

GLOBAL RESEARCH GROWTH FUND

As at January 2021

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

\$21.9 million

Minimum investment

\$25,000

Management cost (%)*

0.75 p.a.

Buy/sell spread (%)

0.15/0.15

Base currency

AUD

Distribution frequency

Annually

ARSN code

140 461 945

APIR code

ETL0186AU

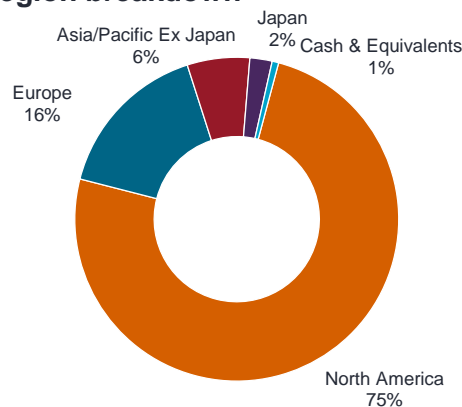
Performance	1 month (%)	3 months (%)	6 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
Fund (net)	-1.09	5.05	9.23	10.33	16.57	15.12	14.32	13.65
Growth (net)	-1.09	5.05	9.23	-5.98	4.58	4.10	4.64	4.94
Income (net)	0.00	0.00	0.00	16.31	12.00	11.02	9.68	8.71
Benchmark	-0.45	6.41	8.53	0.87	10.35	11.57	12.56	11.60
Excess return*	-0.64	-1.36	0.70	9.46	6.22	3.55	1.76	2.05

*Excess return is measured against net performance.

Past performance is not a reliable indication of future results.

Sector weightings (%)	Top 10 holdings (%)		
Information Technology	38.91	Apple Inc	9.59
Consumer Discretionary	13.86	Microsoft Corp	9.04
Communication Services	12.50	Amazon.com Inc	5.96
Health Care	12.07	Alphabet Inc	5.00
Industrials	8.80	ASML Holding NV	2.92
Consumer Staples	5.63	Facebook Inc	2.82
Financials	3.48	Adobe Inc	2.55
Materials	2.13	Taiwan Semiconductor Manufacturing	2.02
Real Estate	1.21	Unilever PLC	2.01
Utilities	0.40	Constellation Brands Inc	1.91
Energy	0.36		
Cash & Equivalents	0.65		

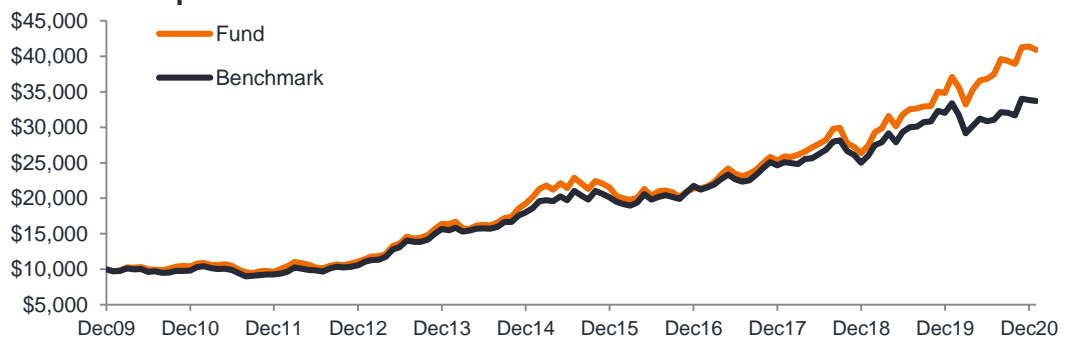
Region breakdown



Portfolio characteristics

	Fund	Benchmark
Number of holdings	88	1517
Active share	75.71	-
Turnover (12m)	48.03	-
Standard deviation (5yrs)	11.36	10.94
Sharpe ratio (5yrs)	1.47	1.10
Tracking error (5yrs)	3.67	-

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

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(continued)



**Director of Centralised
Equity Research**
Matthew Peron

Fund performance

The Janus Henderson Global Research Growth Fund (Fund) underperformed the MSCI World Index ex Australia (net dividends reinvested) (Benchmark) by 0.64% net of fees. Negative stock selection among industrials and financials stocks drove the Fund's underperformance in January. However, relative performance was buoyed by an overweight position and strong stock selection within the technology sector as well as the solid performance of several communications holdings. While we aim to outperform over shorter periods, our goal is to provide consistent outperformance long term by focusing on what we consider our strengths: picking stocks and avoiding macroeconomic risks. Stocks are selected by our seven global sector teams, which employ a bottom-up, fundamental approach to identify what we consider the best global opportunities.

On an individual stock basis, top relative detractors came from the financials sector, where our holdings in credit card companies Visa and Mastercard pressured results. Although both firms reported better-than-expected earnings for the quarter ended December 2020, these positive results were eclipsed by a decline in cross-border purchases and an uncertain global economic outlook. We are seeing incremental improvement in payment and volume trends at both companies and maintain an upbeat outlook for their stocks.

Software firm Adobe also hindered relative performance. A decline in investor confidence triggered by a smaller-than-expected fourth quarter 2020 beat in Adobe's Digital Media segment continued to pressure the stock in January. Nonetheless, we are optimistic the digital transformation trends that accelerated during the pandemic will continue to provide long-term tailwinds to Adobe maintained our position in the stock.

Despite the Fund's weak relative performance, a number of holdings contributed to results, including Microsoft. The pandemic has highlighted the importance of empowering front-line workers from around the world with the necessary technology. Beneficiaries of this trend include software developer Microsoft, which reported exceptionally strong quarterly earnings driven by growth in the company's Azure cloud computing service.

Semiconductor foundry ASML also contributed strongly in January. Positive short-term catalysts include strong supply/demand dynamics for foundry companies, broad end-market demand strength and an uptick in sales of memory chips. Longer term, we believe increasing capital intensity, industry consolidation and rational capital expenditure will continue to support share strength for ASML.

Alphabet also gained and boosted relative performance. The parent company of Google continued to benefit from its position as a leader in online search and advertising. The company's innovation in artificial intelligence and autonomous vehicles also continued to bode well for the stock.

Market review

Most major global indices finished the period with small losses amid concerns that extended lockdowns by governments in an attempt to avoid or slow the spread of new coronavirus mutations would derail a global economic recovery. In the final days of the period, heightened concerns of speculative trading activity in the US also weighed on equities.

Economic news reported in January was mixed, with data indicating that business activity in the eurozone contracted at a faster rate in January, as lockdowns weighed on the services sector. Meanwhile, factory output expanded due to growth in new orders, exports and backlogs. China's economy continued to recover, growing 2.3% in 2020. By comparison, the US economy contracted by 3.5% in 2020, yet fared better than many other countries. However, US economic growth slowed in the fourth quarter amid rising COVID-19 infection rates.

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(continued)

Janus Henderson
INVESTORS

Market outlook

Our outlook for equities is positive, supported by expectations of strong earnings growth and the notion that the global economy may be healing more rapidly than anticipated. While we recognise that businesses and households could again shut their wallets in the event of an extended and uncontrolled increase in COVID-19 infections, many countries have coalesced around the idea that certain economic activity remains essential and many companies have learned to adapt their business models to accommodate changes in client behaviour. Still other companies have benefited from helping businesses and households navigate the health crisis, such as those providing remote working and e-commerce solutions, and innovative pharmaceutical and biotechnology firms developing COVID-19 therapies and vaccines.

The value these sectors added to the economy in 2020 enabled them to generate some of the year's highest market returns and, as evidence builds that a "V-shaped" recovery is emerging, we believe they have the potential to be joined by other sectors. Improving economic conditions are already being reflected in corporate earnings and upwardly revised estimates for the coming quarters. Notably, leading the expected earnings gains for 2021 are industrials, consumer discretionary and materials – three sectors typically dependent upon broad economic growth.

While a broadening recovery in equities, in our view, is grounded in favorable fundamentals, certain risks remain. Among them are the unknown duration of the pandemic and, in the US, potential changes in the regulatory environment and a possible inflationary surprise. Although we remain cognisant of these risks, we view fundamentals, forward-looking management teams and low interest rates as strong catalysts capable of helping equity management teams overcome adversity.

Important information

*The management fee was changed from 1.25% to 0.75% on the 11 November 2019.

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 Capital Management 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 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.