

GLOBAL RESEARCH GROWTH FUND

As at February 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

\$23.8 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

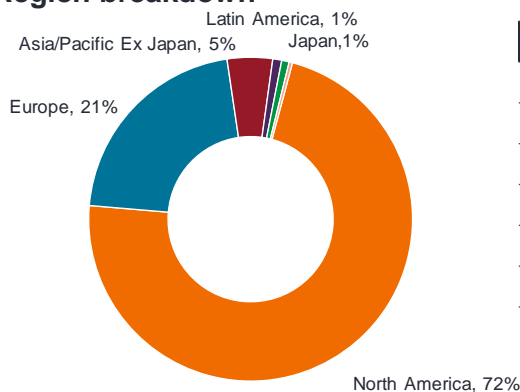
Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	2.63	0.78	3.92	-6.38	7.72	11.62	14.30	12.12
Growth	2.30	3.11	1.63	-16.91	1.38	3.72	5.21	4.59
Income	0.00	0.00	0.58	0.47	6.75	7.73	10.01	7.70
Benchmark	2.09	-0.65	5.73	-0.48	8.28	10.06	13.59	11.20
Excess return	0.54	1.43	-1.81	-5.90	-0.56	1.56	0.71	0.92

*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	38.10	Apple Inc	9.70
Consumer Discretionary	13.78	Microsoft Corp	9.24
Health Care	12.37	Alphabet Inc	5.30
Communication Services	8.77	Amazon.com Inc	4.24
Industrials	12.85	ASML Holding NV	3.07
Consumer Staples	5.69	NVIDIA Corp	3.07
Financials	4.13	Mastercard Inc	2.48
Materials	1.41	Visa Inc	2.48
Energy	1.26	Ferguson PLC	2.19
Real Estate	0.91	AstraZeneca PLC	2.12
Utilities	0.40		
Cash & Equivalents	0.33		

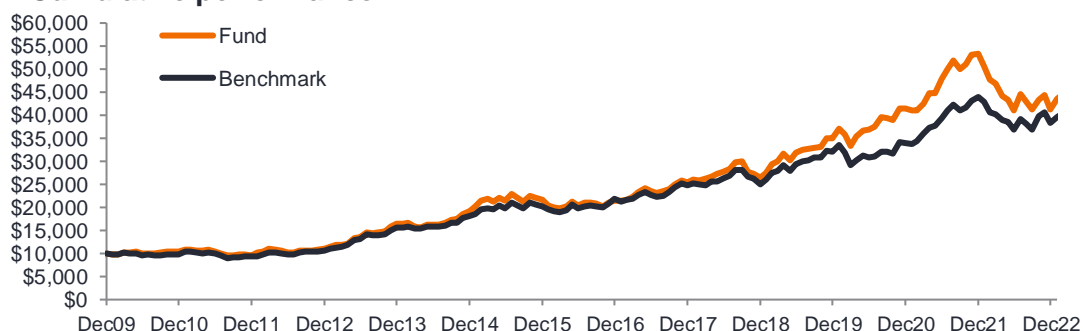
Region breakdown



Portfolio characteristics

	Fund	Benchmark
Number of holdings	90	1448
Active share	74.91	-
Turnover (12m)	16.91	-
Standard deviation (5yrs)	14.00	12.37
Sharpe ratio (5yrs)	0.58	0.46
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

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(continued)

Janus Henderson
INVESTORS



**Director of Centralised
Equity Research**
Matthew Peron

Fund performance

The Global Research Growth Fund (Fund) outperformed the MSCI World Index ex-Australia, net dividends reinvested, in AUD (Benchmark) for the month, aided by stock selection in the information technology and industrials sectors. Investments in the communication services and consumer discretionary sectors detracted from relative performance.

Among individual holdings, relative performance was lifted by an investment in graphics chip maker Nvidia. The company has benefited from a diverse portfolio of new products, including gaming chips that use artificial intelligence (AI) to enhance graphics. Nvidia's stock rose strongly after the company reported better-than-expected fourth-quarter revenue and earnings-per-share growth as well as increased guidance for 2023. These results reflected strong demand from the gaming market, where the company's new RTX 40x Ada Lovelace card continued to gain popularity. Additionally, despite macroeconomic uncertainty, data center-related demand slowed by less than investors had feared several months ago. Moreover, Nvidia's management indicated that they expect data center demand to accelerate later in 2023 as technology companies rush to invest in AI-related capabilities. The company is also seeing opportunity in the automotive sector, where it has signed a large software partnership with Mercedes Benz.

IT hardware and services company Apple was another contributor, as investors reacted favorably to the company's better-than-feared fourth-quarter financial results. Apple's top-and bottom-line growth fell short of consensus forecasts, reflecting lackluster iPhone sales and headwinds from production disruptions, supply chain constraints, and currency pressures. However, these results were better than many had expected given the challenging macroeconomic environment. Moreover, currency headwinds are expected to dissipate in 2023, while the relaxation of China's COVID-19 lockdowns could alleviate production and supply chain issues. This reopening could also spur more consumer spending, potentially benefiting Apple's business.

Computer hardware and services company Microsoft was another contributor, as the stock rose on optimism over the company's investments in artificial intelligence. In late January, Microsoft announced it was investing \$10 billion in OpenAI, the artificial intelligence company behind viral chatbot ChatGPT. In February, Microsoft announced plans to integrate ChatGPT-related technology into its Bing search engine and Edge web browser. The company's management hopes that such investments will expand its search capabilities and help it compete against other search engines, notably Google's.

On a negative note, Google-parent company Alphabet was a relative detractor for the month. Alphabet reported disappointing revenue and earnings growth, reflecting currency and macroeconomic headwinds as well as some weaker advertising sales trends for YouTube. Alphabet also reported higher costs, partly because of upfront expenses related to headcount reductions. Moreover, Microsoft's investments in AI raised competitive concerns for Google. In our view, these competitive concerns are overstated, given Google's strong market positioning and technological capabilities. We have also been reassured by the company's disciplined capital allocation and efforts to rein in costs and strengthen margins, especially in its cloud business. We believe Alphabet remains well-positioned to benefit from secular tailwinds including the digitalization of the economy and the growth of online video viewing.

E-commerce and cloud computing company Amazon.com was another detractor, as the stock gave back ground following a January advance. The stock rose in January after Amazon reported better-than-expected fourth-quarter revenue growth, although its earnings growth missed expectations. The company had also announced some cost-cutting measures, including headcount reductions, to address investor concerns over its expense profile. Despite these measures, the company has faced uncertainty around the potential impact of a weaker economy on consumer and enterprise spending.

Additionally, relative performance was hindered by our investment in JD.com. One of China's leading online retailers, JD.com demonstrated the advantages of its business model as it gained market share during the pandemic while steadily improving its underlying profitability. More recently, JD.com's stock performance has benefited from hopes that a potential relaxation in China's zero-tolerance COVID-19 policy could lead to higher consumer confidence and retail spending. While we believe that these fundamentals remain on track, the stock gave back some ground in February following several months of gains. We remain constructive on the company's long-term outlook given its competitive positioning within China.

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Market review

Global equity markets were volatile in February as central banks signaled that additional rate hikes may be required to combat inflation. While inflation data for many countries has moderated from the highs reached in 2022, core inflation rates remained well above central bank targets. The potential for additional rate hikes in the coming months pushed long-term bond yields higher while fueling fears of a global economic downturn. Additionally, geopolitical tensions between the U.S. and China added to market turbulence, overshadowing optimism around the relaxation of China's zero-tolerance-COVID policy.

Market outlook

We see the potential for additional monetary tightening in 2023, as core inflation remains above central bank targets. We also caution that it may take several quarters for rate hikes to impact the economy, meaning we have yet to see the full impact of rate increases to date. For these reasons, we believe we could see further slowing in economic and corporate earnings growth, especially as companies adjust to weaker demand and a higher cost of capital. At the same time, 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 U.S. economy and by the general health of consumer and corporate balance sheets. Given the uncertainties in the current outlook, we continue to closely monitor economic developments as well as company fundamentals. We also believe this environment may work to the advantage of disciplined and active investment managers such as ourselves. We continue to focus on companies 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 also longer term 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.

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 Research Growth 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.