

# GLOBAL SUSTAINABLE EQUITY ACTIVE ETF (MANAGED FUND)

Janus Henderson  
INVESTORS

## As at November 2021

### Fund objective

The Fund seeks to provide capital growth over the long term and to achieve a total return after fees that exceeds the total return of the Benchmark over rolling five year periods.

### Investment approach

The Fund seeks to provide exposure to a diversified global portfolio of equities considered by the Manager as contributing to positive environmental or social change, and thereby have an impact on the development of a sustainable global economy.

### Benchmark

MSCI World Index (net dividends reinvested) in AUD

### Risk profile

High

### Suggested timeframe

5 years

### Inception date

20 September 2021

### Active ETF size

\$1.5 million

### Underlying fund size

\$27.1 million

### Management cost (%)

0.80 p.a.

### Buy/sell spread (%)^

0.10/0.10

### Base currency

AUD

### Distribution frequency

Semi-annually (if any)

### ARSN code

651 993 118

### APIR code

HGI8931AU

### ISIN

AU0000169229

### ASX ticker

FUTR

Performance	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Since inception (% p.a.)
Fund (net)	4.06	-	-	-	-	-	2.66
Benchmark	3.61	-	-	-	-	-	4.42
Excess return	0.45	-	-	-	-	-	-1.76

Past performance is not a reliable indication of future results.

### Fund performance – net (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep*	Oct	Nov	Dec	YTD
2021	-	-	-	-	-	-	-	-	-2.77	1.46	4.06	-	2.66

\*Fund inception date is 20 September 2021, therefore part month performance is shown.

Top 10 Holdings (%)	Country Weightings (%)
Microsoft 6.17	United States 63.13
NVIDIA 4.25	Japan 8.60
Adobe 3.50	Canada 4.42
Evoqua Water Technologies 3.14	France 4.23
Autodesk 2.93	Netherlands 3.40
Taiwan Semiconductor Manufacturing 2.82	Taiwan 2.82
Aon 2.68	United Kingdom 2.68
Humana 2.31	Germany 2.65
Lam Research 2.29	Ireland 1.91
Schneider Electric 2.25	Hong Kong 1.69
	Australia 0.32
	China 0.29
	Cash 3.87

### Characteristics

Number of Holdings	54
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Sector Weightings (%)
Information Technology 43.63
Industrials 15.98
Financials 11.87
Consumer Discretionary 7.16
Health Care 6.01
Utilities 3.95
Real Estate 3.82
Communication Services 2.06
Materials 1.23
Consumer Staples 0.41
Cash 3.87

^ For more information and most up to date buy/sell spread information visit [www.janushenderson.com/en-au/investor/buy-sell-spreads](http://www.janushenderson.com/en-au/investor/buy-sell-spreads)

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(continued)

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**Head of Global  
Sustainable Equities**  
Hamish Chamberlayne



**Portfolio Manager**  
Aaron Scully

## Fund commentary

The Janus Henderson Global Sustainable Active ETF (Managed Fund) (ASX: FUTR) (Fund) returned 4.06% (net of fees) over the month compared with a 3.61% return from the MSCI World Index (net dividends reinvested) in AUD (Benchmark). The Fund's overweight stance to the IT sector was beneficial to relative performance.

At the stock level, the three largest positive contributors included computer chip manufacturer Nvidia, semiconductor-equipment provider Lam Research and water technology company Evoqua Water Technologies.

Nvidia continued its strong run after posting another set of stellar earnings. The graphics processing unit (GPU) chipmaker saw a 50% increase in revenue year-on-year, with data centre end markets growing by 55%. The company also held its GPU Technology Conference, where it showcased its 'Omniverse' platform, which is designed to enhance 3D simulation capabilities and workplace collaboration. The platform is another example of Nvidia's leadership in advancing major secular trends such as artificial intelligence and high-performance computing. With GPUs that can solve computationally intensive problems quickly and efficiently, Nvidia is well positioned to benefit from the twin trends of digitalisation and electrification.

Shares in Lam Research mirrored the strength of the semiconductor sector. As a leading provider of semiconductor manufacturing equipment and services Lam is benefitting from a persistent and permanent shift in demand for semiconductors because of the broad trend of digitalisation that is impacting every sector; also known as the 4th Industrial Revolution. Nearly every advanced semiconductor chip goes through its etch and deposition wafer processing technologies, enabling manufacturers to develop smaller and more efficient chips.

Evoqua Water Technologies delivered a robust fourth quarter, with revenues up by 11% year-on-year. The company highlighted good growth in its services and aftermarket divisions, as well as a growing backlog, which is up 17% year over year. Evoqua is a leading provider of water technologies for the treatment and purification of water and is exposed to trends around the circular economy and water re-use and re-circulation. As a top player in North America, the passing of the US Infrastructure bill should also provide further growth avenues. The bill allocates US\$55bn over the next five years to water infrastructure, with designated funding for the remediation of perfluoroalkyl substances (PFAS) contamination in drinking water. Evoqua has extensive experience with activated carbon, ion exchange, and reverse osmosis, which are all techniques to remove toxic chemicals.

The most significant stock detractor from relative performance came from our underweight position in Apple. Following positive retail sales data, shares in the computing and mobile manufacturer rose by more than 10% in anticipation of a strong December quarter.

In respect of our holdings, several of our software investments detracted from performance including design software company Autodesk, tax and compliance software provider Avalara and project management software developer Atlassian. A combination of marginally weaker-than-expected results and the hawkish commentary from the Fed contributed to a derating across many software companies.

Shares in Autodesk fell after reporting a modestly weaker-than-expected third quarter. The market was disappointed as management lowered guidance on annual billings and free cash flow, citing supply chain disruptions and inflationary pressures. Despite this, we believe Autodesk is attractively valued with a very durable secular growth outlook. The company is driving digitalisation across the construction and engineering industries, enabling architects, engineers, and manufacturers to create more resilient and sustainable infrastructure.

Avalara declined despite posting a solid third quarter, with revenues growing by 41% and gross margins of 73.5%. However, the growth rate was slightly lower than the previous quarter, and this marginal deceleration was sufficient for the stock to be punished. Our long-term thesis remains unchanged. Avalara provides a key societal benefit by allowing customers to manage their tax and compliance operations accurately. The company is exposed to several tailwinds around e-commerce, increasing tax and regulatory complexity and cloud computing.

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Despite a promising start to the month, global stock markets declined in November in USD terms as hawkish comments by the US Federal Reserve (Fed) and uncertainty over the new Omicron variant prompted risk aversion amongst investors.

Similarly, Atlassian's stock declined in sympathy with its software peers. Atlassian creates software that enables IT developers and knowledge workers to increase productivity by implementing Agile, a project management philosophy. The company has been a top performer for the strategy this year and some mean reversion was likely. We still like Atlassian's long-term prospects as it transitions to a cloud-based model which in turn enables accelerating product development.

## Market outlook

Despite a promising start to the month, global stock markets declined in November in USD terms as hawkish comments by the US Federal Reserve (Fed) and uncertainty over the new Omicron variant prompted risk aversion amongst investors. Due to US dollar strength, however, the market recorded a flat to modestly positive return for many non-US investors. The best performing sector was information technology as many semi-conductor companies reported very strong growth in earnings.

## Important information

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 (Janus Henderson) 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 is not intended to be nor should it be construed as advice. This monthly report does not take account of your individual objectives, financial situation or needs. Before acting on this information you should consider the appropriateness of the information having regard to your objectives, financial situation and needs. You should obtain a copy of the fund's offer document and read it before making a decision about whether to invest in the fund. An investment in a fund is subject to risk, including the risk that 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. No person guarantees the performance of, rate of return from, nor the repayment of capital in relation to the Fund. An investment in the Fund is not a deposit with, nor another liability of, Janus Henderson Investors (Australia) Funds Management Limited nor any of the Janus Henderson group entities nor any of their related bodies corporate, associates, affiliates, officers, employees or agents. Prospective investors should refer to the risk sections in the relevant fund's offer document, the Product Disclosure Statement (PDS), for full disclosure of all risks associated with an investment. 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](http://www.janushenderson.com/australia), before making a decision about the Fund. Target Market Determinations for funds issued by Janus Henderson are available here: [www.janushenderson.com/TMD](http://www.janushenderson.com/TMD). Dollar figures shown are in Australian Dollars (AUD), unless otherwise stated.