

# GLOBAL RESEARCH GROWTH FUND

## As at September 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

\$28.1 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

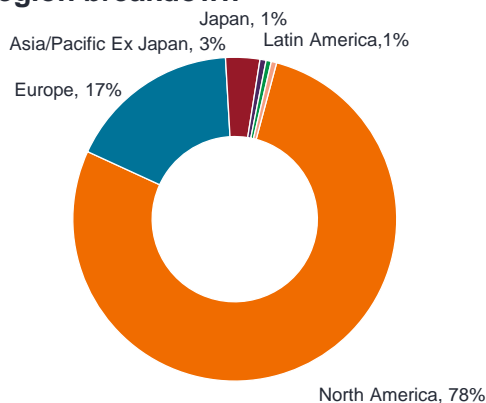
Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	-5.13	-2.08	9.15	26.98	9.88	11.81	13.78	12.85
Growth	2.05	5.96	23.30	28.13	10.32	6.76	4.94	6.00
Income	-	-	-	-	1.24	6.35	9.55	7.36
Benchmark	-4.01	-0.43	7.16	21.64	11.93	9.80	12.49	11.56
Excess return	-1.12	-1.65	1.99	5.34	-2.05	2.01	1.29	1.29

\*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	34.70	Apple Inc	9.69
Consumer Discretionary	12.07	Microsoft Corp	9.57
Health Care	11.68	Alphabet Inc	5.62
Communication Services	12.17	NVIDIA Corp	4.96
Industrials	9.58	Amazon.com Inc	4.13
Consumer Staples	5.95	Meta Platforms Inc	3.07
Financials	8.63	ASML Holding NV	2.09
Materials	2.64	Visa Inc	2.07
Energy	1.61	Mastercard Inc	1.92
Real Estate	0.00	Pernod Ricard SA	1.83
Utilities	0.43		
Cash & Equivalents	0.54		

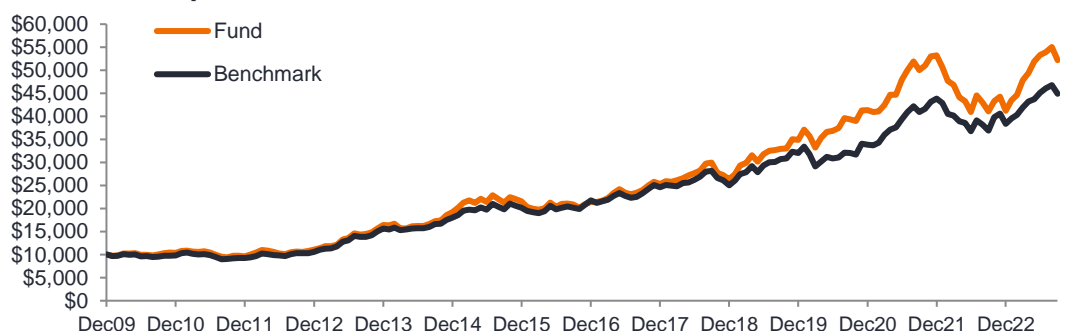
### Region breakdown



### Portfolio characteristics

	Fund	Benchmark
Number of holdings	101	1451
Active share	68.24	-
Turnover (12m)	24.76	-
Standard deviation (5yrs)	14.54	12.56
Sharpe ratio (5yrs)	0.58	0.45
Tracking error (5yrs)	5.02	-

### Cumulative performance



Fund returns are net of fees.

<sup>^</sup> For more information and most up to date buy/sell spread information visit [www.janus Henderson.com/en-au/investor/buy-sell-spreads](http://www.janus Henderson.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) had a negative return and lagged the MSCI World ex-Australia Index (net dividends reinvested) in AUD (Benchmark) for the month. A fund overweight and stock selection in the information technology sector dampened relative performance. Stock selection in the consumer discretionary also hurt results. Stock selection in industrials and materials contributed to relative performance.

A number of information technology sectors were relative detractors, as they gave back ground after strong performance earlier in the year. These included semiconductor equipment manufacturer ASML Holding, as shares declined despite the company's solid second-quarter earnings. ASML's management team has voiced caution over the near-term business outlook, given elevated customer inventory levels and global economic uncertainty. This caution has weighed on the stock performance in recent months. Despite this uncertainty, we remain upbeat on longer-term prospects for the company given its strong competitive positioning, track record of innovation, and attractive risk/reward. Additionally, we expect that the rollout of artificial intelligence will drive more demand for advanced semiconductors, and for the specialized equipment used to produce them.

Relative performance was also dampened by our position in Pernod Ricard. This leading global spirits company owns brands such as Absolut vodka and Mumm champagne. The stock has faced headwinds as the company management team has warned of slowing beverage sales in the U.S. and especially in China, where the post-reopening recovery has been weaker than anticipated. On a positive note, the company has experienced market gains in other areas, such as India. The management team has also reiterated a commitment to margin improvement, especially as inflation pressures have abated. We remain invested in Pernod Ricard due to its strong market positioning and diversified product portfolio.

Relative performance benefited from our investment in Teck Resources, a Canadian miner of copper, zinc, and coking coal. Despite economic headwinds, the company has reported progress in improving reducing expenses and improving its operating margins. The company has also benefited from higher zinc prices. The company management has continued to express an interest in spinning off its coking coal business, which would allow it to focus more on its green metals (copper) business.

Ferguson, another contributor, provides plumbing supplies and other building products to both the residential and commercial markets. The company reported solid quarterly results, showing resilience in both its revenue growth and margins despite economic headwinds for construction. Additionally, Ferguson has continued to gain share and grow at a faster pace than its end markets. We continue to like Ferguson for its strong competitive position and its large and growing market share.

## Market review

Stocks suffered downward volatility in September on growing recognition that development market central banks may need to keep policy rates higher for longer in their fight against inflation. These expectations put upward pressure on long-term interest rates. The US economy showed resilience as the employment market remained tight and consumers continued to spend at healthy levels. Growth showed signs of slowing in Europe, however, particularly within manufacturing. A weaker-than-expected recovery in China added to global economic uncertainty.

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## Market outlook

While overall economic growth has remained relatively resilient, we have seen pockets of weakness, especially in manufacturing. This weakness may broaden out, as consumer spending is showing early signs of softening due to higher living costs and the ending of fiscal support. We recognize that we have yet to see the full impact of central bank rate hikes, which can take 18 months to affect the economy. Policymakers have also telegraphed that we are likely to see an extended period of higher rates with implications for economic growth, corporate earnings, and equity market performance.

Our response to this environment is the same risk-conscious investment approach we have always followed. We continue to seek out companies with high quality business models, robust cash flow, and proven management teams. We also pay close attention to the quality of corporate balance sheets and capital allocation, favoring companies that continue to reinvest in the business and pursue innovation. Adhering to this fundamentals-driven approach, we are seeking out longer-term secular growth opportunities in sectors such as healthcare and information technology. We remain opportunistic in other sectors, where we can identify improving business models and economic conditions. We also continue to limit exposure to markets, such as China, where we see higher economic and market risks. 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.