

# GLOBAL SUSTAINABLE EQUITY ACTIVE ETF (MANAGED FUND)

Janus Henderson  
INVESTORS

## As at April 2024

### 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

\$1.3 million

### Underlying fund size

\$40.2 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)	-3.71	6.12	18.65	19.20	-	-	4.47
Benchmark	-3.26	5.46	17.29	20.48	-	-	9.36
Excess return	-0.45	0.66	1.36	-1.28	-	-	-4.89

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	-4.02	-4.20	6.37	3.02	-5.46	-18.61
2023	5.01	2.07	4.36	0.56	2.76	3.04	-0.40	1.10	-5.18	-0.63	5.70	2.23	22.09
2024	3.48	7.51	2.51	-3.71	-	-	-	-	-	-	-	-	9.81

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

Top 10 Holdings	(%)	Country Weightings	(%)
Microsoft	6.84	Australia	0.15
NVIDIA	6.26	Canada	5.61
Westinghouse Air Brake Technologies	4.53	France	5.55
Schneider Electric	3.37	Germany	3.11
Xylem	3.35	Hong Kong	1.91
Progressive	2.93	India	1.10
ICON	2.79	Ireland	2.79
ASML	2.59	Italy	1.59
Intact Financial	2.48	Japan	5.42
Mastercard	2.43	Netherlands	4.48
		United Kingdom	2.04
		United States	64.08
		Cash	2.16

Sector Weightings	(%)
Information Technology	31.91
Industrials	25.61
Financials	16.98
Health Care	9.92
Utilities	3.51
Consumer Discretionary	3.47
Communication Services	3.40
Real Estate	2.34
Consumer Staples	0.36
Materials	0.34
Cash	2.16

^ 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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**Head of Global  
Sustainable Equities**  
Hamish Chamberlayne



**Portfolio Manager**  
Aaron Scully

## Fund commentary

The Janus Henderson Global Sustainable Equity Active ETF (Managed Fund) (Fund) returned -3.71% in April, compared with a -3.26% return for the MSCI World Index (net dividends reinvested) in AUD (Benchmark).

Global equity markets declined in April as hopes of an early cut in US interest rates receded, following the release of higher-than-expected US inflation data. Energy and utilities were the only benchmark sectors to show small gains. The energy sector benefited from continued tensions in the Middle East. The weakest performing sectors were real estate, information technology (IT) and consumer discretionary.

Against this backdrop, the Fund's exclusion of energy stocks and the overweight position in IT detracted from relative performance. This offset the positive contribution from being overweight industrials and underweight consumer discretionary.

Stock selection detracted due to the Fund's holdings in healthcare and real estate. Within healthcare, the largest detractors to performance were Icon and Humana. The negative impact from these two holdings more than offset the positive contribution from holding Encompass Health. In real estate, the main negative contributions came from the positions in Prologis and Equinix. Both are real estate investment trusts (REITs), the former is focused on logistics and the latter on data centres. The Fund's stock selection in industrials and financials partially offset these negative contributions. In industrials, the Fund benefitted from its holdings in Wabtec, Prysmian, Xylem and Schneider Electric. In financials, AIA Group, Progressive and Intact Financial helped relative performance.

At the stock level, the largest positive contributors were rail equipment and systems provider Wabtec, financial services company AIA, and electrical goods and automation technology company Schneider Electric.

Wabtec posted a strong set of quarterly results. The company reported double-digit revenue growth and a significant increase in operating margins. In addition, given the strong order pipeline and positive signs from product innovation, management raised its full-year 2024 earnings guidance. Wabtec provides equipment and components to the freight and transit rail industries. Its products are focused on safety and efficiency including driver control systems, braking, signalling and low emission locomotives with enhanced fuel efficiency. With relatively low greenhouse gas emissions, rail and public transport systems have a key role to play in achieving decarbonisation.

AIA's share price initially weakened before rallying strongly to end the month with a significant gain. The company reported a rise in the value of new policies written across all its business segments. Management also announced that an additional US\$2 billion would be added to the existing share buy-back programme, taking the total to US\$12 billion. AIA's retirement saving plans, life and general insurance products offer a layer of protection for citizens of countries that often lack a social safety net. The company is present in 18 countries and its markets in China, India and Southeast Asia have relatively low penetration and a long growth runway. Meanwhile, life insurance sales in more developed markets are being driven by ageing populations.

Schneider Electric also gained following its first-quarter results that included organic revenue growth of more than 5%. Growth was highest in the systems division driven by demand for energy management from customers in the data centre and infrastructure markets. Schneider is a leading provider of electrical goods and building automation technologies that increase efficiency and reduce the carbon intensity of its customers' operations. Schneider delivers compelling cost-savings to customers and helps them meet environmental targets and legislation. As a result, Schneider could benefit from any further legislation that forces or encourages companies to reduce emissions.

Notable detractors included design software company Autodesk, clinical research organisation (CRO) Icon and the health insurer Humana.

Autodesk traded lower following the company's announcement that it would not be able to file its annual results within the required time period, as it works through some accounting changes. As previously stated, the company reiterated that it did not believe any of the matters under investigation would affect previously released financial statements. Sentiment was also negatively impacted by a weak March score on the Architecture Billings Index. Autodesk's design software is used by architects and engineers worldwide. The software enables customers to optimise designs to dramatically reduce energy usage and materials waste.

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## Inflation across developed market economies has fallen from the pandemic highs.

Icon reported a strong set of results for the first quarter, with net income up by nearly 20%. Management also updated full-year guidance, which represented a slight narrowing in the range of likely outcomes to a new range for growth, in adjusted earnings per share, of 14.5% to 18.5%. The shares weakened during the month, but this has to be seen in the context of the very strong performance in the preceding 12-month period. As a CRO, Icon helps pharmaceutical companies manage the human trial process that supports the development of new drugs and devices that save lives and improve quality of life. Icon has played a role in the development of 18 of the world's top 20 most popular drugs.

Humana's shares weakened further in April. The company provides health insurance primarily focused on Medicare Advantage (a type of health plan) to senior citizens in the US. Management had already warned in January that an "unprecedented" increase in medical costs, which was not offset by higher government reimbursement rates, would squeeze profitability. In April, this negative picture was reinforced by the company's decision, citing the same factor, to withdraw its already-lowered 2025 profit guidance. In the longer term, Humana, as the dominant provider of Medicare Advantage plans, is well exposed to ageing demographics in the US. The firm is a pioneer in integrated care and aims to lower costs by encouraging healthy choices that prevent future medical problems.

### Manager Outlook

Inflation across developed market economies has fallen from the pandemic highs. However, recent data has shown a more mixed picture and, as a result, investor expectations for the timing of interest rate cuts have been pushed back until later in the year. So far in 2024, our strategy has benefited from direct exposure to the artificial intelligence (AI) trend through holdings in semiconductor and semiconductor equipment companies. We believe that optimism surrounding this trend could broaden beyond technology as an increasing number of sectors adopt AI. Consequently, we have been looking at the next level of potential beneficiaries across the value chain. Examples here include increased power consumption due to AI use, which bodes well for our holdings in electrical infrastructure companies and those exposed to upgrading the grid, including Schneider Electric, Legrand, nVent Electric and Prysmian. In addition, generative AI models rely on colossal amounts of data, which creates a compelling opportunity among companies that mine, own and store valuable datasets. Again, our portfolio is favourably exposed to leading franchises with data assets like S&P Global and Wolters Kluwer.

Beyond AI, a commonality among many of our portfolio holdings is their alignment with secular megatrends. We believe that megatrends serve as a strong forcing function for investment theses to play out over time, but they do not always progress linearly. Temporary pullbacks do not imply a reversal in the long-run direction of travel - rather, such episodes can create investment opportunities. Today, we are witnessing such pullbacks in sentiment regarding renewable energy providers and companies linked to electric vehicle adoption. The upcoming US elections have added further disquiet here, as investors mull the impact of a Republican victory on the outlook for sustainable investments, especially those linked to decarbonisation. However, it is noteworthy that during the previous Trump presidency, with its apparently anti-climate undertones, the US actually added more renewable energy than during the Obama administration. Put simply, we believe that the transition to a more sustainable global economy remains one of the biggest investment opportunities of our lifetimes, irrespective of who may be occupying the White House.

We remain convinced that the best investment ideas and opportunities for the long term are found in companies aligned with big secular trends that result in a more sustainable economy. We will continue to employ our rigorous multi-disciplinary approach to identify these opportunities. We will also continue to stay the course in all market environments to ensure that we deliver on this potential for our clients. As Warren Buffett opined, "The stock market is a device to transfer money from the impatient to the patient".

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## Important information

The Product Disclosure Statement for the Fund, dated 29 September 2023, and the Additional Information Guide, dated 29 September 2023, are available at [www.janushenderson.com/australia](http://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](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.

## Further information

[www.janushenderson.com/australia](http://www.janushenderson.com/australia)