

GLOBAL SUSTAINABLE EQUITY ACTIVE ETF (MANAGED FUND)

Janus Henderson
INVESTORS

As at April 2022

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

\$0.6 million

Underlying fund size

\$27.2 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)	-4.51	-10.89	-12.74	-	-	-	-13.91
Benchmark	-3.11	-8.96	-6.25	-	-	-	-5.52
Excess return	-1.40	-1.93	-6.49	-	-	-	-8.39

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	0.64	3.31
2022	-6.49	-5.29	-1.47	-4.51	-	-	-	-	-	-	-	-	-16.67

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

Top 10 Holdings	(%)	Country Weightings	(%)
Microsoft	6.23	United States	62.21
Evoqua Water Technologies	3.50	Japan	7.63
Aon	3.14	Canada	6.36
NVIDIA	2.90	Netherlands	3.28
Intact Financial	2.85	United Kingdom	3.24
Autodesk	2.82	Taiwan	2.69
Taiwan Semiconductor Manufacturing	2.69	Germany	2.27
Westinghouse Air Brake Technologies	2.57	Switzerland	2.16
Marsh & McLennan Cos	2.49	France	1.92
Walker & Dunlop	2.30	Ireland	1.92
		Hong Kong	1.92
		China	0.48
		Australia	0.28

Sector Weightings	(%)
Information Technology	39.30
Industrials	16.56
Financials	14.87
Health Care	5.89
Consumer Discretionary	5.72
Utilities	5.47
Real Estate	4.52
Communication Services	2.15
Materials	1.28
Consumer Staples	0.58
Cash	3.66

^ For more information and most up to date buy/sell spread information visit www.janus Henderson.com/en-au/investor/buy-sell-spreads

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**Head of Global
Sustainable Equities**
Hamish Chamberlayne



Portfolio Manager
Aaron Scully

Fund commentary

The Janus Henderson Global Sustainable Equity Active ETF (Managed Fund) (ASX: FUTR) (Fund) returned -4.51% net of fees in April, compared with -3.11% from the MSCI World Index (net dividends reinvested) in AUD (Benchmark).

No exposure to Amazon, Alphabet and Netflix was beneficial to the Fund's relative performance. However, the Fund's overweight allocation to the information technology sector hurt returns.

The Fund's leading stock contributors over the month were the energy utility provider SSE, health insurance company Humana, and customer relationship software provider Zendesk.

There was a positive response to the news that SSE was acquiring a wind development portfolio from Siemens Gamesa. This incorporates Spain, France, Italy and Greece, and enables SSE to expand beyond the UK. The shares have performed well so far this year because of energy price increases and government intentions to increase energy independence with cleaner alternatives. SSE is also moving towards renewable energy. The company is focused on electricity generation and regulated transmission networks, and is playing a critical role in enabling the UK's transition to a low-carbon economy. The company is the largest developer of renewable energy projects in the UK and has a target to treble its clean energy output by 2030.

Humana reported earnings that were ahead of expectations and raised its earnings guidance, given better-than-expected results in the mail-order pharmacy business together with lower administrative expenses. The company expects robust membership growth for 2022, and its Chief Executive, Bruce Broussard, also envisages strong progress towards improving membership growth in 2023. Humana is selling its investment in hospices and using the proceeds to reduce debt. Humana's focus is on providing health insurance to senior citizens in the US. It is a pioneer in integrated care, with the aim of reducing costs for its members, through better prevention of health problems and programmes to encourage healthier lifestyles. It has a range of clinical capabilities and is meeting the growth in demand for retirees' healthcare by offering affordable products. We see the company as a beneficiary of growth in the ageing population, and we like its ability to drive better outcomes.

Zendesk's shares jumped, following reports that the company had appointed an adviser to help explore a potential sale. It also reported a year-on-year rise in revenue of 30%, which was in line with estimates. Higher-spending customers now represent a growing share of the business. Zendesk's aim is to help organisations build better relationships with their customers. Its software simplifies the process of providing customer access across various channels. The shares have performed better than those of its software peers over recent months, boosted by the failed acquisition of Momentive, and have now been given further momentum by a possible sale of the company.

The largest detractors were computer chip manufacturer, Nvidia, and project management software developer, Atlassian, two of our information technology companies. Our holding in bicycle part manufacturer, Shimano, also detracted from returns.

There was no significant news on Nvidia. The fall in the share price followed similar moves among its semiconductor peers. Negative influences in the sector included supply chain issues, fears of slowing consumer demand, and the possible impact from Russia/Ukraine tensions. Nvidia remains an essential company in facilitating access to advanced computing in a way that benefits society and there has been no change in our long-term investment thesis.

Atlassian's share price fall came despite strong earnings, which were ahead of estimates. There were bullish comments from its management on prevailing demand, although disappointing guidance for the next quarter, as well as being caught up in the general sell-off among technology companies, caused the share price to fall. We remain positive on the longer-term prospects for Atlassian. It creates software that helps to increase productivity and its development is well-placed to accelerate as it transitions to a cloud-based model. We believe it could be one of the most important companies in terms of its impact on society.

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Finally, Shimano's share price fall could be attributed to comments from the company suggesting that the pandemic-driven bike boom is slowing. Nevertheless, results were strong for the first quarter and demand remained strong in some areas. In addition, its management announced a share buyback. Shimano is a leading global manufacturer of bicycle components and our conviction in the company remains high. The company is renowned for its high-quality craftsmanship and has a long history of developing original technology and innovative ideas to respond to the needs of cyclists.

Global equity markets had a difficult April, suffering substantial weakness over the month. The MSCI World Index was particularly hard hit, recording its worst monthly return since the start of the COVID-19 pandemic. The NASDAQ Composite Index posted a 13.2% fall in US dollar terms – its sharpest decline since October 2008. Market weakness was also evident elsewhere with the Euro Stoxx 50 Index ending 7.7% lower, the FTSE 100 Index down 3.9% and the Nikkei 225 Index tumbling almost 10% (all in US dollar terms).

The month was full of corporate earnings announcements in which many technology giants announced disappointing results. This impacted many global and US indices, which generally carry a large allocation to these technology names. Amazon fell by 14% after recording its slowest revenue growth in the first quarter and reporting weak guidance. Netflix fell by around 40% after revealing its subscriber growth had turned negative for the first time, while also warning of further subscriber losses. Despite delivering solid results, Apple also fell after detailing the challenges that lie ahead for its supply chain.

Adding to the tribulations were concerns that more interest rate rises were imminent, further lockdowns in China following a surge in COVID-19 cases, and the ongoing conflict between Russia and Ukraine. From a sector perspective, only consumer staples ended the month higher while all others suffered declines. The worst-performing sectors were communication services, consumer discretionary and information technology.

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, before making a decision about the Fund. Target Market Determinations for funds issued by Janus Henderson are available here: www.janushenderson.com/TMD. Dollar figures shown are in Australian Dollars (AUD), unless otherwise stated.