Janus Henderson Anemoy Treasury Fund SP Assigned 'AA+f/S1+' Ratings

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NEW YORK (S&P Global Ratings) March 11, 2025--S&P Global Ratings today said it assigned its 'AA+f' fund credit quality rating (FCQR) and 'S1+' fund volatility rating (FVR) to the Janus Henderson Anemoy Treasury Fund SP (JTRSY).

JTRSY is a segregated portfolio under Anemoy Capital SPC Ltd., a segregated portfolio company (SPC) under British Virgin Islands law. The SPC is a professional fund offered to non-U.S. professional investors as defined under the British Virgin Islands' Securities and Investment Business Act, 2010.

Anemoy has appointed Janus Henderson as subadviser to JTRSY. As submanager, Janus is responsible for the fund's day-to-day investment management. The fund's investment objective is to seek current income consistent with liquidity and stability of principal. Janus will seek to achieve this objective by investing in a portfolio of U.S. Treasury securities with remaining maturities within one year, typically within three months or less.

Unlike for a traditional finance U.S. Treasury fund, JTRSY's units will be issued as tokens on blockchains via the Centrifuge platform. Centrifuge allows asset managers to tokenize, manage, and distribute their funds on-chain, while providing investors with access to a diversified group of tokenized assets.

We consider the tokenization setup to be operationally resilient. For one, the fund utilizes multisignature wallets and multifactor authentication to secure against unauthorized access. In addition, only white-listed (approved) wallets can interact with the smart contract, limiting the risk of cyber attack.

Moreover, the fund supports subscriptions and redemptions in U.S. digital coins (USDC) but is not exposed to the risk of USDC losing its peg to the dollar. The fund converts USDC to U.S. dollars directly through Circle, the USDC issuer, at a 1-to-1 rate and is not exposed to secondary market price fluctuations. Even if Circle were to fail to meet redemptions on USDC, the fund's exposure to USDC risk is minimal: USDC received is converted immediately to fiat U.S. dollars, and upon redemption requests, U.S. dollars are converted to USDC. Investors also have the option to subscribe and redeem in fiat U.S. dollars, mitigating potential issues such as a USDC de-peg from the U.S. dollar.

The fund has a multichain architecture: It is administered on the Centrifuge chain, whereas fund tokens are issued on Ethereum, Base, Arbitrum, and Celo. Ethereum is a highly decentralized blockchain with a strong track record of operational resilience. The other chains introduce elements of centralized dependencies. However, we consider the incremental risk mitigated by the fund's administration processes, which the fund manager and administrator ultimately control. And in the event of any disruption to Base, Arbitrum, or Celo, investors would be able to request redemptions in USDC on Ethereum or in fiat U.S. dollars off-chain.

There is also no transfer of tokens across chains, which is an important security consideration because the use of such cross-chain bridges can create cyber risk vulnerabilities. Specifically, the "mint and burn" smart contract on each chain includes a function that transfers messages to the fund application on Centrifuge to update investor holding records. USDC is deployed natively by its issuer, Circle, on each chain where the fund tokens are issued. This means that USDC is transferred to Circle for conversion to U.S. dollars without the need to bridge it across chains.

In the event of material technological disruption, tokenized share units can be replaced with off-chain share units, and subscriptions and redemptions can be done off-chain. The fund administrator's maintenance of off-chain books and records supports this process.

The fund's subscription process follows these steps:

- New investors must request that the fund administrator white-list their wallet address following a "know your client" process.
- Fully approved investors can connect their wallets to the Centrifuge app and order tokens to be issued on one of the supported blockchains.
- To submit an order, the investor sends their investment amount in an eligible stablecoin (for example, USDC) to the smart contract on the relevant chain.
- The smart contract creates the new fund tokens atomically with this stablecoin payment.
- The smart contract directs the investor's USDC payment to the asset management wallet, which is controlled by the fund and operated by Janus Henderson as fund manager.
- The fund manager sends a request to Circle to exchange this USDC for off-chain U.S. dollars, which Circle sends to the fund's bank account.
- The fund manager also instructs the broker (StoneX) to buy T-bills with these off-chain U.S. dollars. The acquired T-bills are held by the custodian.
- A notable transparency feature of this fund is that individual CUSIPs for the underlying T-bills can be viewed in real time on-chain and through the Centrifuge app.

The redemption process supports T+1 settlement during banking hours. (In addition, secondary market liquidity facilities supported by market makers aim to give investors instant or same-day liquidity.) It follows these steps:

- The investor locks their tokens in the redemption smart contract.
- This sends a message to the fund manager through the Centrifuge protocol. The fund manager instructs the broker to sell T-bills.
- The broker transfers the sale proceeds to the fund's bank account.
- The fund manager converts the sale proceeds from off-chain U.S. dollars to USDC through Circle.
- The fund administrator recalculates and updates net asset value.
- USDC is paid to the investor.

The assignment of an 'AA+f' FCQR signifies that the credit quality of the fund's portfolio exposure is very strong. In our FCQR analysis, we first determine a preliminary FCQR through our quantitative assessment of the fund's portfolio credit risk via our fund credit quality matrix. The preliminary FCQR reflects the weighted average credit risk of the fund's portfolios of investments.

Due to the high quality and short duration of the underlying investments in JTRSY, the quantitative assessment resulted in the 'AAAf' preliminary FCQR, which is one notch higher than the final assigned rating.

Our intermediate FCQR assessment considers our qualitative assessment of management, which includes consideration of fund sponsor Anemoy Asset Management Ltd., submanger Janus Henderson, and technology provider Centrifuge. The qualitative assessment includes a review of management and organization; risk management and compliance, encompassing digital and technology elements; credit culture; and credit research.

The portfolio risk assessment focuses on four indicators: counterparty risk, concentration risk, liquidity, and a fund credit score cushion (the proximity of the preliminary FCQR to a fund rating threshold). There were no adjustments to the intermediate FCQR based on the qualitative assessment of management, given we view management as adequate.

In determining the final FCQR, we performed a comparable rating analysis of the fund against other funds with similar portfolio strategies and compositions. The peer funds selected have long records of managing funds, consistent with our 'AAAf' FCQR, which typically entails a strong management assessment. Given JTRSY's limited operating and investment history compared with recognized peers in this rating category, the comparative rating analysis resulted in a one-notch downward adjustment to 'AA+f' for the final FCQR.

The assignment of an 'S1+' FVR to the fund signifies that we expect its returns to exhibit extremely low volatility, comparable with a portfolio of short-duration government securities; JTRSY invests only in short-term U.S. Treasury securities. Given the fund's limited history, we assigned the FVR following our review of the historical volatility of a comparable proxy and the dispersion of returns relative to our reference indices.

Next, we evaluated portfolio risk, considering duration, credit exposures, liquidity, derivatives, leverage, foreign currency, and investment concentrations. We determined these portfolio risk factors were consistent and therefore made no adjustment to the preliminary FVR in our review of return volatility and dispersion. We then used our qualitative assessment of the manager to determine that no adjustments were required to the intermediate FVR.

In determining the final FVR, we performed a comparable rating analysis of the fund with other funds with similar portfolio strategies and compositions. This analysis did not result in any adjustment because we expect the volatility of returns to be consistent with those of a portfolio of short-duration government securities.

Anemoy Asset Management Ltd. is the Web3 native asset management arm of Centrifuge and supports the entire life cycle of on-chain asset management. Anemoy provides institutions with end-to-end services across compliance, asset management, and integration and management of real-world assets within decentralized finance. The firm's expertise spans the entire asset and fund management value chain, including origination, tokenization, securitization, management, and distribution. The firm was founded in 2023 by Martin Quensel and Anil Sood.

Centrifuge is a pioneering tokenization protocol founded in 2017 and recognized for coining the term "real-world assets." It is uniquely issuer-, jurisdiction-, and asset-agnostic as an open-source protocol governed and operated by a decentralized autonomous organization. It had financed over $680 million of assets as of February 2025, establishing itself as a leader in real-world assets.

Janus Henderson Investors UK Ltd. is a British-American global asset management group headquartered in London. It is the subadviser to JTRSY, managing the fund's day-to-day operations and portfolio through Tabula Investment Management, a wholly owned subsidiary.

Janus Henderson has a 90-year history and currently manages over $360 billion in assets.

JTRSY'S other service providers include:

- Custodian Pershing LLC (A+/Stable/A-1), a subsidiary of Bank of New York Mellon Corp.;
- Prime broker StoneX;
- Exchange agent Circle Internet Financial LLC, responsible for the conversion of USDC to U.S. dollars and vice versa;
- Chronicle, an established decentralized oracle network consisting of networks of data providers and price feed validators, feeding fund net asset values and token price data into smart contracts for issuance and redemption, as well as secondary liquidity;
- Fund administrator Trident Trust (Cayman), which will maintain investor registries for both on-chain tokenized and off-chain nontokenized units, as well as overseeing the calculation of the fund's net asset value.

S&P Global Ratings' FCQRs And FVRs

An FCQR, also known as a "bond fund rating," is a forward-looking opinion about the overall credit quality of a fixed-income investment fund. FCQRs, identified by the 'f' suffix, are assigned to fixed-income funds, actively or passively managed, typically exhibiting variable net asset values. The ratings reflect the credit risks of the portfolio investments, the level of the fund's counterparty risk, and the risk of the fund's management ability and willingness to maintain current fund credit quality. Unlike traditional credit ratings (for example, issuer credit ratings), an FCQR does not address a fund's ability to meet payment obligations and is not a commentary on yield levels.

An FVR is a forward-looking opinion about a fixed-income investment fund's volatility of returns relative to that of a reference index denominated in the base currency of the fund. A reference index consists of government securities associated with the fund's base currency. FVRs are not globally comparable. They indicate our expectation of the fund's future volatility of returns remaining consistent with its historical volatility of returns. They also reflect our view of the fund's sensitivity to interest rate risk, credit risk, and liquidity risk, as well as other factors that may affect returns, such as use of derivatives, use of leverage, exposure to foreign currency risk and investment concentrations, and fund management. Different symbology is used to distinguish FVRs from S&P Global Ratings' traditional issue or issuer credit ratings. We do so because FVRs do not reflect creditworthiness but rather our view of a fund's volatility of returns.

We review pertinent fund information and portfolio reports monthly as part of our surveillance process of our FCQRs and FVRs.

Related Criteria

- Criteria | Financial Institutions | Fixed-Income Funds: Fund Credit Quality Ratings Methodology, July 26, 2024
- Criteria | Financial Institutions | Fixed-Income Funds: Fund Volatility Ratings Methodology, June 26, 2017

Related Research

- Decentralization Drives Ethereum's Resilience, July 23, 2024
- Tokenized Treasuries Offer A Path To On-Chain Financial Markets, May 14, 2024