

GLOBAL SUSTAINABLE EQUITY ACTIVE ETF (MANAGED FUND)

Janus Henderson
INVESTORS

As at May 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

\$27.3 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)	-1.54	-7.36	-17.43	-	-	-	-15.24
Benchmark	-0.86	-4.63	-10.30	-	-	-	-6.33
Excess return	-0.68	-2.73	-7.13	-	-	-	-8.91

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	-1.54	-	-	-	-	-	-	-	-17.95

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

Top 10 Holdings (%)	Country Weightings (%)
Microsoft 6.15	United States 62.62
Autodesk 3.12	Japan 8.00
Aon 3.03	Canada 6.51
Intact Financial 2.95	Netherlands 3.29
NVIDIA 2.94	United Kingdom 3.12
Westinghouse Air Brake Technologies 2.87	Taiwan 2.78
Taiwan Semiconductor Manufacturing 2.78	Switzerland 2.55
Evoqua Water Technologies 2.55	Germany 2.21
TE Connectivity 2.55	Hong Kong 2.05
Marsh & McLennan Cos 2.48	Ireland 1.92
	France 1.90
	China 0.45
	Australia 0.28
	Cash 2.34

Characteristics	
Number of Holdings	53

Sector Weightings (%)	
Information Technology	40.68
Industrials	16.16
Financials	15.00
Consumer Discretionary	6.09
Health Care	6.08
Utilities	5.47
Real Estate	4.38
Communication Services	2.05
Materials	1.22
Consumer Staples	0.54
Cash	2.34

^ 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 -1.54% net of fees in May, compared with -0.86% from the MSCI World Index (net dividends reinvested) in AUD (Benchmark).

The main positive contributors to the Fund's performance were Autodesk, the design software company, Progressive, the property and casualty insurer, and Lam Research, the semiconductor equipment provider.

The strength in Autodesk's shares followed a results announcement that showed 17% organic revenue growth and impressive increases in cash flows and operating margins. Although projections have been trimmed slightly to reflect the impact of events in Ukraine and currency movements, growth was still expected to remain strong for the year ahead. The company saw monthly active usage strengthen and benefited from the fact that its products and renewal rates are not cyclical. Autodesk has a strong sustainability story given its dominant position among architects and engineers, its growth opportunities in construction and infrastructure, and its role as a disruptor in manufacturing. Its solutions are enabling customers to optimise the environmental and social impacts of their designs through reduced energy needs, resilient and environmentally sustainable infrastructure, and new approaches to product development and manufacturing.

Progressive moved higher as many companies in the insurance industry implemented price increases. Progressive is one of the larger auto insurers in the U.S. and, as a low-cost provider, may benefit from customers shopping around. The company's monthly earnings were in line with expectations. Margins continued to improve in the personal auto business and investment income increased. However, this was partly offset by another tough month in the property segment. Progressive's long-term outlook is supported by its competitive advantage from using data analytics, including tracking driving habits, to identify and attract lower risk drivers. The company has a strong digital distribution network, and its underwriting results have consistently been among the strongest in the industry.

Lam Research moved higher with its semiconductor peers in May. The company announced results in April below projected levels, but this was largely anticipated given supply issues. Despite this, the board has authorised a five-billion share buybacks, and its CEO provided a positive commentary at a conference in May. Despite economic conditions and a slowdown in the market for PCs and smartphones, Lam's order book is stronger than ever due to the secular growth in semiconductor demand associated with digitalisation trends across multiple industries. On a longer-term basis, we think Lam should continue to gain market share as it introduces new products. We also believe the company should benefit from improving memory efficiency, which will enable manufacturers to develop smaller and more efficient chips.

Detractors from performance included Evoqua Water Technologies, customer relationship software provider Zendesk, and project management software developer Atlassian.

The main detractor was Evoqua Water Technologies. Despite posting revenue growth of 23% year-on-year, the shares gave up some of their strong year-to-date performance as gross margins decreased slightly and full-year guidance came in at the low end of expectations. We remain positive about the company's longer-term prospects, given supportive trends in areas such as climate change, water scarcity, ageing water infrastructure, and increasing contaminants. A large proportion of recurring revenues comes from water-based services, and Evoqua is the largest water technology company in North America.

Our holding in Zendesk also had a negative impact as its shares reversed some of their gains from the previous month. Despite solid quarterly results, the share price fell along with many other software peers. Profits were below expectations, but this was largely due to the company hiring employees faster than expected. Zendesk is facing a proxy vote on whether activists should be given three board seats. If they succeed, this could lead to it being sold. We remain positive on Zendesk, which offers software that is easy to use and implement, and therefore gives organisations the flexibility to move quickly, focus on innovation and enhance productivity.

Despite posting strong earnings, Atlassian's shares continued to fall after it was caught up in the software sell-off. The situation was not helped by disappointing guidance for the next quarter. We believe that Atlassian has exceptional long-term prospects as it transitions to a cloud-based model. Digital transformation is occurring across all sectors, and this is creating a large and growing addressable market for Atlassian's products.

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Oil, power, and many other commodity prices increased further during the month and the energy, utility and material sectors delivered the strongest returns. This market environment is challenging for investment strategies focused on growth and ESG, but we are confident it is reinforcing medium-term trends around energy independence, economic resilience, and supply chain re-localisation, which are well aligned with our sustainable investment themes.

While sector moves and style rotation have been indiscriminate over recent months, we think it is important not to forget that the underlying fundamental strength of a business will always prevail, and many of our companies continue to report solid results to reaffirm their long-term thesis.

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.