

GLOBAL EQUITY INCOME FUND

As at June 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

\$27.0 million

Minimum investment

\$25,000

Management cost (%)

0.85 p.a.

Buy/sell spread (%)

0.15/0.15[^]

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)	2.10	5.00	10.66	17.38	5.94	7.53	6.13
<i>Growth (net)</i>	-3.50	-0.76	4.51	8.92	1.37	3.53	2.50
<i>Distribution (net)</i>	5.60	5.76	6.14	8.46	4.57	4.00	3.63
Benchmark (%)	4.71	9.33	16.25	27.50	14.50	14.73	11.77
Excess Return (%)	-2.61	-4.33	-5.59	-10.12	-8.56	-7.20	-5.64

Returns are net of fees.

Past performance is not a reliable indicator of future performance

Top 10 holdings (%)	Sector weightings (%)
Microsoft 4.21	Information Technology 18.72
Samsung Electronics 3.27	Health Care 15.55
Unilever 2.96	Financials 14.17
TotalEnergies 2.53	Consumer Staples 10.47
Coca-Cola 2.43	Industrials 9.56
AstraZeneca 2.26	Consumer Discretionary 9.32
Iberdrola 2.25	Utilities 5.93
UPM-Kymmene 2.23	Materials 5.45
Anglo American 2.23	Energy 4.48
Nestlé 2.14	Communication Services 4.21
	Cash 2.14

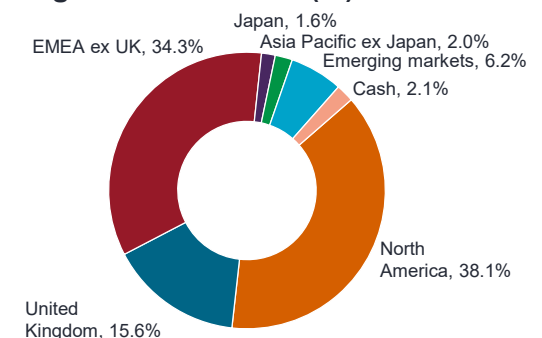
Portfolio characteristics

Portfolio dividend yield ¹	3.27%
Benchmark dividend yield ¹	1.69%
Number of holdings	60

¹ 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.

[^] For more information and most up to date buy/sell spread information visit 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

Equity markets made good progress in June as central banks reassured investors that they believed inflationary pressures were transitory and that the current accommodative monetary policy stance was unlikely to change in the near term. Bond yields declined slightly, and growth stocks outperformed value stocks with the Nasdaq reaching a new all-time high. Performance at the sector level was mixed with technology, energy, health care and real estate outperforming whilst materials, financials and industrials underperformed.

Fund commentary

The Janus Henderson Global Equity Income Fund (Fund) returned 2.10% in June versus the MSCI World ex Australia (net dividends reinvested in AUD) Index (Benchmark) which gained 4.71% in Australian dollar terms.

This month, not having exposure to low or no yielding technology stocks such as Apple, Amazon and Facebook was unhelpful. Some of the Fund's financials stocks also struggled as bond yields fell with positions in Axa, Allianz, Lloyds and Manulife detracting from returns. Conversely, the Fund's holdings in pharmaceutical companies Roche, AstraZeneca, Merck and Novartis outperformed. Roche benefited from some good news related to its late stage Alzheimer's drug which helped the performance of the shares. Alphawave, a semiconductor intellectual property company, Taiwan Semiconductor and Microsoft also outperformed.

During the month the positions in Daimler and Axa were trimmed with the proceeds used to establish a new position in Citigroup. The bank is well positioned to benefit from a recovery in loan growth volumes as the economy reopens whilst bad debt provisions are expected to remain manageable. The company has excess capital reserves and the new CEO plans to exit several underperforming markets with a strategic focus on wealth management. The stock trades at a discount to its US peers and offers an attractive dividend yield of around 3% that is expected to grow in excess of 5% per annum over the next few years.

The outlook for global economic growth has improved as the roll-out of government vaccination programmes gains traction whilst monetary and fiscal policy remains supportive. Equity markets have performed well but still look attractive on a yield basis relative to bonds. 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

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, before making a decision about the Fund. Dollar figures shown are in Australian Dollars (AUD), unless otherwise stated.