

## Global Equity Income Fund

### Market Environment

- The second quarter was another tough period for markets. Equity and bond market performances were impacted by the fallout from the Russian/Ukraine conflict and uncertainty surrounding the pace of interest rate hikes to temper continued high inflation.
- Apart from the U.S., declines have driven all markets to valuations not seen since the early 1990s.
- Making matters worse, returns on government bonds diverged from the growth outlook and also sold off, providing little protection from the risk rout.
- The Chinese market performed well toward quarter end as lockdown measures eased.
- Value indices outperformed growth as interest-rate hike expectations continued to weigh on expensive company valuations. Cyclical sectors and information technology underperformed the broader market due to concerns about global growth and rate hikes, respectively.
- Analyst forecasts continued to anticipate positive growth in company earnings in 2022 and 2023.

### Performance Summary

The Fund continued to meet its high-income objectives and outperformed both its primary benchmark, the MSCI World Index<sup>SM</sup>, and its secondary benchmark, the 85% MSCI ACWI Ex U.S. High Yield Dividend / 15% MSCI USA High Dividend Yield Index, for the quarter ended June 30, 2022.



For detailed performance information, please visit [janushenderson.com/performance](https://janushenderson.com/performance).

### Portfolio Discussion

During this turbulent quarter, the Fund's focus on reasonable valuations, attractive dividends, strong cash flows and conservative balance sheets helped provide downside relief to strong declines seen across global equity markets.

The Fund's stock selection in communication services contributed positively to relative returns. The holdings in the telecommunications industry were the main driver of outperformance during the period as these companies were viewed as defensive and attractively valued versus other areas of the market.

Also benefiting relative returns was our underweight and stock selection in the consumer discretionary sector. Automotive names outperformed the sector after COVID infections declined in China, which should help to ease production issues for the industry. Holdings in luxury goods also outperformed, benefiting from China's reopening due to the luxury industry's high exposure to the Chinese consumer.

Stock selection in industrials detracted from relative performance. The sector declined on global growth concerns and underperformed the broader market. The Fund's

European industrial holdings were the key detractors, as they are exposed to fears of an economic slowdown and disruption in Europe caused by high energy prices.

Our overweight position in Asia Pacific and the UK weighed on relative returns during the period. In the UK, allocation and currency effects were the main detractors from returns during

the period. The Fund hedged its UK holdings' revenue exposure to mitigate currency risk and this hedge proved beneficial during the period, as sterling fell versus the dollar. In Asia Pacific, negative stock selection effects detracted from relative performance, as holdings in Taiwanese technology companies and Australian miners underperformed the broader market.

Top Contributors	Average Weight (%)	Relative Contribution (%)
TotalEnergies SE	3.19	0.58
Sanofi	3.55	0.56
Deutsche Telekom AG	2.23	0.51
Merck & Co Inc	1.99	0.40
Bristol Myers Squibb	2.14	0.38

Top Detractors	Average Weight (%)	Relative Contribution (%)
Anglo American plc	1.88	-0.30
MediaTek Inc	0.36	-0.21
Compagnie de Saint-Gobain	0.30	-0.16
Rio Tinto	1.39	-0.13
Samsung Electronics Co Ltd	1.66	-0.11

The holdings identified in this table, in compliance with Janus Henderson policy, do not represent all of the securities purchased, held or sold during the period. To obtain a list showing every holding as a percentage of the portfolio at the end of the most recent publicly available disclosure period, contact 800.668.0434 or visit [janushenderson.com/info](http://janushenderson.com/info). Relative contribution reflects how the portfolio's holdings impacted return relative to the benchmark. Cash and securities not held in the portfolio are not shown.

## Manager Outlook

The interplay between higher energy prices, inflation, economic growth and central bank policy will be very closely watched in the coming months. Sentiment has turned incrementally more negative regarding the outlook for global growth and demand, with equities being revalued downward ahead of negative revisions from analysts.

Within this context, we believe dividend-paying stocks with low valuations relative to the market, strong cash flows and conservative balance sheets should be well placed to weather this environment. A focus on sensible valuations is important, given growth in earnings is likely to provide less support to market valuations this year, while a focus on cash-generative dividend-paying stocks means that investors are being paid to wait during this period of high uncertainty.

The Fund remains at a discount to the market on key valuation metrics and recent market falls are providing opportunities to purchase quality companies with attractive dividend yields at low valuations. Dividend cover is strong for the portfolio and we continue to see signs of companies being more comfortable to distribute dividends. We remain optimistic about the income generation of the Fund for the remainder of the year.

## Portfolio Management



**Ben Lofthouse, CFA**



**Alex Crooke**



**Job Curtis**

For more information, please visit [janushenderson.com](http://janushenderson.com).

**Janus Henderson**  
— INVESTORS —

**Please consider the charges, risks, expenses and investment objectives carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, please call Janus Henderson at 800.668.0434 or download the file from [janushenderson.com/info](http://janushenderson.com/info). Read it carefully before you invest or send money.**

**Past performance is no guarantee of future results. Call 800.668.0434 or visit [janushenderson.com/performance](http://janushenderson.com/performance) for current month-end performance.**

Discussion is based on the performance of Class I Shares.

As of 6/30/22 the top ten portfolio holdings of Janus Henderson Global Equity Income Fund are: GSK PLC (3.08%), Sanofi (2.83%), TotalEnergies SE (2.81%), British American Tobacco PLC (2.42%), Roche Holding AG (2.41%), Unilever PLC (2.28%), Bristol-Myers Squibb Co (2.26%), Merck & Co Inc (2.13%), Nestle SA (2.06%) and Zurich Insurance Group AG (2.02%). There are no assurances that any portfolio currently holds these securities or other securities mentioned.

The opinions are as of 6/30/22, are subject to change and may not reflect the views of others in the organization. Janus Henderson may have a business relationship with certain entities discussed. The comments should not be construed as a recommendation of individual holdings or market sectors, but as an illustration of broader themes.

For equity portfolios, relative contribution compares the performance of a security in the portfolio to the benchmark's total return, factoring in the difference in weight of that security in the benchmark. Returns are calculated using daily returns and previous day ending weights rolled up by ticker, gross of advisory fees, may exclude certain derivatives and will differ from actual performance.

**Investing involves risk, including the possible loss of principal and fluctuation of value.**

**Foreign securities are subject to additional risks including currency fluctuations, political and economic uncertainty, increased volatility, lower liquidity and differing financial and information reporting standards, all of which are magnified in emerging markets.**

**MSCI World Index<sup>SM</sup>** reflects the equity market performance of global developed markets.

**MSCI World High Dividend Yield Index<sup>SM</sup>** reflects the performance of high dividend yield securities from global developed markets.

Index performance does not reflect the expenses of managing a portfolio as an index is unmanaged and not available for direct investment.

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