

GLOBAL RESEARCH GROWTH FUND

As at September 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

\$21.9 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

ETL0186AU

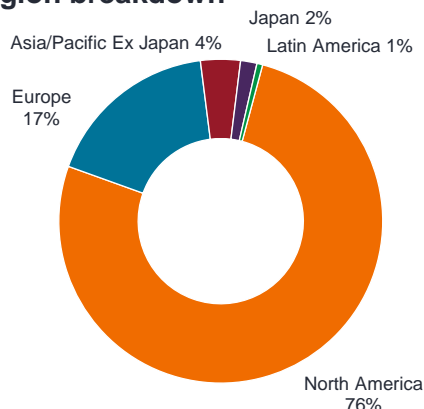
Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	-4.27	0.36	-12.27	-17.85	7.63	11.41	14.54	11.81
Growth (net)	-3.62	-1.43	-10.42	-17.76	2.70	5.08	5.21	4.43
Income (net)	0.00	0.56	0.51	0.47	6.84	7.83	10.01	7.85
Benchmark	-3.23	0.35	-8.11	-9.79	6.33	9.65	13.59	10.81
Excess return*	-1.04	0.01	-4.16	-8.06	1.30	1.76	0.95	1.00

*Excess return is measured against net performance.

Past performance is not a reliable indication of future results.

Sector weightings (%)	Top 10 holdings (%)		
Information Technology	38.74	Microsoft Corp	10.72
Consumer Discretionary	13.39	Apple Inc	10.15
Health Care	13.09	Alphabet Inc	6.23
Communication Services	10.44	Amazon.com Inc	5.62
Industrials	10.88	ASML Holding NV	2.72
Consumer Staples	6.15	Ferguson PLC	2.28
Financials	3.40	Mastercard Inc	2.26
Materials	1.34	Visa Inc	2.15
Energy	0.88	Constellation Brands Inc	2.14
Real Estate	1.19	AstraZeneca PLC	2.05
Utilities	0.33		
Cash & Equivalents	0.17		

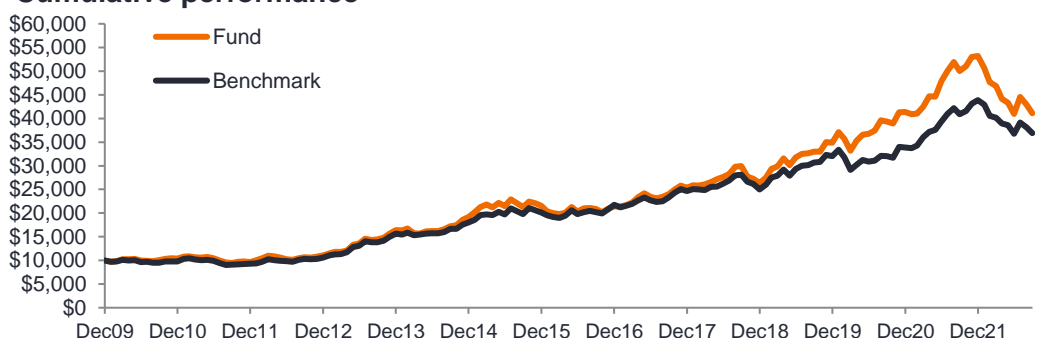
Region breakdown



Portfolio characteristics

	Fund	Benchmark
Number of holdings	87	1454
Active share	73.98	-
Turnover (12m)	21.31	-
Standard deviation (5yrs)	13.42	11.78
Sharpe ratio (5yrs)	0.52	0.37
Tracking error (5yrs)	4.28	-

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)

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**Director of Centralised
Equity Research**
Matthew Peron

Fund performance

The Janus Henderson Global Research Growth Fund (Fund) underperformed the MSCI World Index (net dividends reinvested) in AUD (Benchmark) for the month, due primarily to an overweight position in the weak-performing technology sector. Select investments within the financial sector also detracted. Conversely, our selections within the health care and energy sectors lifted relative results.

Top individual detractors included semiconductor holdings Taiwan Semiconductor Manufacturing Company (TSMC) and graphics chip maker Nvidia. Both stocks fell in response to forecasts of an industry-wide decline in semiconductor sales next year. TSMC, a major chip supplier to Apple (another portfolio holding), also suffered from news that Apple will back off on plans to increase production of its latest iPhones this year due to lower-than-projected demand. Additional headwinds for US-based Nvidia included weaker-than-expected guidance issued by management on the company's recent quarterly earnings call and export restrictions on high-end data centre chips to China imposed by the US Commerce Department. We remain upbeat in our outlook for both companies. TSMC recently reiterated its 2022 full-year revenue growth forecast of 30% and Nvidia continued to make new product announcements across gaming, data centre, automotive, software, and services. Most recently, Nvidia introduced new gaming chips that use AI to enhance graphics. Notably, it plans to tap TSMC to manufacture the chips.

Another key detractor was United Parcel Service (UPS). The package delivery company declined alongside other delivery companies following a profit and revenue warning by FedEx, which cautioned that worsening macroeconomic trends, particularly in Asia and Europe, would negatively impact its first quarter 2023 financial results. We are confident that UPS will be able to shrug off the negative sentiment and were pleased when management recently reiterated its 2022 guidance.

Conversely, Pernod Ricard bolstered relative results. This global leader in wine and spirits continued to see strong momentum in the US and Europe and reported strong growth in sales and profit for the fiscal year. Adding to share strength was Pernod's announcement that it will repurchase up to \$750 million of its stock. A new business unit launched by Pernod will enable it to scale up and geographically expand its direct-to-consumer and niche business-to-business segment.

Material contribution also came from the health care sector, where drugmakers Eli Lilly and Vertex Pharmaceuticals contributed to our relative results. Eli Lilly recently earned FDA approval for Mounjaro, a therapy for type 2 diabetes that has proven more effective than similar treatments currently on the market and could potentially achieve blockbuster status (generate at least one billion in revenue a year). Vertex Pharmaceuticals' share strength was driven by optimism about cystic fibrosis drug Orkambi, which recently received FDA approval for expanded use in children under the age of 24-months. In addition to its growing leadership in cystic fibrosis, Vertex has programs in five disease areas that are entering into or progressing through late-stage clinical development.

Market review

Global equities declined in September as inflation pressures further stoked anxiety about a worldwide economic downturn. Most major central banks, notably the US Federal Reserve (Fed), continued to take a hard line against inflation, as they implemented large interest rate hikes and indicated additional rate hikes will follow. Russia raised tensions with the West as it illegally annexed parts of Ukraine and threatened to use nuclear arms, although Ukraine regained large swathes of territory following a swift counteroffensive. Oil prices continued to fall, given concerns about the threat to demand from slowing global economic growth and a further strengthening of the US dollar. US benchmark West Texas Intermediate (WTI) ended the month below US\$80 a barrel, having declined by about 11%, while European marker Brent Crude finished lower by around 9%.

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Market outlook

Despite a synchronised shift in quantitative tightening among central banks globally, inflation remains stubbornly high. As a result, we have adopted a more cautious outlook for the global economy. Meanwhile, on a relative basis, the US economy has remained somewhat resilient, with a strong labour market giving investors hope that a downturn in the US may not be as severe as in other parts of the world and that the US may therefore bolster the global economy. The loosening of China's zero-tolerance COVID-19 policy also may have positive implications for the global economy.

Turning to the Fund, our strategy is to invest in quality businesses able to demonstrate future earnings growth by providing innovative products and services, while also focusing on the price we pay for that growth. Our investment universe has expanded with the market sell-off as we continue to find good companies supporting our investment themes in e-commerce, cloud computing, digital payments, and health care innovation. Nonetheless, macroeconomic headwinds have prompted us to take additional measures to manage the Fund's risk. To that end, we are being vigilant in our evaluation of stock-specific risk, including stress-testing each company's free cash flow to assess any potential impact from the current economic environment. We've also shortened the Fund's equity duration with the goal of further reducing its sensitivity to rising interest rates. We believe these measures, in combination with our focus on companies participating in secular growth trends, will enable us to pursue our goal of long-term growth of capital.

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 Growth Research 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.