

# GLOBAL RESEARCH GROWTH FUND

## As at August 2021

### 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

\$27.8 million

### Minimum investment

\$25,000

### Management cost (%)\*

0.75 p.a.

### Buy/sell spread (%)

0.15/0.15

### Base currency

AUD

### Distribution frequency

Annually

### ARSN code

140 461 945

### APIR code

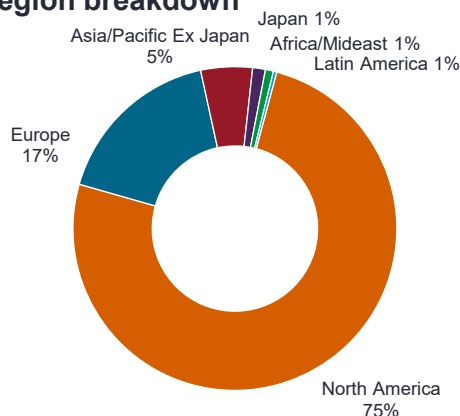
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Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	3.76	16.26	26.47	30.98	20.42	19.82	18.51	15.25
Growth (net)	3.76	13.07	23.00	27.39	9.58	9.05	8.27	6.58
Income (net)	0.00	3.19	3.47	3.59	10.84	10.76	10.23	8.66
Benchmark	3.10	12.31	23.23	31.37	14.68	15.59	16.70	13.15
Excess return*	0.66	3.95	3.24	-0.39	5.74	4.23	1.81	2.10

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

Sector weightings (%)	Top 10 holdings (%)		
Information Technology	38.96	Microsoft Corp	9.61
Communication Services	15.17	Apple Inc	7.20
Consumer Discretionary	13.61	Alphabet Inc	6.27
Health Care	10.33	Amazon.com Inc	5.65
Industrials	9.99	Facebook Inc	3.69
Consumer Staples	4.67	ASML Holding NV	3.38
Financials	3.40	Adobe Inc	2.77
Materials	2.44	Visa Inc	2.34
Energy	0.38	Mastercard Inc	2.04
Utilities	0.25	Constellation Brands Inc	1.85
Cash & Equivalents	0.80		

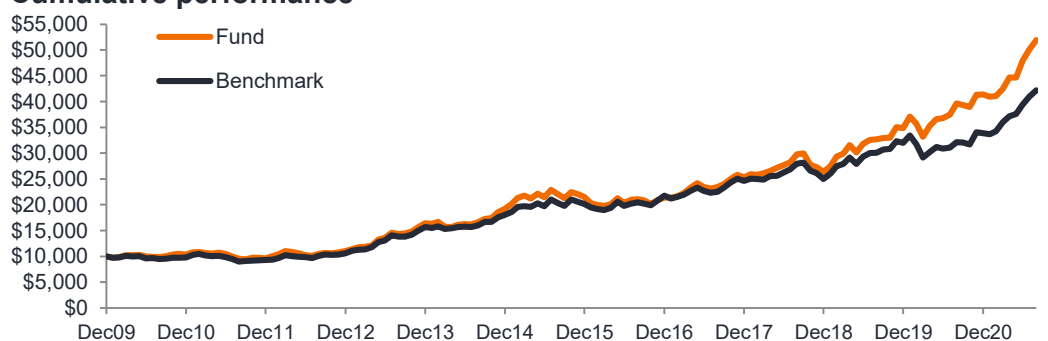
### Region breakdown



### Portfolio characteristics

	Fund	Benchmark
Number of holdings	92	1493
Active share	74.96	-
Turnover (12m)	24.04	-
Standard deviation (5yrs)	11.24	10.78
Sharpe ratio (5yrs)	1.70	1.29
Tracking error (5yrs)	3.94	-

### 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](http://www.janushenderson.com/en-au/investor/buy-sell-spreads)

# GLOBAL RESEARCH GROWTH FUND

(continued)



**Director of Centralised  
Equity Research**  
Matthew Peron

## Fund performance

The Janus Henderson Global Research Growth Fund (Fund) outperformed the MSCI World Index ex Australia (net dividends reinvested) (Benchmark) in August by 0.66% net of fees, due primarily to positive stock selection and an overweight position in the information technology sector. Investment selections within the communication sector also contributed to relative gains. Conversely, results were limited by the weak performance of our financials holdings.

Technology holdings Microsoft and ASML Holding extended their rally in August, driving the Fund's outperformance in the technology sector. Microsoft's stock gained in anticipation of the company's October rollout of the Windows 11 operating system. Further lifting the stock were several analyst upgrades. Tailwinds to semiconductor capital equipment manufacturer ASML's stock included strong quarterly earnings and projected robust growth in the second half of 2021. Major semiconductor foundry customers continue to expand EUV layer counts by 30% to 50% with each new generation of semiconductors, supporting our long-term investment thesis for ASML, which manufactures EUV lithography machines.

On-demand trucking company Full Truck Alliance also rallied. The China-based company reported a substantial year-over-year increase in profit driven by order strength and continued improvements in user engagement on its platform. Full Truck Alliance provides an Uber-like service for the trucking industry. We believe the company is well positioned to benefit from the growth of China's digital economy

Conversely, the Fund's relative results were hindered by financials holdings Visa and Mastercard. News of merchants imposing a surcharge on payments made with Visa credit cards triggered concerns of a decline in credit card usage and pressured the stocks of both Visa and Mastercard. Our analysis suggests these developments will not have a material impact on either company's economics. Furthermore, we are encouraged by data showing an acceleration in electronic purchase volume growth.

International beverage and alcohol company Constellation Brands also detracted from the Fund's relative results. We see no fundamental reason for the stock's decline and are encouraged by industry data that shows higher beer sales in July.

## Market review

Global equity markets advanced in August amid better-than-expected corporate earnings reports and improving economic data. Rising Delta variant infection rates in various parts of the world, however, kept investors wary. Emerging markets equities led gains, outperforming non-US developed markets equities.

In the US, stocks climbed higher on reports of healthy corporate profits and an acceleration in jobs growth. Stock markets in Europe also advanced against a positive backdrop that included central banks' accommodative policies, continued evidence of strong economic growth, and optimism about higher vaccination rates. Meanwhile, UK equities were flat, despite positive earnings news.

Stocks in Japan edged higher, overcoming concerns that the government's extension of its COVID-19 state of emergency may delay an economic recovery. Japan's economy returned to modest growth in the second quarter. However, the latest wave of virus infections hampered business activity within the services sector in August.

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## Market outlook

While there is some speculation that the Delta COVID “wave” may have paused the economic recovery, we don’t think it has been derailed. We remain constructive on our outlook for continued recovery and expansion of the US and global economy. The primary risk we are monitoring is inflation and the policy reaction from the Federal Reserve (Fed). Although the Fed has prepared the market for the path of accommodation removal, we are wary of the risk of “policy error” and market volatility that might ensue. These events will likely present opportunities for us to take advantage of.

We remain steadfast in our strategy of investing in companies participating in secular growth trends that are transforming key parts of the economy. These include e-commerce, cloud computing, digital payments and health care innovation. However, our improving outlook for the economy prompted us to shift our exposure within these segments during the second half of 2020 – adjustments that were well-timed and have since contributed to Fund performance. For example, within e-commerce, we increased our focus on businesses we believe are poised to benefit from improving mobility trends, such as online travel companies. Within health care, we tilted the Fund’s exposure toward manufacturers of technologies and products we believe will see increased demand as a result of a resurgence in elective surgeries. Rounding out the Fund are holdings participating in the broad-based industrial and manufacturing recovery, including select agriculture and construction machinery stocks as well as industrial technology stocks and semiconductor capital equipment.

Going forward, we feel the Fund is positioned well should our base case recovery path continue to play out. In particular, we are confident the Fund’s mix of secular growth stocks and stocks levered to the economy is appropriate for this stage of the cycle.

## 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](http://www.janushenderson.com/australia), before making a decision about the Fund. Dollar figures shown are in Australian Dollars (AUD), unless otherwise stated.