

GLOBAL SUSTAINABLE EQUITY ACTIVE ETF (MANAGED FUND)

As at March 2023

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

\$0.9 million

Underlying fund size

\$33.2 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)	4.36	11.85	15.89	3.72	-	-	-4.30
Benchmark	3.80	9.08	13.52	4.25	-	-	1.08
Excess return	0.56	2.77	2.37	-0.53	-	-	-5.38

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	-	-	-	-	-	-	-	-	-	1.46	4.06	0.06	5.65
2022	-5.95	-5.29	-1.47	-4.51	-1.54	-5.12	9.12	-4.02	-4.20	6.37	3.02	-5.46	-18.61
2023	5.01	2.07	4.36										11.85

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

Top 10 Holdings	(%)
Microsoft	6.29
Xylem	3.19
NVIDIA	3.16
Humana	3.05
Aon	2.98
Westinghouse Air Brake Technologies	2.96
Progressive	2.80
Microchip Technology	2.70
Schneider Electric	2.67
Intact Financial	2.56

Characteristics	
Number of Holdings	52

Sector Weightings	(%)
Information Technology	35.05
Industrials	16.65
Financials	16.63
Health Care	8.99
Consumer Discretionary	6.71
Utilities	5.65
Real Estate	3.32
Communication Services	3.16
Materials	1.87
Consumer Staples	0.47
Cash	1.51

Country Weightings	(%)
United States	60.58
Japan	10.64
Canada	6.05
France	5.14
United Kingdom	4.02
Netherlands	3.90
Germany	2.90
Ireland	2.38
Hong Kong	2.32
Australia	0.33
China	0.23
Cash	1.51

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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) returned 4.4% in March, compared with a 3.80% return from the MSCI World Index (net dividends reinvested) in AUD (Benchmark).

At the sector level, stock selection in technology and health care was detrimental. This was largely driven by the Fund's zero weighting in sector heavyweight Apple and a relatively weak month for IPG Photonics and Microchip Technology. In health care, concerns over Medicare rates hit Encompass and Humana. Consumer discretionary also dragged due to our underweight position and weakness in our holdings Nintendo and T-Mobile.

On the positive side, stock selection in financials helped relative performance. This was largely due to the Fund's zero weighting in banks, which allowed us to sit out March's turmoil in the industry. We prefer to invest in innovative companies with resilient business models. We are especially wary of excessive leverage, which is an inherent feature of banks. Further positives included the overweight position to IT stocks and a zero weighting in energy, where most companies fail our exclusionary criteria.

At the stock level, top contributors included Microsoft, semiconductor company Nvidia and renewable energy developer Boralex.

Microsoft shares rose due to growing optimism over its US\$10 billion investment in OpenAI, which released a new version of ChatGPT in March. Microsoft's software and cloud offerings underpin global productivity, and the company is a natural beneficiary of further digitalisation. Emerging technologies like artificial intelligence (AI) can help Microsoft deliver more value and potentially extract more revenue from its products, which are deeply embedded in customer workflows.

Nvidia also benefited from excitement related to growth opportunities in AI. Nvidia's graphic processing units (GPUs) are the AI industry standard – a fact supported by their use in Microsoft's high-profile partnership with OpenAI. Nvidia's products and software also power innovation in many other end-markets such as gaming, data centres and health care. We also like the firm's potential in several industries that prolong and enrich human life.

Boralex outperformed along with other utilities during March. As a leading developer and operator of renewable energy assets, Boralex is well exposed to the global energy transition. The firm has shown solid progress on its development pipeline. Looking ahead, policy incentives, including the US Inflation Reduction Act and the EU's Green Deal, could drive new business and better project economics. Boralex has a healthy balance sheet and a highly advantaged geographic profile, with strong positions in markets with tight supply and clear demand growth.

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Global equities rose in March as investors anticipated a peak in interest rates.

Notable detractors included real estate financing firm Walker and Dunlop, clinical research organisation Icon and railway locomotive and components supplier Wabtec.

Walker and Dunlop suffered from worsening sentiment towards the real estate industry. The failure of SVB stoked concerns that banks may tighten lending to real estate firms. Longer term, we continue to like Walker and Dunlop's position as a leading provider of mortgages in multi-family lending.

SVB's collapse was also felt in the biotechnology sector, to which the bank was a major lender and provider of financial services. This weighed on shares in Icon, a company that helps biotech and pharmaceutical firms navigate the ever-increasing costs and complexity of clinical trials. Icon held up relatively well compared to its peers but was still an overall top detractor to relative performance. Icon's track record and use of technology set it apart from its peers, which we believe could attract further valuable partnerships with major drug makers.

Wabtec underperformed despite a lack of stock-specific news. Wabtec's outlook could improve as domestic locomotive demand recovers from multi-decade lows, with recent US rail safety concerns a potential catalyst. From a sustainability standpoint, rail systems have a key role to play in reducing emissions. Rail transit is the least damaging mode of mass transportation, which accounts for around 25% of total greenhouse gas emissions.

Market review

Global equities rose in March as investors anticipated a peak in interest rates. This outweighed concerns that arose through troubles in the banking sector. Information technology (IT), communication services and utilities were the strongest sectors while financials, real estate and energy posted the biggest losses.

Important information

A Product Disclosure Statement and Additional Information Guide for the Fund dated 30 September 2022 is available at www.janushenderson.com/australia.

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 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 does not take account of your individual objectives, financial situation or needs. 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. 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.