

GLOBAL RESEARCH GROWTH FUND

As at June 2022

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

\$21.9 million

Minimum investment

\$25,000

Management cost (%)

0.75 p.a.

Buy/sell spread (%)

0.15/0.15[^]

Base currency

AUD

Distribution frequency (if any)

Annually

ARSN code

140 461 945

APIR code

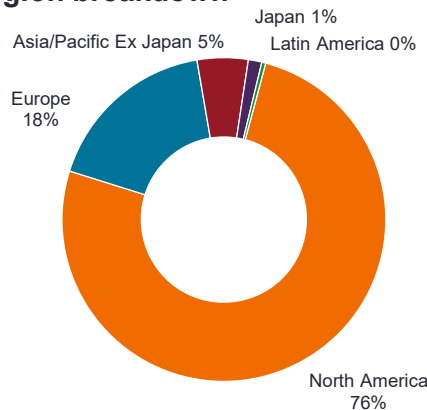
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Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	-5.44	-12.58	-23.06	-14.44	8.87	11.87	14.94	12.03
Growth (net)	-5.44	-12.58	-23.06	-14.44	2.27	4.23	5.01	4.15
Income (net)	0.00	0.00	0.00	0.00	6.60	7.64	9.93	7.88
Benchmark	-4.64	-8.42	-16.13	-6.52	7.82	10.12	14.11	11.01
Excess return*	-0.80	-4.16	-6.93	-7.92	1.05	1.75	0.83	1.02

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

Sector weightings (%)	Top 10 holdings (%)		
Information Technology	38.90	Microsoft Corp	11.09
Consumer Discretionary	12.77	Apple Inc	9.42
Health Care	11.99	Alphabet Inc	6.53
Communication Services	11.97	Amazon.com Inc	4.95
Industrials	11.02	ASML Holding NV	2.87
Consumer Staples	5.98	Mastercard Inc	2.37
Financials	3.45	NVIDIA Corp	2.35
Materials	1.60	Visa Inc	2.27
Energy	0.80	AstraZeneca PLC	2.14
Real Estate	0.62	Constellation Brands Inc	2.05
Utilities	0.32		
Cash & Equivalents	0.58		

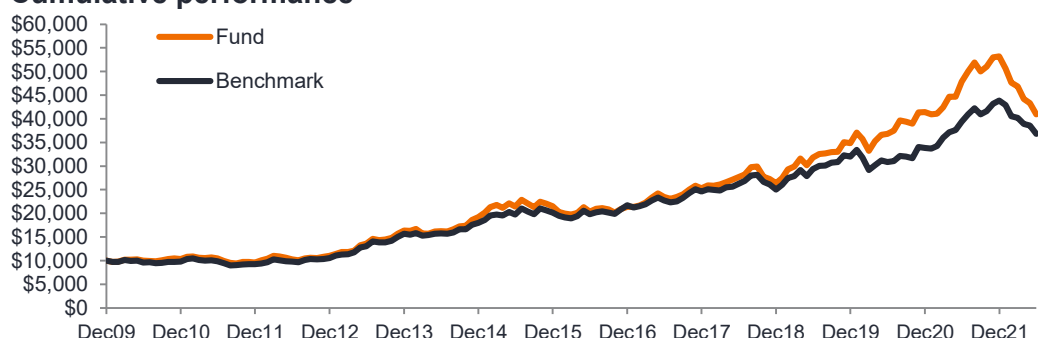
Region breakdown



Portfolio characteristics

	Fund	Benchmark
Number of holdings	91	1454
Active share	74.96	-
Turnover (12m)	18.59	-
Standard deviation (5yrs)	12.61	11.38
Sharpe ratio (5yrs)	0.75	0.60
Tracking error (5yrs)	4.13	-

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 Global Research Growth Fund (Fund) lagged its MSCI World ex Australia Index (net dividends reinvested) (Benchmark) Benchmark for the month, due primarily to an overweight position and negative stock selection in the technology sector. Weak stock selection within the consumer sector also hindered relative results. Conversely, an underweight position in the energy sector contributed to relative performance. Positive stock selection within the communications sector also helped.

On an individual stock basis, top relative detractors included semiconductor companies Nvidia and ASML Holding. Their stocks declined along with the broader semiconductor industry as recession fears sparked a rotation out of faster-growing companies into more defensive stocks. We believe these are high-quality businesses with durable growth drivers, strong management teams, robust margins and free cash flow generation. Although Nvidia is seeing slowing demand for several of the consumer products in which its chips are used, our long-term conviction in the company is strong. Its chips have powerful processing capabilities and are used across a variety of end markets and applications, such as gaming, data centres, automotive, artificial intelligence, and virtual reality. We also remain upbeat in our outlook for ASML, which continued to see robust demand and has strong order visibility well into 2023. In turn, the company is planning capacity increases across all of its product lines.

Notable detractors also included Canada-based mining company, Teck Resources, which saw its share price pull back in response to lower commodity prices. While disappointed with its stock performance in June, we are excited about Teck's progress in building out Quebrada Blanca Phase 2 (QB2), a low-cost, long-life copper project in northern Chile that is on target to begin production in the second half of the year. QB2 is expected to allow Teck Resources to double its copper production in 2023.

Contributing to relative performance in June was Google parent, Alphabet. News that Alphabet plans to conduct a 20-for-1 stock split in July boosted the company's stock price. While its Google Search segment remains a key driver of revenue growth, its Google Cloud segment is benefiting from increased adoption of cloud computing by businesses seeking to improve scalability, security, and real-time analytics.

Another key contributor was China-based on-demand trucking company, Full Truck Alliance, which gained on news of better-than-expected first quarter revenue growth. Full Truck Alliance's business proved surprisingly resilient given a challenging operating environment that included industry-wide transportation resources shortages and disruptive network operations in certain areas of China due to the pandemic and the government's zero-COVID-19 policy. The company is digitising China's long-haul truck industry through its innovative technology platform, which matches trucking capacity with shipping needs. Given its first-mover status in digital freight matching, Full Truck is, in our view, well positioned to capitalise on what could eventually become a multi-trillion-dollar opportunity in China's digital economy.

Global biopharmaceutical company AstraZeneca also delivered strong performance. Clinical trials showed its cancer drug, Enhertu, was effective at treating breast cancer tumours with low levels of HER2, which could expand the scope of approval of the drug, and result in higher revenues for AstraZeneca. Strong sales of some of the company's top drugs, including Tagrisso, a treatment for non-small cell lung cancer, and Farxiga, a therapy for type 2 diabetes, added to share strength.

Market review

Global equities fell in June, as surging inflation heightened concerns that major central banks would step up their monetary policy tightening plans, increasing the risk of a global economic recession. A number of central banks around the world announced interest rate increases, including the US Federal Reserve (Fed), the Bank of England and the Swiss central bank, which had not raised rates in 15-years. Although the European Central Bank (ECB) left rates unchanged, policymakers indicated they may announce a rate increase in July.

Equities found some support later in the month as concerns about slowing growth led to declines in commodity prices and subsequently subdued inflation fears. Crude benchmarks West Texas Intermediate and Brent Crude fell by about 8% and 6%, respectively. However, supply remained tight and Western countries' plans for new sanctions against Russia over the conflict in Ukraine limited the overall losses.

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Janus Henderson
INVESTORS

Market outlook

The Fed and central banks around the world are engaged in a delicate balancing act as they attempt to rein in economic growth through rate hikes without sending the economy into a severe recession. In our view, the odds of a dramatic downturn are low, particularly in the US, where balance sheets for consumers and corporations are healthy and could prevent the economy from falling into a prolonged and deep recession. We also are encouraged by stimulus measures recently rolled out in China, which, as the world's second-largest economy, could help bolster a slowing global economy.

That said, we anticipate that economic growth will slow as the world adjusts to central bank policy changes and the new rate regime. Against this backdrop, we remain confident in our strategy of investing in quality stocks demonstrating growth-at-a-reasonable price and have somewhat tightened the Fund's equity duration to further reduce its sensitivity to rising interest rates. We also remain confident in the investment themes represented in the Fund, particularly e-commerce, cloud computing, digital payments, and health care innovation. We believe these powerful secular growth trends will be a key component of equity returns over the long term and have high conviction in our selections within these industries.

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. Janus Henderson Global Growth Research Fund's Target Market Determination is available here www.janushenderson.com/TMD. A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed. Dollar figures shown are in Australian Dollars (AUD), unless otherwise stated.