

GLOBAL RESEARCH GROWTH FUND

As at January 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

\$23.2 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

ETL0186AU

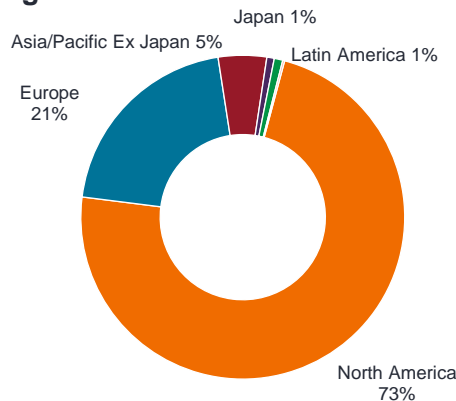
Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	5.48	0.46	-2.41	-14.11	5.42	10.97	14.37	11.97
Growth	5.48	0.46	-2.41	-14.60	-1.16	3.28	4.43	4.38
Income	0.00	0.00	0.00	0.49	6.58	7.70	9.94	7.58
Benchmark	2.97	-0.72	0.94	-7.90	5.75	9.52	13.57	11.09
Excess return	2.51	1.18	-3.35	-6.21	-0.33	1.45	0.80	0.88

*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	37.38	Apple Inc	9.33
Consumer Discretionary	14.22	Microsoft Corp	9.02
Health Care	12.57	Alphabet Inc	5.76
Communication Services	9.34	Amazon.com Inc	4.56
Industrials	12.28	ASML Holding NV	3.29
Consumer Staples	5.68	Mastercard Inc	2.54
Financials	4.16	Visa Inc	2.54
Materials	1.41	NVIDIA Corp	2.53
Energy	1.35	Ferguson PLC	2.43
Real Estate	1.01	T-Mobile US Inc	2.15
Utilities	0.41		
Cash & Equivalents	0.19		

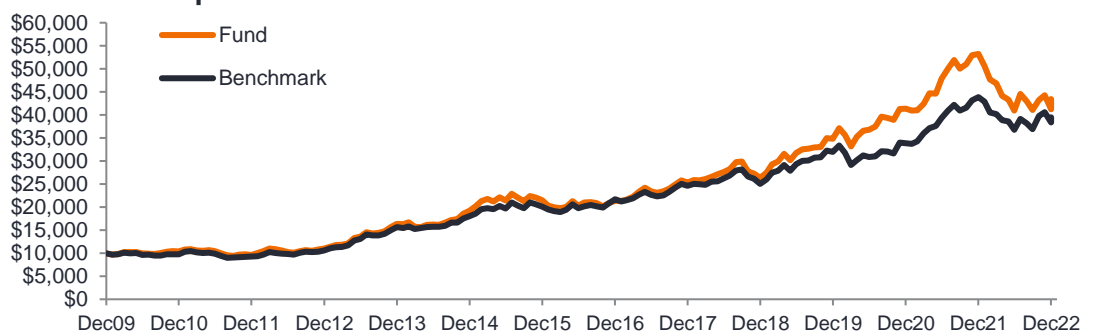
Region breakdown



Portfolio characteristics

	Fund	Benchmark
Number of holdings	88	1449
Active share	74.91	-
Turnover (12m)	18.15	-
Standard deviation (5yrs)	13.99	12.37
Sharpe ratio (5yrs)	0.54	0.43
Tracking error (5yrs)	4.62	-

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

GLOBAL RESEARCH GROWTH FUND

(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 Index ex-Australia Index (net dividends reinvested) in AUD (Benchmark) for the month, aided by stock selection in the information technology (IT) and consumer discretionary sectors. Investments in financials and real estate detracted, due to both stock selection and the Fund's underweight allocations to these sectors.

Semiconductor equipment manufacture ASML Holding was a top relative contributor for the month. ASML issued a robust 2023 top-line outlook, with revenues expected to grow by more than 25% despite headwinds for the broader semiconductor industry. Demand for the company's proprietary lithography equipment has been particularly strong. ASML has also benefited from a higher degree of earnings visibility because of its large order backlog. Our longer-term outlook for the company remains positive as we believe, even in a moderate recession, customers will continue to rely on ASML to advance their process technology roadmaps.

E-commerce and cloud computing company, Amazon.com, also contributed, as the stock regained ground following a fourth-quarter decline. Amazon reported fourth-quarter results in January. Revenue growth exceeded consensus forecasts, helping to alleviate some concerns about the impact of a weaker economy and inflation on retail spending. It also issued revenue guidance for the first quarter of 2023 that met consensus expectations. Additionally, the company reported progress in improving its margins as it reduced order fulfillment and shipping costs. It also announced headcount reductions.

A less gloomy outlook for the semiconductor market benefited graphics chip maker Nvidia, another contributor. Nvidia has continued to capitalize on its foothold in gaming, where consumer demand has remained solid in both North America and Europe. Moreover, it benefits from a diverse portfolio of new productions, including gaming chips that use AI to enhance graphics. The company also announced a new partnership with Foxconn, which is building electric vehicles using NVIDIA's Drive Hyperion platform.

On a negative note, Microsoft was a relative detractor, even though the computer software and services company reported better-than-expected earnings-per-share growth. Revenue growth slightly missed expectations, despite notable strength in sales of Microsoft's Azure cloud-computing solutions. Later in the month, the company warned of decelerating growth for Azure in 2023, as enterprises have pulled back on technology spending. This news was especially disappointing as Azure has been the more resilient part of Microsoft's business, even as its other software and technology businesses have weakened.

Global biopharmaceutical company AstraZeneca was another relative detractor. In addition to its broad bench of products, AstraZeneca has benefited in recent years from sales of COVID-19 treatments such as antibody cocktail Evusheld. In early January, the US Food and Drug Administration (FDA) warned that Evusheld might not be effective against the Omicron subvariant XBB.1.5 that was spreading in the US. In late January, the FDA withdrew its emergency-use authorization for Evusheld given this lack of efficacy against the new strain. While this news fueled uncertainty for the company's COVID-19-related business, we continue to see opportunity around AstraZeneca's broader product portfolio. This portfolio includes five drugs that have recently crossed blockbuster thresholds (a blockbuster drug has annual sales of US\$1 billion or more). We also remain impressed with the company's sustained strong research and development productivity.

Relative performance was also dampened by our investment in US-focused beverage and spirits company, Constellation Brands, owner of beer brands such as Modelo and Corona. The company's beer business has faced headwinds, as weaker economic growth in key markets led consumers to settle for non-premium-priced beverages. In particular, volumes sales for Modelo have been weaker than expected, fueling concerns that the brand is losing popularity with consumers. Additionally, the company's margins have not improved as fast as expected, given Constellation's hesitation to raise prices the current demand environment. The company also reported some higher non-operating costs. On a positive note, we see potential around the company's launch of new products in expanded geographic markets.

GLOBAL RESEARCH GROWTH FUND

(continued)

Janus Henderson
INVESTORS

Market review

Global equity markets advanced in January on hopes that moderating inflation data may persuade central banks to slow their pace of monetary tightening, mitigating the potential negative impact on economic growth. Worst-case fears of a winter energy crisis for Europe also eased, while China's relaxation of its zero-tolerance-COVID policy fuelled prospects for improved mobility and economic activity in Asia. Against this backdrop, investors continued to closely watch economic and inflation data while they tried to evaluate the likely path for the global economy, interest rates, and corporate earnings.

Market outlook

Despite hopes around moderating price pressures, inflation has remained above central bank targets in many countries and could lead to further rate hikes. We also caution that we have yet to see the full economic impact of interest rate increases to date. We recognize we could see further economic slowing in the months to come, leading to reduced corporate earnings forecasts as companies adjust to weaker demand and a higher cost of capital. At the same time, while we continue to closely monitor fundamentals, we believe the more dire predictions for the economy and equity markets are unfounded. In particular, we have been reassured by the resilience of the US economy and by the general health of consumer and corporate balance sheets. We also believe that China's pro-growth policies and relaxation of zero-tolerance COVID-19 restrictions may have positive implications for the global economy.

Furthermore, we believe such an environment may work to the advantage of disciplined and active investment managers, such as ourselves. In this environment, we believe investors will reward the kind of companies we focus on, those with high-quality earnings growth, well-capitalized balance sheets, reasonable valuations, and sustainable, organic growth prospects. We believe such companies will prove resilient, not only in the near term, but as we leave behind the era of easy monetary policy and ultra-low interest rates. We continue to pay close attention to the price we pay for growth as we look for opportunities to take advantage of trends such as e-commerce, cloud computing, digital payments, and healthcare innovation. We believe this disciplined approach will help us manage risk while we 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 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.