

# GLOBAL EQUITY INCOME FUND

## As at February 2021

### Fund objective

To achieve dividend yield that exceeds the dividend yield of the MSCI World ex-Australia Index (net dividends reinvested) in AUD with the potential for long-term capital growth.

### Investment approach

The Fund is actively managed and typically holds between 50-80 companies diversified across geographic regions and industrial sectors. The Fund seeks to deliver regular income distributions with the potential for long-term capital growth through its investment in companies that the Manager has identified as having the potential to generate strong and growing levels of free cash flow.

### Benchmark

MSCI World ex-Australia Index (net dividends reinvested) in AUD

### Risk profile

High

### Suggested timeframe

5 years

### Inception date

1 May 2015

### Fund size

\$34.3 million

### Minimum investment

\$25,000

### Management cost (%)

0.85 p.a.

### Buy/sell spread (%)

0.15/0.15<sup>^</sup>

### Base currency

AUD

### Currency hedging

Unhedged

### Distribution frequency

Quarterly

### ARSN code

604 135 784

### APIR code

HGI0005AU

### ASX mFund

JHI03

Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	Since inception (% p.a.)
Fund (net)	0.77	-0.34	6.41	-2.54	3.52	5.63	4.69
<i>Growth (net)</i>	0.77	-2.09	4.54	-5.64	0.44	2.50	1.90
<i>Distribution (net)</i>	0.00	1.75	1.86	3.09	3.08	3.13	2.79
Benchmark (%)	1.64	0.68	6.61	7.79	11.10	12.31	9.84
Excess Return (%)	-0.87	-1.02	-0.20	-10.33	-7.58	-6.68	-5.15

Returns are net of fees.

Past performance is not a reliable indicator of future performance

Top 10 holdings (%)	Sector weightings (%)
Microsoft 3.68	Information Technology 18.01
Samsung Electronics 3.57	Financials 15.70
Unilever 2.62	Health Care 13.25
Taiwan Semiconductor Manufacturing 2.60	Consumer Staples 9.45
Anglo American 2.27	Consumer Discretionary 9.33
Cisco Systems 2.24	Industrials 9.12
Broadcom 2.23	Utilities 6.79
Zurich Insurance Group 2.17	Communication Services 4.41
Volvo 2.13	Materials 4.40
CME Group 2.13	Energy 3.25
	Cash 6.29

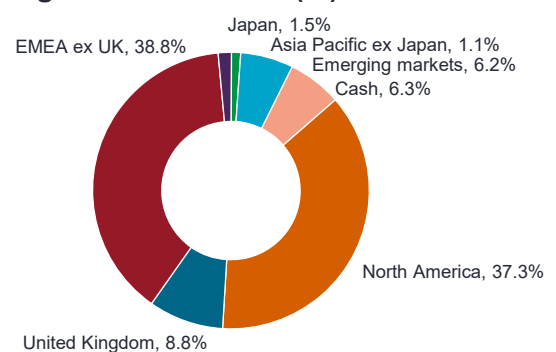
## Portfolio characteristics

Portfolio dividend yield <sup>1</sup>	3.48%
Benchmark dividend yield <sup>1</sup>	1.82%
Number of holdings	64

<sup>1</sup> Portfolio (and Benchmark) dividend yield is a weighted calculation of the dividends paid by the underlying portfolio holdings (benchmark securities over the last 12 months divided by their closing share price. It is not representative of the Fund's actual distributions.

Past performance is not a guarantee of future performance.

## Regional breakdown (%)



## Cumulative performance



Fund returns are net of fees.

<sup>^</sup> 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 EQUITY INCOME FUND

(continued)

Janus Henderson  
INVESTORS



**Fund Manager**  
Andrew Jones



**Fund Manager**  
Ben Lofthouse

## Market commentary

Global equities ended the month in positive territory despite the sell-off in bond markets witnessed in the second half of the month. Bond yields moved higher as investors positioned themselves for a strong economic recovery with value stocks outperforming growth stocks in a reversal of a trend that has dominated markets in recent years. At the sector level, cyclically exposed sectors such as energy, mining and industrials outperformed whilst more defensive sectors such as utilities, health care and consumer staples underperformed.

## Fund commentary

The Janus Henderson Global Equity Income Fund (Fund) returned 0.77% in February versus the MSCI World ex Australia Index (net dividends reinvested in AUD) (Benchmark) which gained 1.64% in Australian dollar terms.

The Fund's holdings in Anglo American and Repsol were beneficial for performance as commodity prices rallied with the oil price gaining +18% on expectations of rising global demand. Banking stocks ING and BAWAG P.S.K also outperformed helped by the rising bond yield environment which has a positive impact on bank profitability. Conversely, stocks less likely to benefit from an economic recovery underperformed. These included consumer staples Unilever and Nestle, and pharmaceutical companies Novartis and Roche. Utilities Enel and RWE also detracted from returns.

During the month, the positions in Vici Properties, Veolia Environment and Tesco were sold with the proceeds used to establish positions in Novo Nordisk and Daimler. Daimler is well placed in the transition to electric vehicles with the dividend also expected to grow from its current level. In addition, the company recently announced the IPO of their truck business, highlighting the value of this division. Pharmaceutical company Novo Nordisk meanwhile is a well-run business with a strong balance sheet. Dividend payments are forecast to grow over the next few years given the company's world leading position in diabetes treatments and the potential for some of its drugs to be used to help combat obesity.

The short-term outlook for global economic growth has improved as the roll-out of government vaccination programmes gain traction, whilst monetary and fiscal policy remains supportive. Equity markets have performed well but still look attractive on a yield basis relative to bonds. Certain sectors and stocks have been overlooked by investors and offer a compelling investment opportunity which as active investors we are well positioned to take advantage of. We continue with our strategy of selecting companies with strong free cash flow generation and valuation support that are well positioned to benefit from a recovery in global economic activity.

## Important information

A new Product Disclosure Statement and Additional Information Guide for the Fund dated 30 September 2020 is available at [www.janushenderson.com/australia](http://www.janushenderson.com/australia).

Commodity prices are shown in US dollars (USD) unless otherwise stated. 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 was prepared by Janus Henderson Investors (Australia) Funds Management Limited ABN 43 164 177 244, AFS Licence 444268 and 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 contains general information only and does not take account of your individual objectives, financial situation or needs. 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.