

# GLOBAL SUSTAINABLE EQUITY ACTIVE ETF (MANAGED FUND)

## As at July 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

\$0.8 million

### Underlying fund size

\$30 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)	9.12	1.94	-9.17	-	-	-	-12.24
Benchmark	6.37	0.48	-8.52	-	-	-	-5.06
Excess return	2.75	1.46	-0.65	-	-	-	-7.18

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	0.06	2.72
2022	-5.95	-5.29	-1.47	-4.51	-1.54	-5.12	9.12	-	-	-	-	-	-14.57

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

Top 10 Holdings (%)	Country Weightings (%)
Microsoft 6.27	United States 62.60
Autodesk 3.21	Japan 7.28
Aon 3.16	Canada 7.05
Intact Financial 3.00	Netherlands 3.36
NVIDIA 2.83	United Kingdom 2.91
Westinghouse Air Brake Technologies 2.80	Switzerland 2.60
TE Connectivity 2.60	Taiwan 2.55
Taiwan Semiconductor Manufacturing 2.55	Ireland 2.04
Marsh & McLennan Cos 2.51	Hong Kong 1.90
Progressive 2.31	Germany 1.90
	France 1.77
	China 0.36
	Australia 0.31
	Cash 0.00

### Characteristics

Number of Holdings 54

### Sector Weightings (%)

Information Technology	40.09
Industrials	15.71
Financials	15.03
Health Care	6.36
Utilities	5.87
Consumer Discretionary	5.71
Real Estate	4.33
Communication Services	1.92
Materials	1.10
Consumer Staples	0.50
Cash	3.38

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(continued)



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Hamish Chamberlayne



**Portfolio Manager**  
Aaron Scully

## Fund commentary

The Janus Henderson Global Sustainable Equity Active ETF (Managed Fund) (ASX: FUTR) (Fund) returned 9.12% net of fees in July, compared with 6.37% from the MSCI World Index (net dividends reinvested) in AUD (Benchmark).

The Fund's overweight stance towards the information technology (IT) and industrial sectors was beneficial to performance, but stock selection was equally important with several of our holdings delivering returns well in excess of the performance of their respective sectors. The biggest detractors to relative performance were companies we did not own in the Fund such as Apple, Amazon and Tesla, all of which performed well over the month.

The leading contributors to performance were Autodesk, a design software company, Cadence Design Systems, an electronic design software producer, and TE Connectivity, a global leader in the connectors and sensors industry. Autodesk rebounded from the weakness it experienced in June. It benefited from the market's move towards growth companies. Autodesk had some encouraging news from one of its largest resellers, Addnode Group, which reported strong results. These were ahead of expectations, and this augurs well for Autodesk. We are optimistic about the long-term story for the company. It is developing cloud-based, end-to-end Software as a Service (SaaS) platforms that allow architects and engineers in traditional construction industries to manage the entire design-build-operate process. We think Autodesk is well-positioned to lead the transition towards digitalisation in these industries, which have historically been relatively slower adopters, and already operates an extremely efficient model.

Cadence Design Systems posted results that were ahead of projections by all measures and announced a significantly raised outlook for the full-year 2022. Revenues were up 18% year-on-year, helped by strength across all its product line and key end markets. We see Cadence as one of the more resilient software businesses. Given that chip design is tied to semiconductor company research and development budgets, which are less prone to budget cuts during downturns, this type of company has historically managed to grow revenues during macroeconomic downturns. Cadence is the only company to offer the full suite of products required for the entire electronics design chain, from chip design to chip packaging to boards and systems. Its services are vital in helping to speed up the design and reduce the cost of innovative electronic products that transform the way people live, work and play.

TE Connectivity announced strong results, with revenues, margins and earnings per share beating estimates. The company saw broad-based strength in sales and orders despite some anticipated moderation in its appliances business. The company designs and manufactures devices that connect and protect the flow of power and data inside a variety of products including electric vehicles (EV), wearable fitness trackers and medical devices. Recent macroeconomic volatility has masked some of the underlying story, however it is important to note that TE has successfully delivered growth at the high end of its annual target of 4%-6% above the market figure for several years now. TE is seeing long-term secular growth opportunities in various end markets and our long-term conviction has only been reiterated with its latest set of results.

The largest detractors to Fund performance from owned companies included AIA Group, a Hong Kong-domiciled insurance company, Progressive, a property and casualty (P&C) insurer, and Linklogis, a financial technology company. AIA Group reversed its gains from the previous month as it fell in line with the Hong Kong index. Most of the decline occurred towards the end of the month due to speculation that the company would suspend its share buyback amid quarter two results, which are expected to show signs of weakness. The outlook is uncertain as a recovery in the Chinese insurance industry appears to have been pushed out further, given the country's COVID-19 policy and weak consumer confidence. However, this is a high-quality business with defensive characteristics, and our longer-term thesis that AIA will gain market share in China (and broadly Asia) remains intact. AIA is meeting a key societal need, providing protection products in Asia, which is relatively underpenetrated, faces an ageing population and suffers from a lack of robust social safety net.

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Progressive's share price was virtually flat in a month when many companies reported strong gains. This was due to a move towards growth companies, which was not favourable for Progressive. Monthly and quarterly earnings were healthy, but a goodwill charge had a negative impact. Results for commercial business were strong, and there was some improvement in personal auto products, but margins on homeowner policies were poor. Progressive is one of the largest P&C insurers in the US. It has an impressive set of data science capabilities which it can use to offer lower insurance rates and track driving habits to incentivise safer driving habits among its policy holders.

Linklogis ended the month lower, although there was no obvious company-related reason for this performance. Weaker economic news in China, ongoing structural changes in China's property development sector and COVID-19 outbreaks all likely weighed on investor sentiment. Linklogis develops cloud and supply-chain finance technology for small and medium-sized enterprises, enabling access to secure, quick, and transparent financing and payments. Our long-term conviction is unchanged, given its high-quality customer base, its strong gross margin profile, and the large amount of cash on the balance sheet which is available to deal with any headwinds that may arise.

## Market review

Having declined by more than 20% in the first half of the year, markets around the world rallied sharply in July. Many corporates reported strong second quarter and half year earnings results, and there was a slight easing in negative investor sentiment towards the pace of interest rate rises. All sectors delivered a positive return, with consumer discretionary, information technology and industrials leading the way with rises of more than 9.5% in sterling terms.

## 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.