

GLOBAL RESEARCH GROWTH FUND

As at March 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

\$22.7 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

ETL0186AU

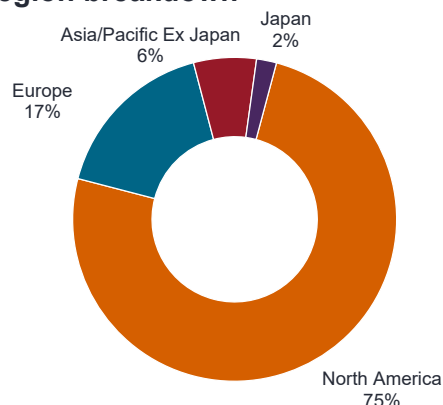
Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	3.39	2.56	7.87	27.85	17.67	16.58	14.92	13.81
Growth (net)	3.39	2.56	7.87	8.95	5.57	5.42	5.19	5.21
Income (net)	0.00	0.00	0.00	18.90	12.11	11.17	9.73	8.60
Benchmark	5.09	6.33	12.38	23.55	13.16	13.67	13.46	12.08
Excess return*	-1.70	-3.77	-4.51	4.30	4.51	2.91	1.46	1.73

*Excess return is measured against net performance.

Past performance is not a reliable indication of future results.

Sector weightings (%)	Top 10 holdings (%)		
Information Technology	38.46	Microsoft Corp	8.98
Consumer Discretionary	14.06	Apple Inc	8.73
Communication Services	12.95	Amazon.com Inc	5.69
Health Care	11.73	Alphabet Inc	5.49
Industrials	9.62	ASML Holding NV	3.05
Consumer Staples	5.41	Facebook Inc	2.78
Financials	3.63	Adobe Inc	2.52
Materials	2.14	Taiwan Semiconductor Manufacturing Co Ltd	2.06
Real Estate	1.10	Mastercard Inc	2.03
Energy	0.46	Visa Inc	1.97
Utilities	0.32		
Cash & Equivalents	0.12		

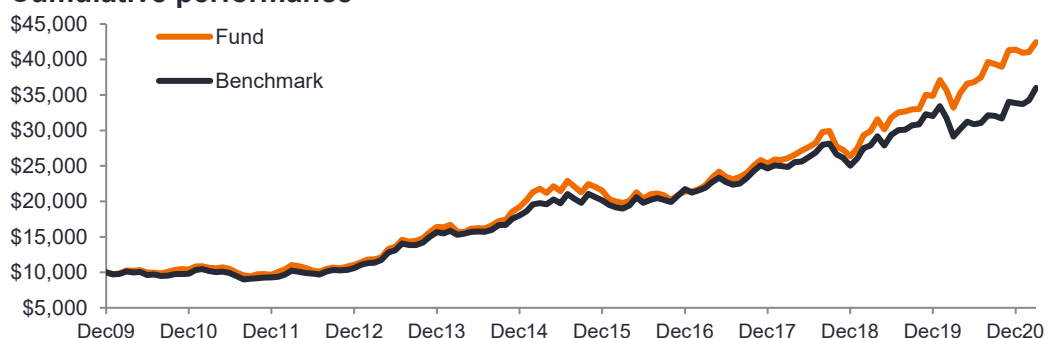
Region breakdown



Portfolio characteristics

	Fund	Benchmark
Number of holdings	90	1521
Active share	77.05	-
Turnover (12m)	45.02	-
Standard deviation (5yrs)	11.30	10.99
Sharpe ratio (5yrs)	1.43	1.12
Tracking error (5yrs)	3.87	-

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)



**Director of Centralised
Equity Research**
Matthew Peron

Fund performance

The Janus Henderson Global Research Growth Fund (Fund) underperformed the MSCI World Index ex Australia (net dividends reinvested) (Benchmark) by 1.70% net of fees in March. Key detractor came primarily from the consumer, health care and financial sectors, where weak stock selection dragged on results.

On an individual stock basis, relative detractors included Taiwan Semiconductor Manufacturing Company (TSMC). After gaining steadily for several months, the semiconductor foundry company's stock paused in March as investors took gains. We believe TSMC remains well positioned to benefit from current strong supply/demand dynamics for semiconductors and broad end-market demand strength. As a result, we maintained our position in the stock.

Other notable detractors included US technology firm Avalara, a provider of a cloud-based software platform that allows businesses to streamline tax compliance documentation. The stock declined alongside other high-valuation stocks on concerns of higher-trending bond yields and rising inflation. The company's most recent quarterly earnings indicated solid underlying metrics for Avalara, with revenue growth of 35% in the quarter and organic growth of 29%.

Key detractors also included Adidas, a leading athletic apparel, accessories and footwear company. Despite signs of a recovery in its business, including a return to growth in the fourth quarter and robust e-commerce sales, Adidas' 2020 profits declined, thereby diminishing enthusiasm for the stock. Concerns about the ongoing trade war with China, where Adidas generates approximately 20% of its revenue, also weighed on the stock. However, the company projects that profits will accelerate in 2021, due in part to product innovation and a greater focus on direct-to-consumer e-commerce.

While disappointed with the performance of these stocks, a number of holdings contributed to the Fund's relative results, including social media giant Facebook. Despite pandemic-related headwinds, the company has continued to execute well, recently reporting stronger-than-expected fourth quarter earnings and revenue and notable increases in its daily and monthly total active users. Facebook's decision to accelerate its launch of online commerce tools in 2020 also continues to benefit the company. Specifically, it rolled out Facebook Shops for small business e-commerce, Facebook Checkout and paid live events that allow organisations such as drama and arts schools to charge for online classes.

Top contributors also included two semiconductor holdings. ASML Holding, a Dutch manufacturer of chip-making equipment, and US-based chip-maker Texas Instruments both benefited from positive supply/demand dynamics for semiconductors and a rapidly expanding market for chips. Texas Instruments, which is a leading supplier of chips used in automobiles, also benefited from continued signs of recovery in the auto industry.

Market review

Global equity markets continued to advance in March as progress in the vaccine campaign against the coronavirus, additional fiscal and monetary policy stimulus and an improving economic outlook fueled investor optimism. Stronger expectations for growth and inflation pushed global bond yields higher, temporarily unnerving equity markets early in the period. However, muted inflation data helped to ease investors' concerns and Federal Reserve (Fed) officials held US interest rates steady. The Fed indicated it does not anticipate that inflation will increase enough to move the needle on policy until possibly 2023. The Fed also reiterated its commitment to maintain the current pace of its asset purchases and meaningfully upgraded its projections for economic growth in 2021.

Increased growth expectations and an additional \$1.9 trillion fiscal stimulus package helped to propel US equities to record highs during the month. Stocks in Europe also advanced, aided by positive corporate earnings news and vaccine optimism. Relaxed lockdown measures in the UK supported equity market gains in the region, while resilient economic growth in Japan contributed to moderate stock market gains there. Vaccine distribution has been slower in emerging markets, where stocks declined and lagged developed market stocks.

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Janus Henderson
INVESTORS

Market outlook

Although the global economic rebound is proving to be stronger and faster than expected, we recognise that we are not yet out of the woods. The spread of COVID-19 variants as well as a possible seasonal spike in infection rates remain potential threats to both human and economic health. Yet, with multiple vaccines becoming more widely accessible, we are optimistic the pandemic will continue to recede in the months ahead.

Against this backdrop, 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 contributed to Fund performance in the first quarter. 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.

Going forward, we feel the Fund is positioned well should our base case recovery path continue to play out. In particular, we are confident that the Fund's strategic mix of secular growth stocks and stocks levered to the economy will allow us to capitalise on the post-pandemic environment.

Important information

*The management fee was changed from 1.25% to 0.75% on the 11 November 2019.

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. Dollar figures shown are in Australian Dollars (AUD), unless otherwise stated.