

# GLOBAL SUSTAINABLE EQUITY ACTIVE ETF (MANAGED FUND)

Janus Henderson  
INVESTORS

## As at July 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

\$1.4 million

### Underlying fund size

\$46.7 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)	3.43	9.26	15.95	23.50	-	-	7.34
Benchmark	4.08	7.86	13.75	22.11	-	-	11.41
Excess return	-0.65	1.40	2.20	1.39	-	-	-4.07

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	5.06	0.56	3.43	-	-	-	-	-	19.98

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

Top 10 Holdings	(%)
Microsoft	5.68
NVIDIA	5.17
Westinghouse Air Brake Technologies	4.02
Schneider Electric	3.14
Xylem	3.04
Humana	2.84
ICON	2.73
Progressive	2.67
T-Mobile US	2.50
Intact Financial	2.43

Characteristics	
Number of Holdings	53

Sector Weightings	(%)
Information Technology	28.85
Industrials	26.73
Financials	16.20
Health Care	11.28
Utilities	3.96
Communication Services	3.89
Consumer Discretionary	3.26
Real Estate	2.02
Consumer Staples	0.32
Cash	3.49

Country Weightings	(%)
Australia	0.15
Canada	5.97
France	7.04
Germany	3.58
Hong Kong	1.54
India	1.02
Ireland	2.73
Italy	1.78
Japan	5.29
Netherlands	4.26
United Kingdom	1.74
United States	61.42
Cash	3.49

^ 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 3.43% in July, compared with a 4.08% return for the MSCI World Index (net dividends reinvested) in AUD (Benchmark).

Against this backdrop, the Fund's overweight position in industrials and the underweight position in communication services were positive contributors to performance. These positives more than offset the negative contribution from the overweight position in the IT sector.

Stock selection detracted from relative performance with particular weakness in industrials and IT. Within the former, the largest detractors were Uber Technologies, Xylem and nVent Electric. In the latter, the main detractors included Lam Research, Cadence Design Systems and ASML. In addition, the Fund's zero weighting in Apple, one of the few technology companies to perform strongly during the month, also weighed on relative returns. These negatives offset positive stock selection in communication services, where the holdings in T-Mobile and Nintendo were the main outperformers.

At the stock level, the largest positive contributors were insurance company Intact Financial, Japanese bicycle component manufacturer Shimano and cables company Prysmian.

Intact Financial's share price rose along with other insurers in July, helped by a general rise in premiums, partly reflecting the continued impact from higher weather-related claims in 2023. Intact is one of Canada's largest insurers for cars, homes and businesses, with a market share of nearly 20%. It is using digital technology and data analytics to help customers better understand and mitigate risk such as climate-related weather risks and alter driving behaviour.

Shimano performed strongly amid signs that the post-Covid tail-off in demand had troughed with investors attracted by the positive outlook for bicycle growth in Asia. Shimano is known for its high-quality craftsmanship and innovative technology. Its components are found on a wide range of bicycles. As well as being an environmentally sustainable method of transport, cycling is also recognised for its health benefits, and it enjoys government support in many regions of the world.

Prysmian continued to benefit from positive investor sentiment. Cables are the backbone of electrification, essential for the further proliferation of renewables, including onshore/offshore wind and solar, as well as data centres and interconnectors for transmission grids. Given that renewable energy is intermittent, long-distance interconnectors allow higher utilisation of renewable resources, leading to lower curtailments of renewable resources and reduced greenhouse gas emissions.

Notable detractors included wafer-fabrication equipment supplier Lam Research, semiconductor microchip-making equipment company ASML, and ride hailing and delivery platform Uber Technologies.

Along with other semiconductor stocks, Lam Research's share price weakened as investor enthusiasm towards artificial intelligence (AI) cooled. Sector rotation towards more interest-rate sensitive sectors was also a factor. Nearly every advanced semiconductor chip in the world is built using Lam Research's technology. Lam's products are essential in driving innovation in silicon, which is a key foundation for many areas of technological progress. These include new devices and applications enabled by the Internet of Things that will connect homes, vehicles and cities.

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Despite posting robust earnings, ASML's shares underperformed due to negative geopolitical headlines. An article was released on the day of earnings, speculating that the US would invoke the foreign direct product rule on ASML to entice the company to cooperate on restrictions on servicing tools in China. This does not change our investment thesis, as the proportion of ASML's revenues in China that is related to servicing is minimal. ASML is focused on inventing advanced technology to produce high-technology lithography (transferring patterns or shapes to silicon wafers), metrology (measurement) and software solutions for the semiconductor industry. This in turn helps facilitate more efficient electronic systems which underpin most sectors of advanced economies. ASML has a vital role to play in decarbonising the semiconductor industry with an ongoing programme to reduce energy use per exposed wafer pass.

Uber Technologies was also impacted by sector rotation in July. The share price weakness was despite some positive legal news, as California's supreme court upheld an earlier ruling that app-based ride-hailing and delivery companies could continue to classify vehicle drivers as independent contractors rather than employees. Uber's ride-sharing products allow riders to reduce their travel costs while driving higher utilisation of vehicles, fuelling a circular economy dynamic. In addition, Uber has committed to being a fully electric, zero-emission platform by 2030 in Canada, Europe, and the US, and by 2040 globally.

## Manager Outlook

The last month saw significant sector rotation away from AI-related areas of the market. To some extent, a degree of short-term weakness could be seen as inevitable given how strong the recent share price gains have been. In addition, the long-awaited first interest rate cut from the US Federal Reserve (Fed), now widely expected in September, finally seemed to be drawing into view. Naturally, this also encouraged some sector rotation towards more interest-rate sensitive areas of the market.

Notwithstanding these dynamics, we remain confident that the increasing adoption of AI and the concomitant rise in demand for data centres will be a powerful multi-year secular theme, leading to greater intensity on the electric grid as a result of higher power demand. Simultaneously, there is a pressing need to deploy AI in a sustainable manner, necessitating greater penetration and roll-out of renewables.

Equity markets continue to show strength, and we believe that any market corrections will present opportunities as the growth cycle unfolds and inflation abates. The second half of the year offers significant promise to stock pickers in our view, with geopolitical fears and US election concerns leading to more volatility, but also potentially providing attractive entry points.

Beyond AI and its derivative plays, we are judiciously managing correlated risks within the Fund, in order to position the strategy for continued outperformance. To that end, we are finding a lot of value in pockets of the market, including in Europe, where uncertainty caused by the French snap election for example, is presenting a fertile hunting ground for high-quality franchises aligned with the transition to a more sustainable global economy.

Our tried-and-tested sustainable investment process, refined over three decades, affords us the ability to be nimble and opportunistic to capture alpha in such circumstances, which we believe sets our approach apart. It is our firm belief that the pursuit of long-term compounding of wealth and the goal of making the world a better place are not mutually exclusive. The consistency of our track record in delivering on these twin objectives gives us great confidence that our fundamental thesis of transition remains one of the greatest investment opportunities of our lifetimes.

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## Important information

The Product Disclosure Statement for the Fund, dated 11 April 2024, and the Additional Information Guide, dated 16 July 2024, 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)