

GLOBAL RESEARCH GROWTH FUND

As at October 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

\$23.1 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

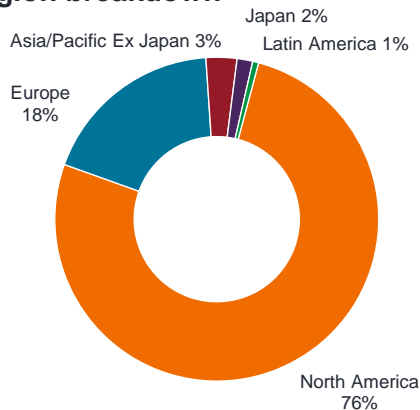
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Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	5.29	-2.86	-1.99	-15.18	9.45	11.64	15.22	12.18
Growth (net)	5.29	-2.86	-2.55	-15.66	2.62	3.90	5.20	4.44
Income (net)	0.00	0.00	0.55	0.48	6.83	7.74	10.01	7.74
Benchmark	7.81	1.68	2.31	-4.33	8.88	10.38	14.51	11.38
Excess return*	-2.52	-4.54	-4.30	-10.85	0.57	1.26	0.71	0.80

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

Sector weightings (%)	Top 10 holdings (%)		
Information Technology	38.75	Apple Inc	10.78
Consumer Discretionary	12.67	Microsoft Corp	10.23
Health Care	13.09	Alphabet Inc	5.87
Communication Services	10.35	Amazon.com Inc	4.88
Industrials	11.60	ASML Holding NV	2.91
Consumer Staples	5.80	Visa Inc	2.54
Financials	3.44	Mastercard Inc	2.49
Materials	1.12	T-Mobile US Inc	2.42
Energy	0.97	Constellation Brands Inc	2.21
Real Estate	1.03	Ferguson PLC	2.13
Utilities	0.40		
Cash & Equivalents	0.78		

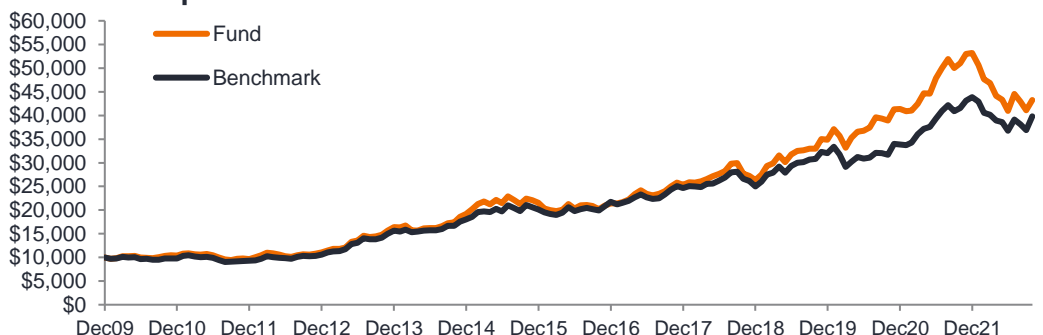
Region breakdown



Portfolio characteristics

	Fund	Benchmark
Number of holdings	86	1452
Active share	74.28	-
Turnover (12m)	21.45	-
Standard deviation (5yrs)	13.47	12.10
Sharpe ratio (5yrs)	0.56	0.45
Tracking error (5yrs)	4.44	-

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)



**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 negative stock selection within the consumer and technology sectors. Conversely, select investments within the industrial and financial sectors buoyed relative results.

On an individual stock basis, top relative detractors included consumer holding Amazon. The e-commerce company's shares declined after management reported third quarter earnings that broadly missed analysts' consensus estimates and guided lower for revenue growth during the upcoming holiday shopping quarter due to macroeconomic headwinds. Typically, a pillar of strength, the company's Amazon Web Services (AWS) segment reported year-over-year revenue that fell short of expectations. The lone bright spot was better-than-expected earnings per share.

Google parent Alphabet's management also issued weak guidance. The company's leaders cited currency headwinds, difficult year-over-year comparisons, and generally lower advertising revenues as the reason it reduced guidance. Although Google's search business showed year-over-year growth, this growth was offset by modest declines in YouTube ad revenues. Despite the stock's decline in October, we remain optimistic about long-term trends driving cloud adoption and maintained our position in the stock.

Shares of Taiwan Semiconductor Manufacturing Company (TSMC) plummeted due to concerns about a projected decline in global chip sales. We remain upbeat in our longer-term outlook for the company, as we believe continued new product introductions across gaming, data center, automotive, software, and services could bode well for TSMC.

Conversely, notable contributors to the Fund's relative results included technology hardware and services firm Apple. The company announced strong third quarter earnings, exceeding Wall Street's estimates for both top- and bottom-line growth. Key growth drivers included higher Mac and iPhone sales. We're pleased to see the business holding up so well despite macroeconomic and currency pressures and believe its seamless integration of hardware, software, and services could continue to bode well for the stock over the long term.

Airbus also contributed materially to relative results. The aerospace and defence company reported a quarterly operating profit slightly above analysts' consensus estimates and maintained its full-year operating profit, which is in line with Wall Street's estimates. Airbus also raised its full-year free-cash-flow guidance. Investor optimism about a planned production increase in Airbus's A320 family of jets also lifted the stock.

An underweight position in weak-performing Tesla also buoyed relative results. The stock traded lower following the release of quarterly results that showed revenue fell short of analysts' expectations. The company attributed these disappointing results to currency headwinds and supply chain challenges and reemphasized that it continues to have strong backlogs for its vehicles. It also reported free-cash-flow generation well above expectations.

Market review

Global equities rose in October on investors' growing hopes that major central banks, notably the Federal Reserve (Fed), would start to ease the pace of interest rate hikes later this year. Some positive corporate results in both the US and Europe supported the gains, as did the UK government's U-turn on its plan to fund tax cuts with increased borrowing. Oil prices gained as the Organisation of the Petroleum Exporting Countries (OPEC) and its allies, including Russia, agreed on large output cuts. Concerns about faltering demand in China and slowing global economic growth kept a lid on the price increases. US benchmark West Texas Intermediate (WTI) ended the month up by about 10%, while European marker Brent Crude gained about 8%.

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Janus Henderson
INVESTORS

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 healthcare 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.