PUBLIC VIEWING OR DISTRIBUTION.

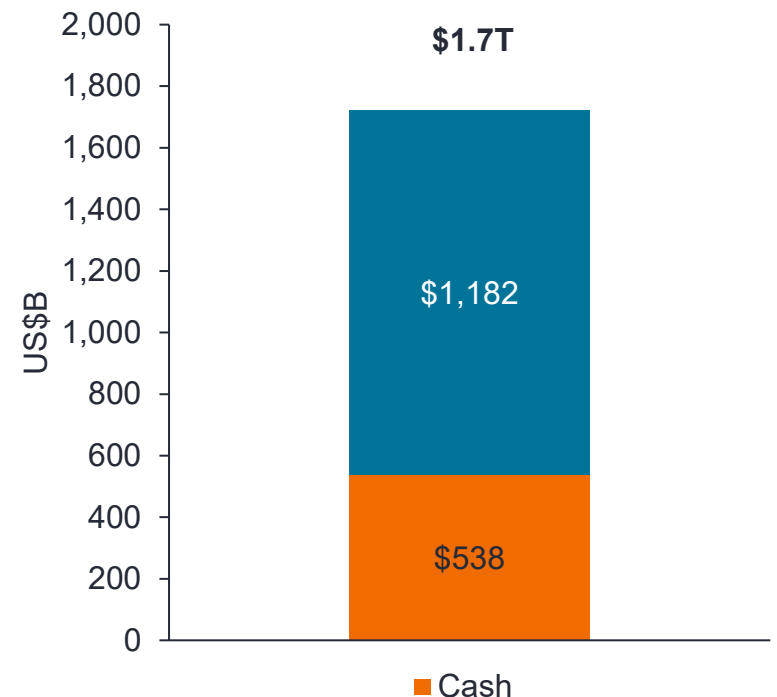
WHY HEALTHCARE? M&A POTENTIAL

Stage may be set for an uptick in activity

U.S. Biopharma Face Significant Loss of Exclusivity Beyond 2025...



...And Maintains Substantial Deal-Making Capacity



Source: Bernstein Analysis. "Pharma is buying, but what's on the menu? Top takeout picks based on our M&A screen." January 28, 2022

Source: SVB Leerink, as of 1 December 2021. Data aggregated for a cohort of 18 large-cap pharmaceutical companies.

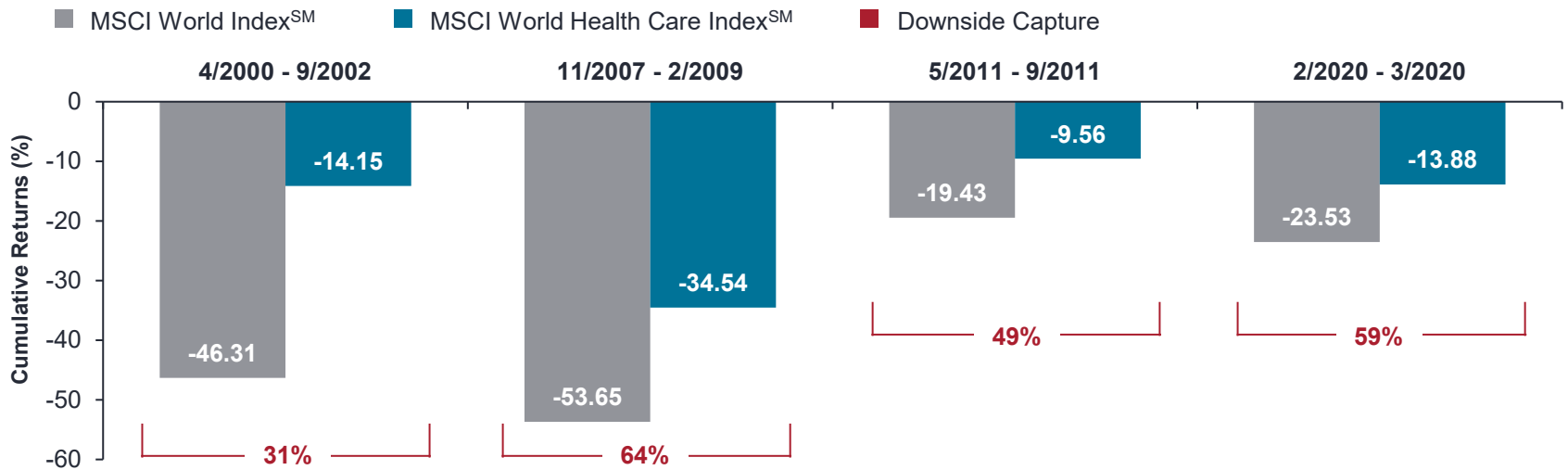
FOR INSTITUTIONAL INVESTOR USE ONLY / NOT FOR PUBLIC VIEWING OR DISTRIBUTION.

WHY HEALTHCARE? DEFENSIVE CHARACTERISTICS

Healthcare has typically held up better in down markets with lower volatility

Performance and Downside Capture

MSCI World Health Care IndexSM averaged 51% downside capture of MSCI World IndexSM returns



Beta

10 Year Period (31/03/12 – 31/03/22)

MSCI World Health Care Index SM vs. MSCI World Index SM	0.80
--	------

Standard Deviation

10 Year Period (31/03/12 – 31/03/22)

MSCI World Health Care Index SM	12.87
MSCI World Index SM	13.30

Source: Janus Henderson Investors, FactSet, as at 31 March 2022.

Note: Chart reflects market declines of 15% or greater in the MSCI World IndexSM since 2000.

Past performance does not predict future returns. Investing involves risk, including the possible loss of principal and fluctuation of value.

FOR INSTITUTIONAL INVESTOR USE ONLY / NOT FOR PUBLIC VIEWING OR DISTRIBUTION.

GLOBAL LIFE SCIENCES

Experienced team of specialists with more than 100 years of combined healthcare investment experience

PORTFOLIO MANAGEMENT



Andy Acker, CFA
Portfolio Manager

- 26yrs investment experience

- Leads the firm's Healthcare Sector Research Team
- Joined Janus in 1999 as a research analyst focused on biotechnology and pharmaceutical companies
- B.S. degree in biochemical sciences from Harvard University, graduating *magna cum laude* and Phi Beta Kappa
- MBA with honors from Harvard Business School

BROADER HEALTH CARE TEAM

Daniel Lyons, PhD, CFA

Biotechnology

- 22yrs investment experience

Rich Carney, CFA

Healthcare Services

- 28yrs investment experience

Luyi Guo, PhD, CFA

Pharmaceuticals

- 9yrs investment experience

Agustin Mohedas, PhD

Biotechnology

- 8yrs investment experience

Tim McCarty, CFA

Medical Technology

- 10yrs investment experience

Adam Poussard, CFA

Medical Technology

- 16yrs investment experience

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

FOR INSTITUTIONAL INVESTOR USE ONLY / NOT FOR PUBLIC VIEWING OR DISTRIBUTION.

TWO WAYS OF ACCESSING OUR EXPERTISE

US\$13 billion managed by the team

Global Life Sciences Fund

- US\$4.24 billion AUM
- UCITS
- Long only

- I2 USD [ISIN: IE0002141913]
- A2 USD [ISIN: IE0009355771]



Biotech Innovation Fund

- US\$495 million AUM
- Cayman Fund
- Private market exposure
- Short positions

- Standard Class-A USD [ISIN: KYG5009A1004]



Note: Janus Henderson Investors, AUM as at 31 March 2022.
The Janus Henderson Biotechnology Innovation Fund is a restricted foreign scheme in Singapore.

FOR INSTITUTIONAL INVESTOR USE ONLY / NOT FOR PUBLIC VIEWING OR DISTRIBUTION.

GLOBAL LIFE SCIENCES FUND PERFORMANCE

Performance vs the broad world equities market

Performance – USD (%)	Q1 2022	1 Year	3 Year	5 Year	10 Year	Since Fund inception (31/03/00)
Global Life Sciences Fund (I2 USD)	-5.27	3.24	11.94	12.29	14.98	8.24
World Equities*	-5.15	10.12	14.98	12.42	10.88	5.42
MSCI World Health Care Index SM	-3.36	14.94	14.42	12.90	13.26	8.10

*World Equities is represented by the MSCI World IndexSM and is provided for informational purposes only. It is not a performance comparator/target or official benchmark for the fund, nor is it applicable to the investment process.

Source: Janus Henderson Investors, Morningstar, as at 31 March 2022. © 2022 Morningstar, Inc. All Rights Reserved.

Note: Fund: Janus Henderson Global Life Sciences Fund, I2 Shares, net of fees in USD. Basis: total returns, NAV to NAV in USD, with income reinvested
Fund Inception: 31 March 2000. Benchmark: MSCI World Health Care IndexSM.

Returns include reinvestment of dividends and capital gains. Returns greater than one year are annualised.

Past performance does not predict future returns. Investing involves risk, including the possible loss of principal and fluctuation of value.

FOR INSTITUTIONAL INVESTOR USE ONLY / NOT FOR PUBLIC VIEWING OR DISTRIBUTION.

CONSISTENT OUTPERFORMANCE

Annualised Monthly Rolling 3 Year Performance* (%)



77% of the time

Global Life Sciences Fund **outperformed** the MSCI World Health Care IndexSM 112 of 145 rolling 3-year periods, or 77% of the time since implementing the “Value at Risk” approach on 1/1/07

- ◆ Outperformance
- ◆ Underperformance

Source: Janus Henderson Investors, Morningstar, Inc., as at 31 March 2022. © 2022 Morningstar, Inc. All Rights Reserved.

Note: Fund: Janus Henderson Global Life Sciences Fund, I2 Shares, net of fees, in USD.

Benchmark: MSCI World Health Care IndexSM.

*Data shown is for the “Value at Risk” approach period from 01 January 2007 – 31 December 2021.

Past performance does not predict future returns. Investing involves risk, including the possible loss of principal and fluctuation of value.

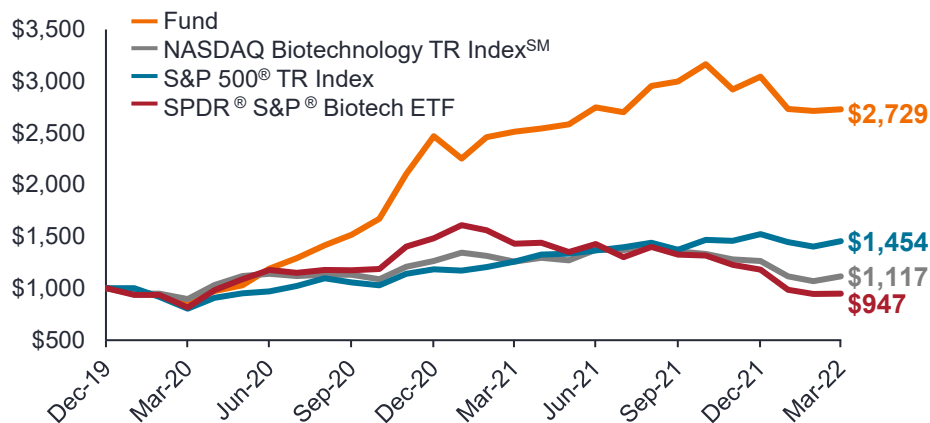
FOR INSTITUTIONAL INVESTOR USE ONLY / NOT FOR PUBLIC VIEWING OR DISTRIBUTION.

BIOTECH INNOVATION FUND

Portfolio review

Cumulative Performance – (%)	March	1Q 2022	1 Year	Since Inception
Biotechnology Innovation Fund – Net	0.65	-10.33	8.70	172.90
NASDAQ Biotechnology TR Index SM	4.35	-11.67	-11.16	11.70
SPDR [®] S&P [®] Biotech ETF	0.06	-19.72	-33.74	-5.27
S&P 500 [®] TR Index	3.71	-4.60	15.65	45.38

Biotechnology Innovation Fund



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

Note: Fund: Janus Henderson Biotechnology Innovation Fund, unrestricted A share class, net of fees, in USD. The Janus Henderson Biotechnology Innovation Fund is not registered for sale in Singapore.

SPDR[®] S&P[®] Biotech ETF is designed to correspond to the performance of a modified equal weighting of the S&P[®] Biotechnology Select IndustryTM Index. Returns include reinvestment of dividends and capital gains. Net performance reflects the deduction of advisory fees based on the maximum fee rate in effect at the time. **Past performance cannot guarantee future results.**

Risk Statistics

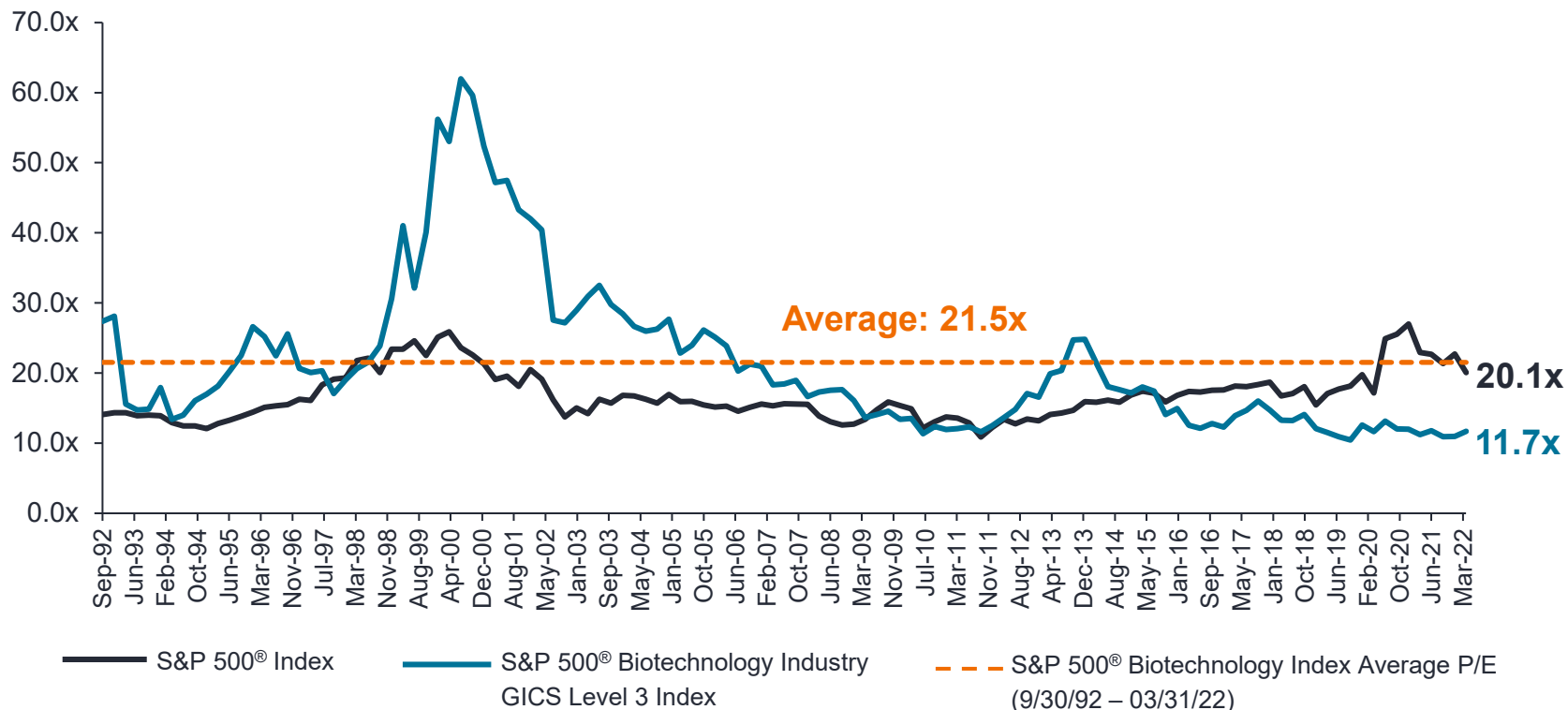
Beta (vs. S&P 500 [®] TR Index)	0.61
Correlation (vs. S&P 500 [®] TR Index)	0.50
Sharpe Ratio	1.93
Standard Deviation	23.07%

FOR INSTITUTIONAL INVESTOR USE ONLY / NOT FOR PUBLIC VIEWING OR DISTRIBUTION.

BIOTECH VALUATIONS

Is now an attractive entry point?

Historical Biotech Valuations (1 year forward P/E)



Source: Bloomberg, as of March 31, 2022.

Note: **S&P 500® Index** reflects U.S. large-cap equity performance and represents broad U.S. equity market performance. **S&P 500® Biotechnology Industry GICS Level 3 Index** is comprised of stocks in the S&P Total Market Index that are classified in the GICS biotechnology sub-industry. **Forward Price-to-Earnings (P/E) Ratio** measures share price compared to estimated future earnings per share for a stock or stocks in a portfolio. **Past performance does not predict future returns. Investing involves risk, including the possible loss of principal and fluctuation of value.**

FOR INSTITUTIONAL INVESTOR USE ONLY / NOT FOR PUBLIC VIEWING OR DISTRIBUTION.

BIOTECH BOUNCEBACK POST DRAWDOWN

Putting the recent Biotech drawdown in historical context

Drawdown Analysis (%)				After-Drawdown Absolute Performance (%)	After-Drawdown Relative Performance vs. S&P 500 (%)
12 drawdown periods since February 2006	# of Trading Days	Biotech	Biotech vs S&P 500	1 Year	1 Year
Average	93	-30.9	-19.3	52.7	24.8
Median	68	-27.9	-19.0	50.5	26.6

Key Takeaways:

- Biotech's recent drawdown is the largest from an absolute return perspective since 2006. Also, the pullback ranks worst when looking at performance relative to the S&P 500 Index and the S&P 500 Health Care Sector, underperforming by -61.7% and -67.3%, respectively.
- The drawdown is also the longest on record, lasting more than twice the duration of the typical downturn.
- However, in the majority of prior periods, Biotech has gone on to generate substantial positive returns 1 week, 1 month, 3 months, 6 months and 1 year after a drawdown, and typically outperformed the S&P 500 by a significant margin.

Source: Bloomberg, Janus Henderson Investors analysis as at 14 March 2022.

Note: Biotech performance is for SPDR® S&P® Biotech ETF (XBI). XBI is designed to correspond generally to the performance of the S&P Biotechnology Select Industry Index, which is equal weighted. XBI inception date was 31 January 2006. Short-term performance is not typical and may not be achieved in the future. Such results should not be the sole basis for evaluating material facts in making an investment decision.

Past performance does not predict future returns.

FOR INSTITUTIONAL INVESTOR USE ONLY / NOT FOR PUBLIC VIEWING OR DISTRIBUTION.

WAR, INFLATION & BIOTECH

Summary

What is the opportunity?

Persistent and growing

How to get access?

- Global Life Sciences Fund
- Biotech Innovation Fund

When is the right time?

Longest drawdown with a rebound yet to come

Visit our booth



Andrew



Serena



Alvan



Kenneth

Email: Andrew.Hendry@janushenderson.com

Contact SEA Intermediary Sales team: JHISEAIntermediarySales@janushenderson.com

FOR INSTITUTIONAL INVESTOR USE ONLY / NOT FOR PUBLIC VIEWING OR DISTRIBUTION.

Note: The Janus Henderson Biotechnology Innovation Fund is a restricted foreign scheme in Singapore.

Contact us

138 Market Street, #34-03/04,
CapitaGreen, Singapore 048946
janushenderson.com/sg

Janus Henderson
— INVESTORS —

Important information

For use by institutional, professional investors and financial intermediaries only and not for retail or public use.

The views presented are as of the date published. They are for information purposes only and should not be used or construed as investment, legal or tax advice, or as an offer to sell, a solicitation of an offer to buy, or a recommendation to buy, sell or hold any security, investment strategy or market sector. Nothing in this material shall be deemed to be a direct or indirect provision of investment management services specific to any client requirement. Opinions and examples are meant as an illustration of broader themes, are not an indication of trading intent, are subject to change and may not reflect the views of others in the organization. It is not intended to indicate or imply that any illustration/example mentioned is now or was ever held in any portfolio. No forecasts can be guaranteed and there is no guarantee that the information supplied is complete or timely, nor are there any warranties with regard to the results obtained from its use. Janus Henderson is the source of data unless otherwise indicated, and has reasonable belief to rely on information and data sources from third parties. **Past performance is no guarantee of future results. Investing involves risk, including the possible loss of principal and fluctuation of value.**

Not all products or services are available in all jurisdictions. This material or information contained in it may be restricted by law, and may not be reproduced or referred to without express written permission or used in any jurisdiction or circumstance in which its use would be unlawful. Janus Henderson is not responsible for any unlawful distribution of this material to any third parties, in whole or in part. The contents have not been approved or endorsed by any regulatory agency.

Issued in **Singapore** by Janus Henderson Investors (Singapore) Limited (Co. registration no. 199700782N) licensed and regulated by the Monetary Authority of Singapore. **For Other Countries in Asia:** This material is provided for your information purposes only and must not be distributed to other persons or redistributed. This material is issued for Institutional Investors only (or professional/sophisticated/qualified investors as such term may apply in local jurisdictions). We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

The value of an investment and the income from it can fall as well as rise and investors may not get back the amount originally invested. There is no assurance stated objective(s) will be met. There is no assurance that the investment process discussed includes an effort to monitor and manage risk which should not be confused with and does not imply low risk or the ability to control certain risk factors. Various account minimums or other eligibility qualifications apply depending on the investment strategy, vehicle of investor jurisdiction.

Janus Henderson Capital Funds Plc is a UCITS established under Irish law, with segregated liability between funds. Investors are warned that they should only make their investments based on the most recent Prospectus which contains information about fees, expenses and risks, which is available from all distributors and paying agents, it should be read carefully. An investment in the fund may not be suitable for all investors and is not available to all investors in all jurisdictions; it is not available to US persons. The rate of return may vary and the principal value of an investment will fluctuate due to market and foreign exchange movements. Shares, if redeemed, may be worth more or less than their original cost.

Contact us

138 Market Street, #34-03/04,
CapitaGreen, Singapore 048946
janushenderson.com/sg

Janus Henderson
— INVESTORS —

The Singapore Representative of the Janus Henderson Capital Funds plc is Janus Henderson Investors (Singapore) Limited and is distributed by authorised distributors. The Prospectus and Product Highlights Sheet of the Fund is available and may be obtained from the Singapore Representative's office and the authorised distributors' offices. Investors should read the prospectus and Product Highlights Sheet before deciding whether to invest in the units of the Fund.

The Janus Henderson Biotechnology Innovation Fund mentioned herein ("Fund") is a restricted foreign scheme in Singapore. The Fund is not authorised or recognised by the Monetary Authority of Singapore and the interests of the Fund are not allowed to be offered to the retail public in Singapore. Each of the information memorandum of the Fund and any other document issued as part of the same is not a prospectus as defined in the Securities and Futures Act ("SFA"). Accordingly, statutory liability under the SFA in relation to the content of the prospectuses does not apply. You should consider carefully whether the investment is suitable for you. This document may not be circulated or distributed, nor may the interests of the Fund be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1) of the SFA, (iii) to any person who meets the requirements of an offer made pursuant to Section 305(2) of the SFA, or (iv) pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any reference to individual companies is purely for the purpose of illustration and should not be construed as a recommendation to buy or sell or advice in relation to investment, legal or tax matters.

Portfolio holdings are subject to change without notice. Portfolio characteristics are for illustration and subject to change.

© 2022 Morningstar. All rights reserved. CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

Janus Henderson is a trademark of Janus Henderson Group plc or one of its subsidiary entities. © Janus Henderson Group plc.