

GLOBAL RESEARCH GROWTH FUND

As at March 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

\$25.5 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

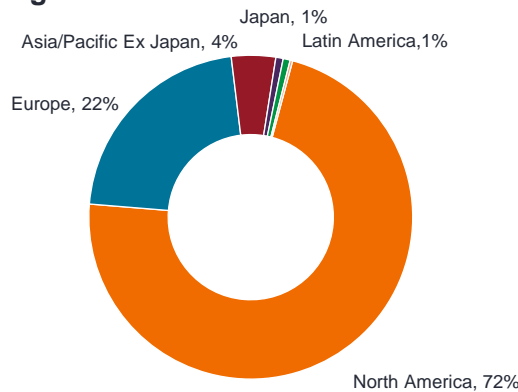
Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	7.17	16.02	16.34	2.06	12.94	12.92	15.07	12.62
Growth	7.17	16.02	16.34	1.49	5.89	5.09	5.07	5.08
Income	0.00	0.00	0.00	0.58	7.06	7.83	10.00	7.54
Benchmark	3.88	9.20	13.51	4.31	12.89	11.03	13.96	11.44
Excess return	3.29	6.82	2.83	-2.25	0.05	1.89	1.11	1.18

*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	34.30	Apple Inc	10.16
Consumer Discretionary	13.22	Microsoft Corp	10.00
Health Care	12.30	Alphabet Inc	5.74
Communication Services	9.11	Amazon.com Inc	4.04
Industrials	11.91	NVIDIA Corp	3.45
Consumer Staples	6.19	ASML Holding NV	3.17
Financials	9.12	Mastercard Inc	2.38
Materials	1.31	Visa Inc	2.38
Energy	1.34	AstraZeneca PLC	2.10
Real Estate	0.54	Pernod Ricard SA	2.10
Utilities	0.41		
Cash & Equivalents	0.25		

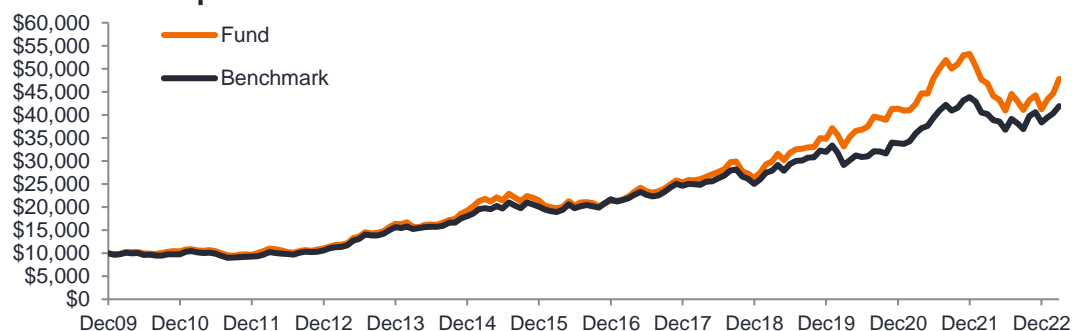
Region breakdown



Portfolio characteristics

	Fund	Benchmark
Number of holdings	94	1450
Active share	72.67	-
Turnover (12m)	16.42	-
Standard deviation (5yrs)	14.27	12.43
Sharpe ratio (5yrs)	0.67	0.55
Tracking error (5yrs)	4.78	-

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 Global Research Growth Fund (Fund) outperformed the MSCI World Index (net dividends reinvested) in AUD (Benchmark) for the month, aided by its overweight and stock selection in information technology (IT). Stock selection in industrials detracted from relative performance.

A strong rally in IT stocks benefited several holdings, including computer hardware and services company Microsoft. The stock has benefited from increased investor interest in Microsoft's artificial intelligence (AI) initiatives. 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.

IT hardware and services company Apple was another standout performer for the month. Earlier in the first quarter, Apple reported weaker-than-expected top-and bottom-line results, which reflected some slowing iPhone sales as well as headwinds from production disruptions and currency pressures. However, these results were better than investors had expected given global macroeconomic pressures. These headwinds have shown some signs of easing, while the relaxation of China's COVID-19 lockdowns has raised hopes for reduced supply chain issues. Additionally, Apple's management team also outlined plans to increase returns by further monetizing its services business, and by looking for market share expansion opportunities in the emerging markets.

Alphabet was a notable positive contributor, as the stock rebounded from February underperformance in a broad-based technology rally. In February, the Google parent company reported lower-than-expected revenue and earnings growth, which in part reflected currency and macroeconomic headwinds. In March, investors focused more on growth potential tied to the company's longer-term initiatives. These included AI, where Google has outlined plans to introduce functionality into its Workspace apps such as Google Docs.

Economic uncertainty also pressured more cyclical holdings. Building products supplier Ferguson sells plumbing and heating products to consumers, professional contractors, and the construction industry. Earlier in the first quarter, Ferguson reported slightly better-than-expected revenues as positive pricing partially offset weaker volumes. Earnings growth was weaker than expected however, and the company warned of higher capital expenditures and interest costs in 2023. Despite these headwinds, we continue to like Ferguson for its low debt levels and disciplined capital allocation.

Teck Resources, another detractor, is a cost-disciplined producer of steelmaking coal, copper, and zinc. The stock was a strong performer in the second half of 2022, as the company benefited from strong pricing in an inflationary environment. Pricing has softened more recently, while slower volumes for Teck's steel-making coal business dampened its fourth-quarter results. Short-term production disruptions also resulted in lower volumes for its copper and zinc businesses.

Alstom, another laggard, is a leading maker of rail equipment in Europe. The stock declined in March after the company issued an update that noted some near-term business headwinds, including higher interest expenses and potential labor negotiations. Investors were also cautious toward stocks, such as rail equipment makers, that may be more sensitive to a slowing economy.

GLOBAL RESEARCH GROWTH FUND

(continued)

Janus Henderson
INVESTORS

Market review

Stocks suffered heightened volatility in March, as the failure of several banks raised concerns over the condition of the U.S. and European banking systems. Central banks in the U.S. and Europe continued to raise rates in their efforts to combat inflation. However, investors anticipated that concerns over the fragility of the banking system might make policymakers more cautious about future rate increases. As a result, longer-term bond yields retreated in March. Lower yields, along with signs of relatively resilient economic growth, helped the U.S. market end the month with positive returns.

Market outlook

Looking ahead, we see reasons for optimism as well as caution. We view recent bank crises as reflective of weaker business models and questionable decision-making, rather than of wider systemic issues that may portend another banking crisis. Yet we recognize that the stresses that contributed to these problems are far from behind us. The aggressive rate hikes of the past year are still working their way through the global economy and could lead to further pullbacks in lending and liquidity, as well as slower economic growth. This could put additional strain on companies with weaker business models or balance sheets, raising the risks of negative surprises and heightened market volatility. That said, we believe the odds of a deep economic downturn remain low, especially in the U.S. We have also been reassured by the decisive actions that policymakers have taken to provide liquidity where needed, and we expect central banks to increasingly prioritize financial sector stability alongside their pursuit of price stability. As a result, we believe we may be close to the peak of rate hikes, with the potential for a pause or even a reduction in rates, especially in the U.S., in the second half of 2023.

At the same time, we see recent developments as more confirmation that we are in the late stages of the economic cycle, a period when rates may stop rising but earnings may start to decline. This is not the stage for financial risk-taking, and we remain defensive in our approach and highly selective in our investments. We believe this stage could reward our commitment to fundamental analysis, as we continue our efforts to distinguish between winners and losers. We will continue to pay close attention to the quality of balance sheets and management teams. We will also look for opportunities to use volatility to our advantage as we seek companies providing growth at a reasonable price.

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.