

GLOBAL RESEARCH GROWTH FUND

As at February 2024

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

\$34.7 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

ARN code

140 461 945

APIR code

ETL0186AU

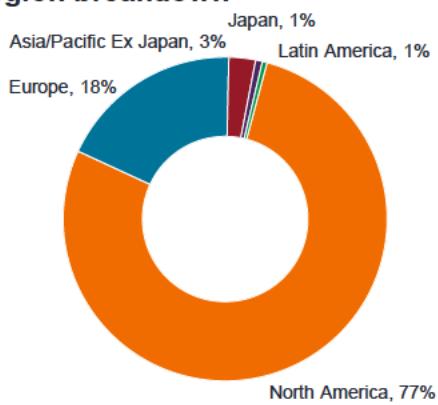
Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	7.81	16.94	16.65	43.84	16.06	17.01	14.48	14.10
Growth	7.81	16.94	16.65	43.84	14.77	10.44	4.94	6.94
Income	0.00	0.00	0.00	0.00	1.29	6.56	9.54	7.16
Benchmark	5.92	12.74	11.92	29.79	15.19	13.75	12.70	12.41
Excess return*	1.89	4.20	4.73	14.05	0.87	3.26	1.78	1.69

*Excess return is measured against net performance.

Past performance is not a reliable indication of future results. Returns over one year are annualised.

Sector weightings	(%)	Top 10 holdings	(%)
Information Technology	38.45	Microsoft Corp	10.18
Consumer Discretionary	11.91	Apple Inc	8.07
Health Care	9.99	NVIDIA Corp	7.24
Communication Services	12.72	Alphabet Inc	5.41
Industrials	8.29	Amazon.com Inc	4.93
Consumer Staples	4.84	Meta Platforms Inc	4.27
Financials	8.59	ASML Holding NV	2.57
Materials	2.38	Visa Inc	1.97
Energy	1.32	Mastercard Inc	1.92
Real Estate	0.21	Eli Lilly & Co	1.80
Utilities	0.53		

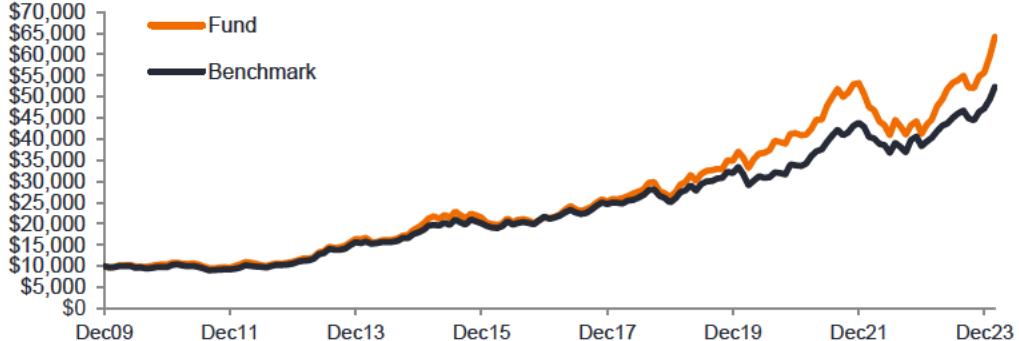
Region breakdown



Portfolio characteristics

	Fund	Benchmark
Number of holdings	100	1421
Active share	65.63	-
Turnover (12m)	27.44	-
Standard deviation (5yrs)	14.22	12.12
Sharpe ratio (5yrs)	0.98	0.82
Tracking error (5yrs)	5.05	-

Cumulative performance



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(continued)

Janus Henderson
INVESTORS



**Director of Centralised
Equity Research**
Matthew Peron

Fund performance

The Janus Henderson Global Research Growth Fund (Fund) outperformed the MSCI World ex-Australia Index (net dividends reinvested) in AUD (Benchmark), assisted by stock selection in the communication services and healthcare sectors. An underweight in the industrials sector modestly detracted from relative performance.

Among individual holdings, graphic chipmaker Nvidia was a top relative performer. Nvidia's data center graphics processing units (GPUs) have been in high demand to support the deployment of generative AI. This demand helped Nvidia report very strong fourth-quarter results. Spending by data centers was a particularly strong driver of revenue growth, while demand from the gaming market was better than expected. Nvidia raised revenue guidance, aided by improving supply chains and ongoing product innovations. Moreover, Nvidia's management team signaled a very strong outlook for 2025 and beyond, as it has seen indications of accelerating demand from a diverse group of customers including cloud-service providers, GPU start-ups, and internet and software companies.

Social media company Meta Platforms was another top contributor. Shares of the Facebook parent company jumped higher after it reported stronger-than-expected fourth-quarter results. Meta's management team also raised revenue guidance, supported by product advancements, efficiency initiatives, and advertising innovations such as click-through messaging. The company has been a pioneer in using AI to optimize advertising and content feeds, while it has focused on expanding engagement and monetization across its businesses. Meta also authorized a dividend payment, and it announced \$50 billion in stock repurchases.

By contrast, technology hardware and services company Apple was a relative detractor. The stock has faced headwinds because of slowing iPhone sales, especially in the critical Chinese market. On a positive note, Apple reported better-than-expected fourth-quarter results, as its revenues grew after several quarters of declines. While investors focused on slowing iPhone sales in China, Apple reported stronger sales trends in other markets, including Europe and Japan. It has also seen rapid growth in its digital services, including subscription-based Apple TV+, Music, and iCloud. It has continued to report strong free cash flow growth, which has helped it invest in other capabilities, such as AI and virtual/augmented reality (VR/AR), which could make its business less dependent on iPhone sales going forward. In early February, the company released Apple Vision Pro, a VR/AR headset.

Palo Alto Networks, another detractor, provides enterprise network security solutions. While the company's quarterly results were in line with expectations, it disappointed investors by reducing its fiscal-year 2024 revenue guidance. Company management signaled that billings may decelerate in the second half of the year. This is because the company plans to offer a period of free upfront access to its services to drive adoption in a challenging economic environment. This news focused investor concerns on potential headwinds for enterprise technology spending. Despite these headwinds, we believe network security is an area where companies will continue to spend money. We also believe Palo Alto is well positioned to benefit from consolidation in the cybersecurity market. Additionally, we were reassured that Palo Alto maintained its free cash flow guidance.

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Market review

U.S. stocks rallied on optimism over resilient economic growth and positive corporate earnings news. Mid-month, higher-than-expected inflation reports caused jitters and appeared to end hopes for a near-term Federal Reserve (Fed) rate cut. However, robust corporate results, particularly from some mega-cap technology companies, reignited investor interest in artificial intelligence (AI) and drove a market rebound by month-end.

Market outlook

We have been impressed with the resilience of the U.S. economy and equity market, even as we remain mindful of risks in the current environment. The manufacturing economy has remained weak, while we have started to see evidence that higher living costs are squeezing consumer spending. We also see headwinds for growth globally, particularly in China. Moreover, we would caution that geopolitical uncertainty could lead to increased market volatility.

Given the crosscurrents in this environment, we remain committed to our risk-aware, fundamentals-driven investment strategy that seeks out companies with strong or improving business models, proven management teams, and durable competitive advantages. We continue to pay close attention to the quality of corporate balance sheets, cash flows, and capital allocation. We also favor companies committed to reinvesting in their businesses. We are excited about new innovations that are transforming industries and creating opportunities, especially in secular growth areas such as information technology and health care. We remain opportunistic in other sectors when we identify improving business models and favorable economic conditions. Through this disciplined investment approach, we will continue to pursue our goal of long-term growth in 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 Henderson Investors US 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 Equity Trustees 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 Research Growth 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.