

GLOBAL RESEARCH GROWTH FUND

As at July 2022

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

\$23.7 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

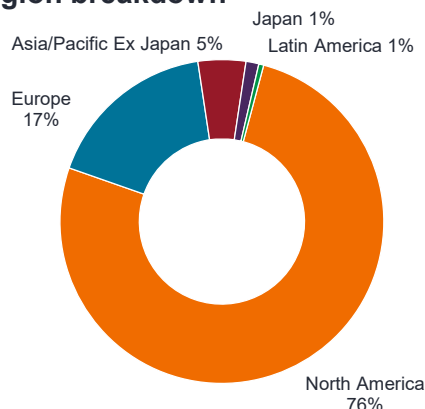
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Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	8.77	0.89	-11.99	-10.96	11.04	14.09	16.09	12.69
Growth (net)	8.77	0.32	-12.49	-11.46	4.11	6.18	6.00	4.77
Income (net)	0.00	0.57	0.50	0.50	6.93	7.91	10.09	7.93
Benchmark	6.40	0.62	-8.76	-4.39	9.24	11.88	15.00	11.48
Excess return*	2.37	0.27	-3.23	-6.57	1.80	2.21	1.09	1.21

*Excess return is measured against net performance.
Past performance is not a reliable indication of future results.

Sector weightings (%)	Top 10 holdings (%)		
Information Technology	40.11	Microsoft Corp	11.01
Consumer Discretionary	12.96	Apple Inc	10.17
Health Care	12.13	Alphabet Inc	5.83
Communication Services	11.16	Amazon.com Inc	5.72
Industrials	11.08	ASML Holding NV	3.10
Consumer Staples	5.84	Mastercard Inc	2.39
Financials	3.28	NVIDIA Corp	2.33
Materials	1.47	Visa Inc	2.32
Energy	0.77	Ferguson PLC	2.08
Real Estate	0.60	AstraZeneca PLC	2.07
Utilities	0.31		
Cash & Equivalents	0.29		

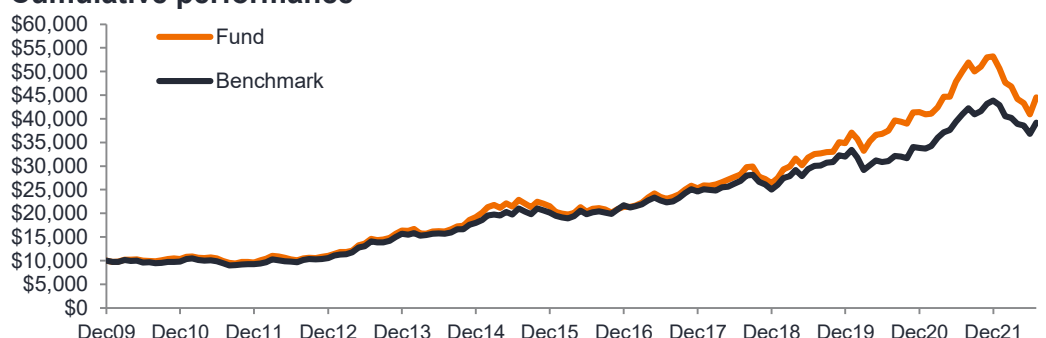
Region breakdown



Portfolio characteristics

	Fund	Benchmark
Number of holdings	92	1456
Active share	73.84	-
Turnover (12m)	17.96	-
Standard deviation (5yrs)	13.04	11.59
Sharpe ratio (5yrs)	0.85	0.69
Tracking error (5yrs)	4.26	-

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)



**Director of Centralised
Equity Research**
Matthew Peron

Fund performance

The Fund outperformed its MSCI World ex Australia Index (net dividends reinvested) (Benchmark) benchmark for the month, due primarily to positive stock selection within the technology and consumer sectors. Conversely, our overweight to the communications sector weighed marginally on relative performance.

On an individual stock basis, top relative contributors included e-commerce and cloud computing company Amazon.com. Investors bid shares higher following a better-than-expected second quarter earnings report. Strong demand for the company's cloud computing services contributed to its strong quarterly results.

Technology holdings Apple and ASML Holding also contributed to relative performance. Impressive quarterly earnings results and management's upbeat outlook for the upcoming quarter supported gains in Apple's stock. The computer hardware and services company reported high iPhone 13 demand for the quarter ended June 30, as well as 24% year-over-year growth in paid subscribers for its services. Our research suggests Apple's strong execution has enabled it to successfully navigate the current challenging macroeconomic environment. Furthermore, we are excited about the company's recent market share gains in China. We believe Apple's integration of hardware, software, and services result in an impressive flywheel that is difficult for competitors to replicate.

Despite concerns of a global slowdown in semiconductor equipment spending, ASML reported second quarter earnings that surpassed analysts' consensus estimates. The manufacturer of semiconductor equipment attributed its impressive results to high demand for its systems, driven by positive trends in automotive, high-performance computing and green energy transition. While supply chain constraints continued to create headwinds for the semiconductor industry and contributed to ASML's recent decision to lower its projections for 2022, we remain upbeat in our outlook for the company and maintained our position in the stock.

Although we are pleased with the Fund's outperformance, select holdings detracted from relative results, including our underweight position in electric vehicle (EV) manufacturer Tesla. The company's stock climbed higher in July amid a battery supply deal recently secured by Tesla that should help alleviate battery shortages resulting from supply chain disruptions. Signs of improvement in China's EV market also supported share strength, as investors are optimistic that Tesla, which operates a plant in Shanghai, will benefit.

Hong Kong-based insurer AIA Group also declined in July. Hong Kong's insurance sector continued to endure negative sentiment due to weakness in the Chinese bond market and property sector concerns. However, AIA Group has very little exposure to this part of the market. We'll continue to closely monitor developments at both the company and industry level but believe AIG's business fundamentals remain solid. Furthermore, we were excited when AIG recently announced its first-ever share repurchase program, which we believe demonstrates its commitment to enhancing shareholder value.

Relative results were further pressured by the weak monthly performance of mining company Teck Resources, which declined following a mixed second quarter earnings report. Although quarterly results were mostly in line with analysts' consensus estimates, the market responded negatively to operating costs at the high end of Teck Resource's estimated range due primarily to high diesel fuel prices. We believe the market has overlooked the strong free cash flow generation of Teck. We also think supply chain bottlenecks will likely begin to resolve as COVID-19 controls in China loosen, resulting in substantially higher demand for base metals such as copper and steel.

Market review

Global equities rose strongly, as the US Federal Reserve (Fed) hinted that it could ease the pace of future interest rate rises because of a weakening economy. Some strong corporate results, particularly in the US, also supported gains in markets. Further growth in inflation weighed on sentiment, however, and prompted interest rate rises from major central banks. The Fed increased rates by 75 basis points (bps) for the second month in a row, while the European Central Bank (ECB) announced a larger-than-expected 50 bps rise. Crude prices fell on worries about inflation and its expected corrosive effect on demand, pushing US benchmark West Texas Intermediate (WTI) below US\$100 per barrel, although signs that supply remained tight limited the overall losses. WTI ended the month down by about 7%, while European benchmark Brent Crude lost about 4%.

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Market outlook

The Fed and central banks around the world are engaged in a delicate balancing act as they attempt to rein in economic growth through rate hikes without sending the economy into a severe recession. In our view, the odds of a dramatic downturn are low, particularly in the US, where balance sheets for consumers and corporations are healthy and could prevent the economy from falling into a prolonged and deep recession. We also are encouraged by stimulus measures recently rolled out in China, which, as the world's second-largest economy, could help bolster a slowing global economy.

That said, we anticipate that economic growth will slow as the world adjusts to central bank policy changes and the new rate regime. Against this backdrop, we remain confident in our strategy of investing in quality stocks demonstrating growth-at-a-reasonable price and have somewhat tightened the Fund's equity duration to further reduce its sensitivity to rising interest rates. We also remain confident in the investment themes represented in the Fund, particularly e-commerce, cloud computing, digital payments, and health care innovation. We believe these powerful secular growth trends will be a key component of equity returns over the long term and have high conviction in our selections within these industries.

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.