

GLOBAL RESEARCH GROWTH FUND

As at July 2021

Fund objective

The Fund seeks long-term growth of capital by investing primarily in equity securities selected for their growth potential.

Investment approach

The Fund is an actively managed portfolio of high-conviction investment ideas diversified across all market capitalisations, styles and geographies (excluding Australia). The Manager leverages seven global sector research teams and provides a traditional growth investment approach to the global equity market. The Fund is fundamentally driven with a focus on bottom-up research, quantitative modelling and valuation analysis.

Benchmark

MSCI World Index ex Australia, net dividends reinvested, in AUD

Risk profile

High

Suggested timeframe

5-7 years

Inception date

18 December 2009

Fund size

\$26.7 million

Minimum investment

\$25,000

Management cost (%)*

0.75 p.a.

Buy/sell spread (%)

0.15/0.15

Base currency

AUD

Distribution frequency

Annually

ARSN code

140 461 945

APIR code

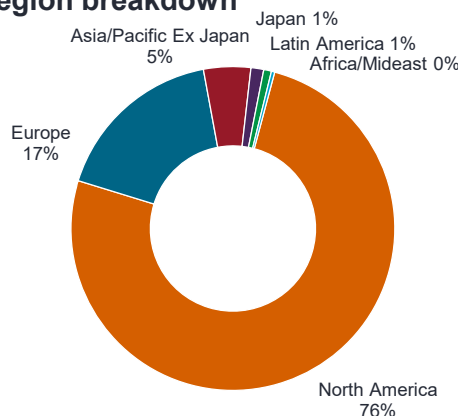
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Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	4.52	11.99	22.23	33.51	21.08	19.05	17.61	15.00
Growth (net)	4.52	8.92	18.88	29.85	10.18	8.36	7.45	6.29
Income (net)	0.00	3.07	3.35	3.66	10.90	10.69	10.16	8.71
Benchmark	4.03	10.23	21.49	31.85	15.06	15.18	15.78	12.96
Excess return*	0.49	1.76	0.74	1.66	6.02	3.87	1.83	2.04

*Excess return is measured against net performance.
Past performance is not a reliable indication of future results.

Sector weightings (%)	Top 10 holdings (%)		
Information Technology	38.83	Microsoft Corp	9.34
Communication Services	14.83	Apple Inc	7.12
Consumer Discretionary	13.60	Alphabet Inc	6.00
Health Care	10.43	Amazon.com Inc	5.47
Industrials	10.42	ASML Holding NV	3.47
Consumer Staples	5.03	Facebook Inc	3.28
Financials	3.35	Adobe Inc	2.78
Materials	2.61	Visa Inc	2.27
Energy	0.38	Mastercard Inc	2.13
Utilities	0.24	NVIDIA Corp	2.11
Cash & Equivalents	0.28		

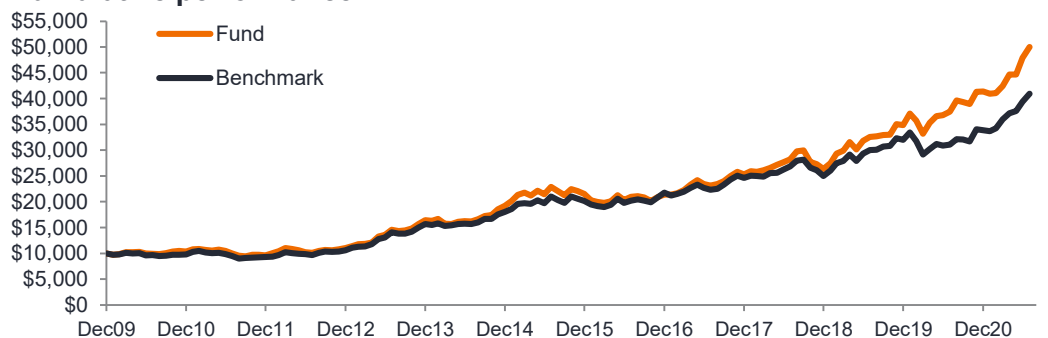
Region breakdown



Portfolio characteristics

	Fund	Benchmark
Number of holdings	94	1495
Active share	75.13	-
Turnover (12m)	20.12	-
Standard deviation (5yrs)	11.20	10.74
Sharpe ratio (5yrs)	1.63	1.24
Tracking error (5yrs)	3.97	-

Cumulative performance



Fund returns are net of fees.

^ 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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(continued)



**Director of Centralised
Equity Research**
Matthew Peron

Fund performance

The Janus Henderson Global Research Growth Fund (Fund) outperformed the MSCI World Index ex Australia (net dividends reinvested) (Benchmark) in July by 0.49% net of fees, due primarily to positive stock selection and an overweight position in the information technology sector. Investment selections within the financial sector also contributed to relative gains. Conversely, results were limited by the weak performance of our communications and consumer holdings.

On an individual stock basis, top relative contributors came from the information technology sector, where our holdings in Microsoft and ASML drove outperformance. Microsoft gained following several analyst upgrades to the stock triggered by the software maker's strong fiscal fourth quarter earnings report and upbeat guidance. ASML also reported strong quarterly earnings and projected robust growth in the second half of 2021. The producer of semiconductor manufacturing equipment reported gross margins of more than 50% in the second quarter and announced plans to return cash to shareholders through dividends and a new stock buyback program.

Communications holding Alphabet also contributed to the Fund's relative gains. The parent company of Google handily beat quarterly earnings estimates, citing "elevated consumer online activity and broad-based strength in advertiser spend" as key drivers of its performance. We continue to believe Alphabet's core search business is one of the most attractive growth assets in the world.

Conversely, key detractors included China-based gaming and social media giant Tencent Holdings and on-demand trucking company Full Truck Alliance. Both stocks fell in sympathy with the broader market following China's announcement that it will increase regulatory oversight in a number of industries. Although we have revised our earnings estimates for these and other China-based holdings based on known and expected regulatory changes, we maintained our position in both companies.

We believe the Chinese government remains supportive of promoting the continued digitisation of the local economy and is committed to sustaining access to foreign investor capital. Furthermore, we anticipate that Tencent and Full Truck Alliance will be key beneficiaries of the growth of China's digital economy. Our optimism for Tencent stems in part from the ongoing globalisation of its gaming business and enhanced advertising monetisation. Our outlook for Full Truck Alliance also remains upbeat, as we believe its digital shipper-trucking matching platform gives it a first-mover advantage in the digital freight industry, which is still in the early innings of growth.

E-commerce company Amazon.com also declined and weighed on relative performance. The stay-at-home trend that contributed to strong revenue in 2020 has since reversed, leading to a deceleration in second quarter revenue growth in Amazon.com's North American net sales and international net sales segments. However, the company saw an acceleration in revenue in both its cloud computing and advertising segments. We remain confident in the long-term growth potential of Amazon.com and maintained our position in the stock.

Market review

Major US equity markets finished the month higher despite growing concerns about the spread of the Delta variant of COVID-19. Rising infection rates in many parts of the US fueled speculation that lockdowns may be reinstated, which could stall a global economic recovery. On 19 July, markets experienced a sharp sell-off, led primarily by stocks tied to the reopening of the economy. Energy stocks also declined after OPEC and other major oil exporters agreed to increase global oil supply. Markets quickly recovered, however, with much of the gains concentrated among technology and other high-growth stocks. Positive corporate earnings reports and upbeat housing sector data aided in the recovery.

Major stock markets in Europe and the UK also posted gains in July. Although coronavirus infection rates also rose abroad, strong corporate earnings reports and the European Central Bank's pledge to keep interest rates lower for longer helped to buoy stocks. Meanwhile, Japan's equity markets struggled amid fears that, as the host of the Olympic games, Japan may see a resurgence in coronavirus cases. Stocks in China also were relatively weak in July.

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Janus Henderson
INVESTORS

Market outlook

The economy continued to rebound strongly in the US and gathered steam outside the US, particularly in Europe. While risks from COVID-19 are receding due to vaccines and the summer viral seasonal lull, the risks of too-hot inflation and a fear that the Federal Reserve (Fed) may need to raise the target federal funds rate sooner than expected have emerged. However, we think the Fed will have time to react to inflation to gradually slow the economy over the next 18 months. We believe inflation will be the key theme to watch in the coming weeks and months.

We remain steadfast in our strategy of investing in companies participating in secular growth trends that are transforming key parts of the economy. These include e-commerce, cloud computing, digital payments and health care innovation. However, our improving outlook for the economy prompted us to shift our exposure within these segments during the second half of 2020 – adjustments that were well-timed and have since contributed to Fund performance. For example, within e-commerce, we increased our focus on businesses we believe are poised to benefit from improving mobility trends, such as online travel companies. Within health care, we tilted the Fund's exposure toward manufacturers of technologies and products we believe will see increased demand as a result of a resurgence in elective surgeries. Rounding out the Fund are holdings participating in the broad-based industrial and manufacturing recovery, including select agriculture and construction machinery stocks as well as industrial technology stocks and semiconductor capital equipment.

Going forward, we feel the Fund is positioned well should our base case recovery path continue to play out. In particular, we are confident the Fund's mix of secular growth stocks and stocks levered to the economy is appropriate for this stage of the cycle.

Important information

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity ("Responsible Entity") for the Janus Henderson Global Growth Research Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). The Responsible Entity has appointed Janus Capital Management LLC ("Manager") to manage the investments of the Fund. 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%. The information in this monthly report should not be considered a recommendation to purchase, sell or hold any particular security. 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 has been prepared by Janus Henderson Investors (Australia) Funds Management Limited, AFSL 444268, to provide you with general information only. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. 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. None of Janus Henderson Investors (Australia) Funds Management Limited 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, available at www.janushenderson.com/australia, before making a decision about the Fund. Dollar figures shown are in Australian Dollars (AUD), unless otherwise stated.