

GLOBAL RESEARCH GROWTH FUND

As at May 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

\$27.7 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

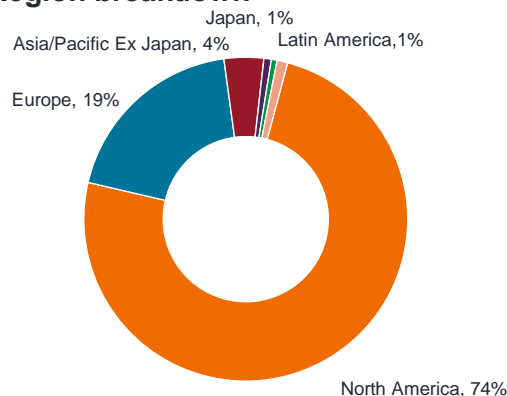
Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	5.15	16.37	17.29	19.88	12.38	13.90	14.68	13.14
Growth	3.27	13.58	14.10	11.19	4.88	5.40	5.17	5.30
Income	0.00	0.00	0.00	0.63	6.99	7.85	10.01	7.51
Benchmark	1.18	8.43	7.72	13.37	11.91	11.29	13.09	11.65
Excess return	3.97	7.94	9.57	6.51	0.47	2.61	1.59	1.49

*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	36.20	Microsoft Corp	10.83
Consumer Discretionary	12.66	Apple Inc	10.38
Health Care	11.05	Alphabet Inc	5.01
Communication Services	11.19	Amazon.com Inc	4.50
Industrials	9.53	NVIDIA Corp	4.45
Consumer Staples	5.90	ASML Holding NV	3.17
Financials	8.45	Meta Platforms Inc	2.45
Materials	2.42	Visa Inc	2.04
Energy	1.16	Mastercard Inc	1.98
Real Estate	0.00	Taiwan Semiconductor Manufacturing Co Ltd	1.92
Utilities	0.38		
Cash & Equivalents	1.06		

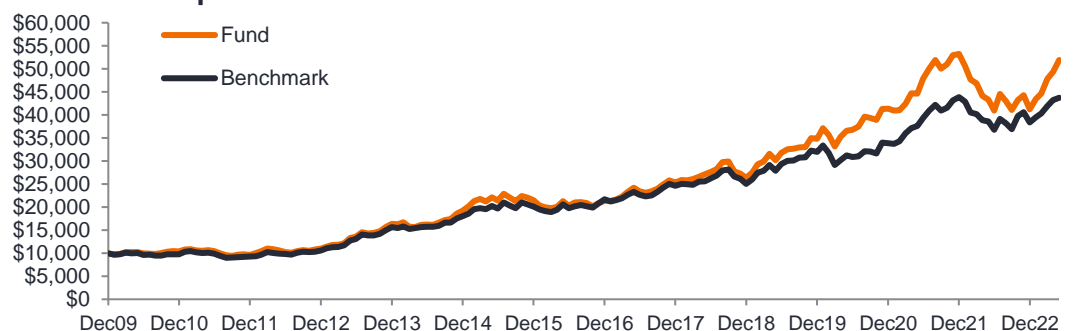
Region breakdown



Portfolio characteristics

	Fund	Benchmark
Number of holdings	91	1447
Active share	69.25	-
Turnover (12m)	22.98	-
Standard deviation (5yrs)	14.40	12.44
Sharpe ratio (5yrs)	0.69	0.53
Tracking error (5yrs)	4.99	-

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)

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**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), assisted by an overweight and stock selection in the information technology sector. Investments in the communication services sector also contributed, due in part to stock selection. By contrast, stock selection in the materials sector detracted from relative performance.

Among individual holdings, graphics chip company Nvidia was a top relative contributor. Nvidia has benefited from its diverse portfolio of new products, including gaming chips that use artificial intelligence (AI) to enhance graphics. NVIDIA delivered very strong revenue and earnings growth for the first quarter. Nvidia's management team has also indicated that it expects data center demand to accelerate throughout 2023, as technology companies rush to deploy AI-related capabilities.

Alphabet was another positive contributor. The Google parent company reported better-than-expected first-quarter results, as its Search and YouTube revenues were relatively stable despite economic headwinds. Alphabet's Google Cloud business also delivered its first quarter of profitability. Additionally, investors have responded positively to Google's plans to incorporate AI functionality into its Workspace apps.

Computer hardware and services company Microsoft was another standout performer. Microsoft reported very strong first-quarter results, reflecting strength across most major business lines. It also issued better-than-expected guidance. Excitement around the company's AI initiatives has also been a tailwind for the stock. The company is seeking to strengthen its long-term earnings potential by infusing AI through Office, Azure, Search, and other products.

Teck Resources, a relative detractor, is a cost-disciplined producer of steelmaking coal, copper, and zinc. The stock declined in May after jumping higher in April on news that natural resources company Glencore made an unsolicited offer to acquire Teck Resources. In May, investor enthusiasm over this offer dissipated somewhat given uncertainty over how this takeover attempt would play out. Teck Resources also indicated that bad weather may have negatively impacted its second-quarter production.

Unilever was another detractor, as the stock retreated following a strong April advance. The consumer products company reported very strong revenue growth in April, as its ability to raise prices offset a slight decline in sales volumes. In May, the stock fell on worries that consumer demand could slow further in the second half of 2023. Investors were also concerned about the company's ability to implement further price increases given a slowing global economy.

The Fund's underweight position in electric vehicle manufacturer Tesla also detracted. The stock rallied in May, following an April decline, as investors were reassured by indications that Elon Musk would remain CEO. Tesla reported relatively robust production metrics for the first quarter of 2023. However, the company has seen slowing sales trends in several markets, while it has reduced prices to manage inventories. Given the company's slowing demand trends and price reductions, we remain comfortable with an underweight position in the stock relative to the Benchmark.

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Market review

Global equities faced headwinds in May as hawkish statements from Federal Reserve (Fed) policymakers led to expectations that interest rates would remain higher for longer. This kept upward pressure on bond yields. Global economic growth also showed signs of slowing, as Germany slipped into recession while China saw its post-reopening recovery lose steam. Uncertainty over U.S. federal debt ceiling negotiations added to market uncertainty, although the finalization of a debt ceiling deal helped ease investor anxiety at month-end.

Market outlook

Looking ahead, we see reasons for optimism as well as caution. 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. We believe 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.