

GLOBAL EQUITY INCOME FUND

As at July 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

\$27.8 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)	3.80	8.16	15.53	22.09	6.22	8.19	6.68
<i>Growth (net)</i>	3.80	2.23	9.12	13.29	1.63	4.17	3.08
<i>Distribution (net)</i>	0.00	5.93	6.41	8.79	4.58	4.02	3.60
Benchmark (%)	4.03	10.23	21.49	31.85	15.06	15.18	12.31
Excess Return (%)	-0.23	-2.07	-5.96	-9.76	-8.84	-6.99	-5.63

Returns are net of fees.

Past performance is not a reliable indicator of future performance

Top 10 holdings (%)	Sector weightings (%)
Microsoft 4.40	Information Technology 19.00
Samsung Electronics 3.12	Health Care 15.65
Unilever 2.89	Financials 14.02
Coca-Cola 2.54	Consumer Staples 10.63
Anglo American 2.48	Consumer Discretionary 9.53
TotalEnergies 2.42	Industrials 8.74
UPM-Kymmene 2.40	Utilities 5.89
Iberdrola 2.21	Materials 5.86
Roche 2.17	Communication Services 5.33
Nestlé 2.16	Energy 4.40
	Cash 0.95

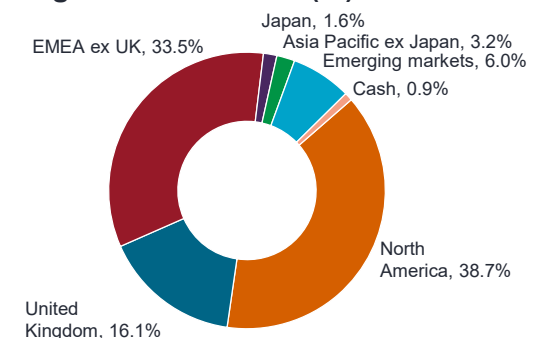
Portfolio characteristics

Portfolio dividend yield ¹	3.26%
Benchmark dividend yield ¹	1.69%
Number of holdings	59

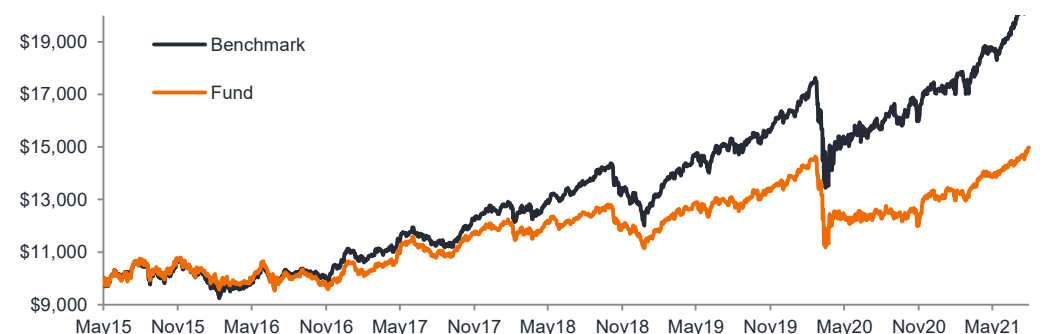
¹ Portfolio (and Benchmark) dividend yield is a weighted calculation of the dividends paid by the underlying portfolio holdings (benchmark securities over the last 12 months divided by their closing share price). It is not representative of the Fund's actual distributions.

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 further gains in July helped by a strong start to the corporate earnings season and reassuring comments from central bank officials, which helped offset concerns about the spread of the more-infectious 'Delta' variant in several countries. Markets in the US reached new all-time highs as technology stocks remained in favour with growth stocks outperforming value stocks. At the sector level, health care, real estate and materials outperformed whilst energy, financials and consumer discretionary underperformed.

Fund commentary

The Janus Henderson Global Equity Income Fund (Fund) returned 3.80% net of fees in July versus the MSCI World ex Australia (net dividends reinvested in AUD) Index (Benchmark) which gained 4.03% in Australian dollar terms.

This month, the position in semiconductor intellectual property company Alphawave outperformed after the company highlighted its strong growth credentials and attractive returns profile, as well as its robust balance sheet. The holdings in Anglo American and RELX also performed well after both companies reported better-than-expected results. Anglo announced a higher-than-anticipated \$2.1bn interim dividend as well as a \$1bn special dividend and a \$1bn share buyback programme, whilst RELX benefited from stronger-than-expected 4% organic revenue growth. Conversely, not having exposure to low or no yielding technology stocks such as Apple and Alphabet was unhelpful this month, whilst the holding in TotalEnergies detracted from returns with the sector underperforming. The position in Volvo also underperformed due to concerns about the impact on production of supply-chain disruption.

During the month, a position in industrial company SKF was sold given its exposure to the auto industry where production has been impacted by semiconductor chip shortages. The proceeds were used to establish a new position in Tencent which provides exposure to secular growth themes such as mobile gaming, the cloud, fintech and social media. The stock has underperformed in recent months and offered a 5% free cashflow yield at the time of purchase, whilst the dividend is forecast to grow by more than 20% per annum over the next few years.

The outlook for global economic growth has improved this year as the roll-out of government vaccination programmes gains traction, although the emergence of the 'Delta' variant has caused some concern about the strength and timing of the recovery. However, monetary and fiscal policy remains supportive and equities 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.