

# GLOBAL RESEARCH GROWTH FUND

## As at May 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

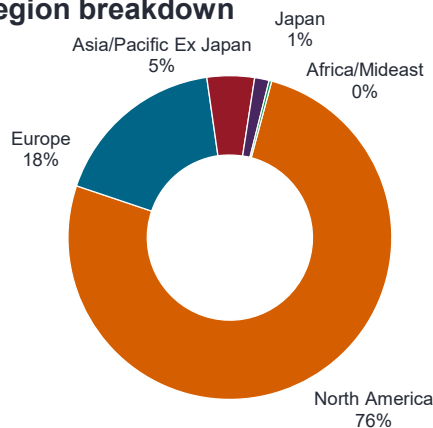
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Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	-0.05	8.78	8.09	22.03	18.12	16.05	15.43	14.10
Growth (net)	-0.05	8.78	8.09	3.99	5.96	4.93	5.66	5.59
Income (net)	0.00	0.00	0.00	18.04	12.15	11.11	9.77	8.50
Benchmark	1.19	9.73	10.47	20.41	13.63	12.79	14.05	12.32
Excess return*	-1.24	-0.95	-2.38	1.62	4.49	3.26	1.38	1.78

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

Sector weightings (%)	Top 10 holdings (%)		
Information Technology	37.56	Microsoft Corp	8.72
Communication Services	14.16	Apple Inc	7.55
Consumer Discretionary	13.78	Alphabet Inc	5.96
Health Care	11.30	Amazon.com Inc	5.64
Industrials	10.54	Facebook Inc	3.39
Consumer Staples	5.60	ASML Holding NV	3.28
Financials	3.23	Adobe Inc	2.49
Materials	2.27	Visa Inc	2.06
Energy	0.46	Mastercard Inc	2.05
Utilities	0.30	Constellation Brands Inc	1.92
Cash & Equivalents	0.80		

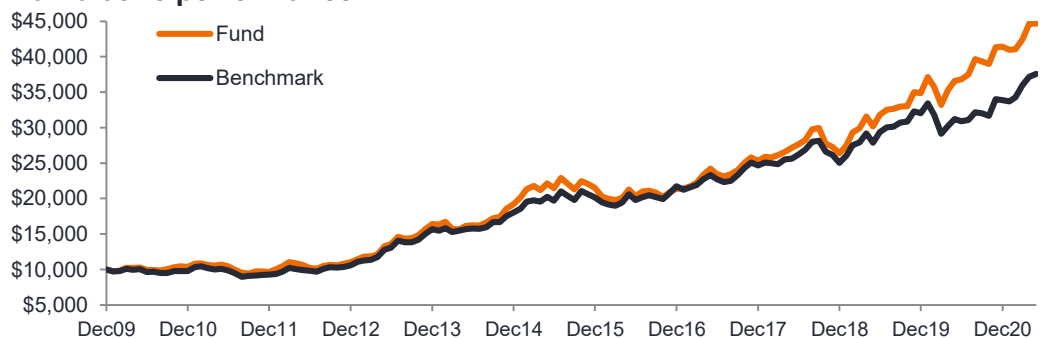
## Region breakdown



## Portfolio characteristics

	Fund	Benchmark
Number of holdings	89	1500
Active share	76.59	-
Turnover (12m)	66.51	-
Standard deviation (5yrs)	11.25	10.79
Sharpe ratio (5yrs)	1.54	1.20
Tracking error (5yrs)	3.97	-

## 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) underperformed the MSCI World Index ex Australia (net dividends reinvested) (Benchmark) in May by -1.24% net of fees, due primarily to negative stock selection within the financials and consumer sectors.

On an individual stock basis, notable relative detractors included online retailer Amazon.com, technology hardware and services company Apple, and software firm Microsoft. All three stocks followed other mega-cap growth stocks lower as rapid vaccinations and an improving economy led many investors to gravitate toward more defensive names. Further pressuring Apple's stock were regulatory concerns and several analyst downgrades, while expectations of less-robust earnings growth for Microsoft in fiscal year 2022 contributed to the decline in its share price. Our long-term outlooks for all three companies remain positive. Amazon.com exceeded earnings estimates for its most recent quarter, reporting significant growth across its retail, cloud services, and advertising businesses. The company also announced plans to acquire MGM in pursuit of becoming the preferred destination for feature films. Apple and Microsoft also recently reported strong quarterly earnings, surpassing consensus estimates.

While disappointed with the weak short-term performance of these stocks, a number of Fund holdings delivered strong results in May, including Nvidia, a developer of graphics processing units (GPUs). The company reported strong growth in its fiscal 2022 first quarter results, driven primarily by its gaming and data center segments. Our long-term outlook for Nvidia remains bright, as the company is a leading supplier of GPUs, which are at the forefront of accelerated computing, artificial intelligence and autonomous driving. We like the company's growth potential as these secular themes push forward.

Key contributors also included Adidas, a leading athletic apparel, accessories and footwear firm. The company's most recent quarterly earnings report showed clear signs of a recovery in its business, including better-than-expected operating margins and strong sales momentum, particularly in China. Footwear sales accounted for the majority of Adidas' revenue. With the expectation that major sporting events will drive demand for its products, Adidas raised its 2021 earnings outlook, adding to investors' optimism for the stock.

Strong forward guidance also lifted the stock of Pernod Ricard. The gradual reopening of restaurants and bars recently resulted in a return to sales growth for the wine and spirits company. Demand was particularly robust in its key US and Chinese markets. We continue to believe Pernod's portfolio of strong brands, which include Absolute Vodka, Chivas Regal and Glenlivet Scotch whiskies, and its large regional footprint give the company a competitive advantage.

## Market review

Global stocks ended the month higher as rising COVID-19 vaccination rates and an improved global growth outlook fueled investor optimism. US markets started the period particularly strong but retraced some of their steps amid worries that rising commodity prices and labour shortages may lead to longer-term inflation. As a result, US stocks lagged other developed markets for the month. Although core inflation rose above the Federal Reserve's (Fed) 2% target, the Fed indicated that it will likely keep rates low in the near term given high unemployment and other persistent pandemic-related risks. Elsewhere, stocks in Europe and the UK rose on positive economic news and improved vaccine availability. Japanese stocks also advanced, despite a fourth wave of the virus that prompted the government to extend its state of emergency. COVID-19 concerns also continued to linger in emerging markets, where vaccine distribution continued to lag that of developed markets. Although emerging markets stocks gained in May, they underperformed developed markets equities.

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## Market outlook

The economy continued to rebound strongly in the US and gathered steam outside the US, particularly in Europe. While risks from COVID-19 are receding due to vaccines and the summer viral seasonal lull, the risks of too-hot inflation and a fear that the Fed will have to move sooner than expected have emerged, although not overly so. We believe inflation will be the key theme to watch in the coming weeks and months.

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.