

# GLOBAL RESEARCH GROWTH FUND

## As at August 2023

### 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

\$29.6 million

### Minimum investment

\$25,000

### Management cost (%)

0.75 p.a.

### Buy/sell spread (%)

0.15/0.15<sup>^</sup>

### Base currency

AUD

### Distribution frequency (if any)

Annually

### ARSN code

140 461 945

### APIR code

ETL0186AU

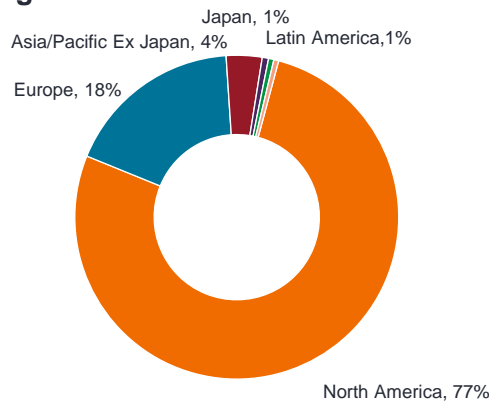
Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	2.05	5.96	23.30	28.13	11.56	13.11	14.49	13.36
Growth	2.05	5.96	23.30	28.13	10.32	6.76	4.94	6.00
Income	-	-	-	-	1.24	6.35	9.55	7.36
Benchmark	1.60	6.96	15.97	22.62	13.35	10.82	12.95	11.97
Excess return	0.45	-1.00	7.33	5.51	-1.79	2.29	1.54	1.39

\*Excess return is measured against net performance.

Past performance is not a reliable indication of future results. Returns over one year are annualised.

Sector weightings (%)	Top 10 holdings (%)		
Information Technology	35.24	Apple Inc	10.10
Consumer Discretionary	12.70	Microsoft Corp	9.83
Health Care	11.49	Alphabet Inc	5.40
Communication Services	11.74	NVIDIA Corp	5.32
Industrials	9.47	Amazon.com Inc	4.24
Consumer Staples	5.79	Meta Platforms Inc	2.79
Financials	8.66	ASML Holding NV	2.66
Materials	2.51	Visa Inc	2.12
Energy	1.52	Mastercard Inc	2.10
Real Estate	0.00	Pernod Ricard SA	1.71
Utilities	0.40		
Cash & Equivalents	0.48		

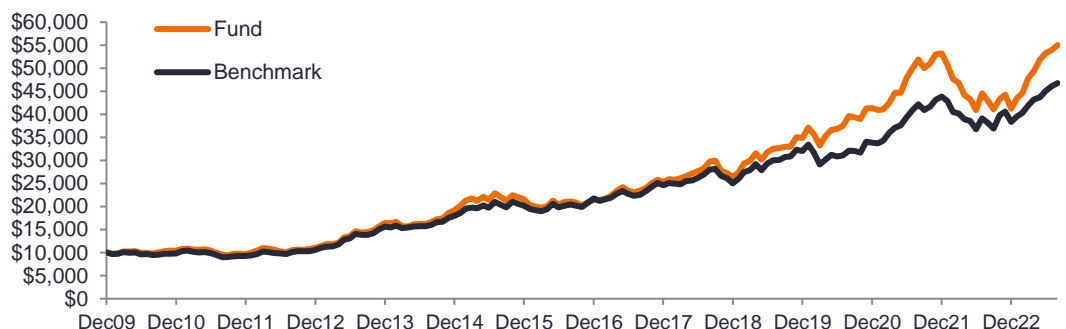
### Region breakdown



### Portfolio characteristics

	Fund	Benchmark
Number of holdings	99	1454
Active share	68.24	-
Turnover (12m)	24.35	-
Standard deviation (5yrs)	14.28	12.37
Sharpe ratio (5yrs)	0.69	0.56
Tracking error (5yrs)	4.99	-

### Cumulative performance



Fund returns are net of fees.

<sup>^</sup> For more information and most up to date buy/sell spread information visit [www.janushenderson.com/en-au/investor/buy-sell-spreads](http://www.janushenderson.com/en-au/investor/buy-sell-spreads)

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(continued)

Janus Henderson  
INVESTORS



**Director of Centralised  
Equity Research**  
Matthew Peron

## Fund performance

The Janus Henderson Global Research Growth Fund (Fund) outperformed the MSCI World ex-Australia Index (net dividends reinvested) in AUD (Benchmark) for the month. Stock selection in the financials and health care sectors lifted relative performance. Stock selection in the information technology and consumer staples sectors detracted.

Among individual holdings, relative performance once again benefited from our investment in information technology holding Nvidia. The graphics chipmaker experienced accelerating demand for its data center graphics processing units (GPUs), which are used in generative artificial intelligence (AI) applications. Nvidia reported very strong second-quarter revenue growth that well exceeded analyst targets. It also raised guidance to reflect surging demand for its products from data centers, cloud service providers, consumer internet companies, and AI startups. Moreover, it reported strength in its gaming business, fueled by robust demand for its RTX 40x Ada Lovelace GPUs.

Alphabet was another standout performer. In July, the Google parent company reported results that exceeded analyst expectations across nearly every metric. Revenues from its search business, YouTube advertising, and cloud-based offerings were especially strong. The company also announced a larger-than-anticipated headcount reduction, as the management team focused on managing expenses and expanding margins. This news continued to support the stock performance in August.

Elsewhere in the portfolio, pharmaceutical company Eli Lilly was a notable performer. The stock rose to a record high after the pharmaceutical company reported better-than-expected top- and bottom-line results and increased guidance, supported by surging demand for its diabetes drug Mounjaro. Mounjaro is also undergoing clinical trials as a treatment of obesity. Additionally, expectations are high for the company's prospective treatment for early symptomatic Alzheimer's disease.

On a negative note, Pernod Ricard was a prominent detractor from relative performance. This leading global spirits company owns brands such as Absolut vodka and Mumm champagne. The stock declined in August after the company's management team warned of slowing sales in both China and the U.S., as economic pressures have dampened consumer demand for high end spirits. On a positive note, company management indicated that easing cost pressures may help improve operating margins going forward. The company has also seen improved business trends in other markets, such as India.

Semiconductor equipment manufacturer ASML Holding was another detractor, as the stock has faced pressures following strong performance earlier in the year. Company management voiced caution about the near-term business outlook, given elevated customer inventory levels and global economic uncertainty. We remained invested in the company because of its strong competitive positioning. We also see positive long-term fundamentals for chipmakers, such as ASML Holding, tied to the deployment of AI capabilities.

Finally, worries over the near-term economic outlook for China weighed on stock performance for online retailer JD.com, another relative detractor. However, the company reported solid revenue and profits growth despite competitive and economic pressures. These results reflected improved supply-chain management and market-share gains.

## Market review

Stocks suffered volatility in August amid signs that higher Federal Reserve (Fed) interest rates and a pullback in bank lending were starting to slow the pace of economic growth. Credit downgrades for several U.S. regional banks also led to renewed concerns over the health of the banking sector. Despite recent moderation, inflation remained above the Fed's target levels. As a result, investors worried over the potential for additional Fed rate increases in the coming months. Adding to investor unease were signs of slowing economic activity in international markets, particularly China.

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## Market outlook

We continue to closely monitor economic and corporate fundamentals as we await clarity on the outlook for central bank policies. We caution that slowing economic growth may dampen corporate earnings growth heading into 2024, while challenging companies with weaker balance sheets or business models. For these reasons, we continue to pay close attention to the quality of balance sheets, cash flows, and expected earnings growth. We remain committed to active stock selection and a disciplined, risk-conscious investment approach. We also remain on the lookout to capitalize on longer-term secular growth trends in sectors such as health care and information technology. We remain mindful of risks in other sectors, such as industrials and energy, that may be more affected by slower global economic growth. Through this disciplined, fundamentals-driven investment approach, we will continue to pursue our goal of long-term growth of capital.

## 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 Equity Trustees 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](http://www.janushenderson.com/Australia), before making a decision about the Fund. Janus Henderson Global Research Growth Fund's Target Market Determination is available here [www.janushenderson.com/TMD](http://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.