

GLOBAL RESEARCH GROWTH FUND

As at April 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

\$23.9 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

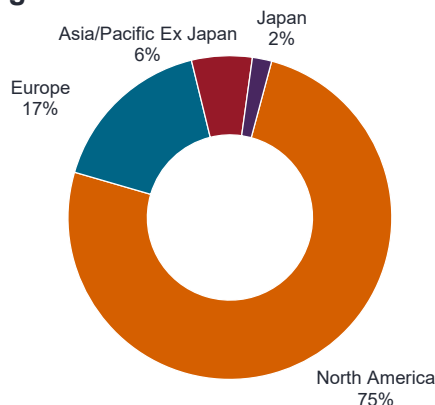
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Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	5.26	9.14	14.66	26.65	19.01	17.44	15.59	14.21
Growth (net)	5.26	9.14	14.66	7.93	6.77	6.20	5.80	5.64
Income (net)	0.00	0.00	0.00	18.72	12.25	11.25	9.78	8.57
Benchmark	3.18	10.21	17.28	23.03	13.32	13.85	14.00	12.30
Excess return*	2.08	-1.07	-2.62	3.62	5.69	3.59	1.59	1.91

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

Sector weightings (%)	Top 10 holdings (%)		
Information Technology	38.32	Microsoft Corp	8.83
Communication Services	14.16	Apple Inc	8.57
Consumer Discretionary	14.08	Amazon.com Inc	6.09
Health Care	11.28	Alphabet Inc	5.98
Industrials	9.93	Facebook Inc	3.37
Consumer Staples	5.45	ASML Holding NV	3.18
Financials	3.15	Adobe Inc	2.52
Materials	2.17	Mastercard Inc	2.18
Energy	0.43	Visa Inc	2.12
Utilities	0.32	Constellation Brands Inc	1.93
Cash & Equivalents	0.71		

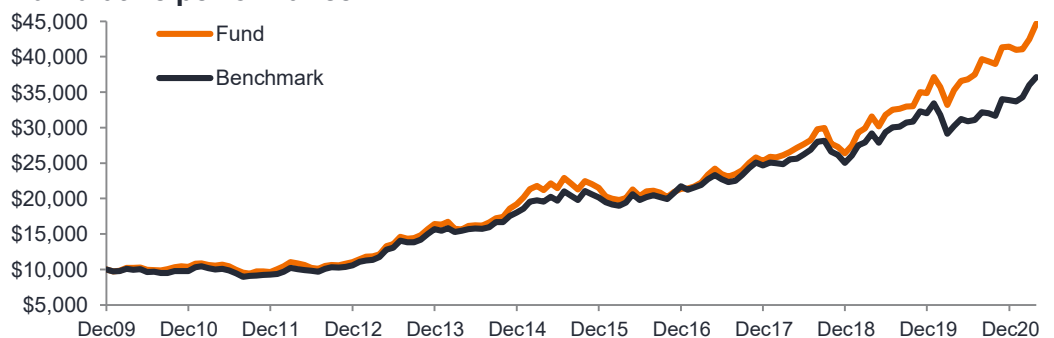
Region breakdown



Portfolio characteristics

	Fund	Benchmark
Number of holdings	90	1519
Active share	76.46	-
Turnover (12m)	53.98	-
Standard deviation (5yrs)	11.43	11.01
Sharpe ratio (5yrs)	1.53	1.18
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

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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 Index ex Australia (net dividends reinvested) (Benchmark) in April by 2.08% net of fees, due primarily to positive stock selection within the communications and consumer sectors.

On an individual stock basis, top relative contributors included Alphabet and Amazon.com. Alphabet's stock rallied on news of quarterly earnings that handily beat consensus estimates on both the top and bottom lines. The parent company of Google enjoyed strong growth in its advertising business, particularly on YouTube, which is increasingly being recognised as the dominant ad-supported platform in the connected TV ecosystem. Alphabet's cloud revenue also jumped considerably higher in the quarter. Amazon.com also reported better-than-expected quarterly earnings. The e-commerce giant benefited from a broad rally among technology-related companies and optimism about economic reopening. First quarter revenue was up 44% and earnings per share more than tripled during the first quarter. Helping to drive these results was growth in Amazon Web Services (AWS), digital advertising and third-party seller services.

Another standout performer in April was technology hardware and services company Apple. Investors bid shares higher after the company reported much better-than-expected first quarter profits. We continue to believe its diverse mix of hardware and software revenue streams, as well as growth opportunities in emerging markets such as India and China, bode well for Apple.

While pleased with the performance of these stocks, select holdings weighed on the Fund's relative results, including Texas Instruments. The chipmaker's stock traded lower, despite reporting first quarter results that exceeded consensus estimates on both the top and bottom lines. Its share price came under pressure as worries about the global semiconductor shortage mounted. We believe the company's shorter lead times, better inventory, internal manufacturing capacity, and lower prices position it to take market share from competitors in the current supply-constrained environment.

The weak performance of Netflix also pressured the Fund's relative results. The subscription streaming entertainment service announced quarterly revenue in line with consensus estimates but reported a smaller-than-expected increase in new subscribers. Factors contributing to slower subscriber growth included production delays that led to a smaller offering of new content during the quarter. The company projects that subscriber growth will reaccelerate in the second half of 2021 when new seasons of some of Netflix's biggest hits return and a strong lineup of original films and local language titles are released.

Another notable detractor was India-based HDFC Bank. The stock sold off on concerns that the recent surge in COVID-19 infections would hurt the asset quality of banks. The country reported more than 6.6 million new cases of the virus in April.

Market review

Promising economic data and strong corporate earnings growth lifted global equity markets in April, with US markets leading the way. Adding to optimism was progress on vaccine distribution, which despite a spike in COVID-19 infections in some parts of the world, raised hopes for a return to normalcy. Positive economic news also lifted sentiment, with initial unemployment claims in the US falling in March and the services and manufacturing sectors continuing to show signs of expansion. While inflation in the US rose to 1.6% in March (minus food and energy), the Federal Reserve maintained that it will tolerate higher inflation until data indicates that economic growth is sustainable.

Stocks in Europe and the UK advanced as the rollout of vaccination programs accelerated and lockdown measures in several countries eased. Manufacturing activity in both regions picked up in April. Meanwhile, stocks in Japan traded lower on disappointing earnings reports and concerns that rising infection rates may jeopardise Japan's economic recovery. Elsewhere, emerging markets stocks underperformed developed markets equities, as several regions continued to combat the spread of the virus.

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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 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 portfolio 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 in the Fund's strategic mix of secular growth stocks and stocks levered to the economy.

Important information

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

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