

# GLOBAL SUSTAINABLE EQUITY ACTIVE ETF (MANAGED FUND)

Janus Henderson  
INVESTORS

## As at August 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

\$46.3 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)	-2.25	1.67	5.43	19.41	-	-	6.30
Benchmark	-1.21	4.46	6.19	18.78	-	-	10.61
Excess return	-1.04	-2.79	-0.76	0.63	-	-	-4.31

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	-2.25	-	-	-	-	17.28

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

Top 10 Holdings	(%)
Microsoft	5.55
NVIDIA	5.17
Schneider Electric	3.25
Westinghouse Air Brake Technologies	3.09
Progressive	3.08
Humana	2.73
T-Mobile US	2.67
ICON	2.63
Xylem	2.59
McKesson	2.52

Characteristics	
Number of Holdings	54

Sector Weightings	(%)
Information Technology	28.42
Industrials	26.12
Financials	16.93
Health Care	11.19
Communication Services	4.50
Utilities	3.87
Consumer Discretionary	3.29
Real Estate	2.06
Consumer Staples	0.33
Cash	3.30

Country Weightings	(%)
Australia	0.15
Canada	5.86
France	7.43
Germany	3.89
Hong Kong	1.60
India	1.02
Ireland	2.63
Italy	2.10
Japan	5.21
Netherlands	4.15
Sweden	0.50
United Kingdom	1.75
United States	60.41

^ 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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(continued)

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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 -2.25% in August, compared with a -1.21% return for the MSCI World Index (net dividends reinvested) in AUD (Benchmark).

Against the above backdrop, the Fund's zero weighting in the energy sector and the underweight position in the consumer discretionary sector were positive contributors to performance. The underweight position in consumer staples was a negative, however.

Stock selection detracted from relative Fund performance with notable weakness in healthcare, and some additional weakness in industrials and IT sectors. Within healthcare, the largest detractors were drug distributor McKesson, and healthcare services provider Humana. Both these stocks underperformed due to their latest earnings report. In industrials, Nextracker and Advanced Drainage Systems were the largest detractors, while semiconductor capital equipment companies Lam Research and ASML were the main detractors in IT. There were some positive contributors to help lessen the overall negative stock selection, with good results from insurance company Progressive, electronic design and testing company Keysight Technologies, and Uber Technologies.

At the stock level, the largest positive contributors were holdings in US insurance company Progressive, ride hailing and delivery platform Uber Technologies, and network telecommunications company T-Mobile.

Progressive continued to record share price gains, reaching an all-time share price high of more than \$250 at the end of August. The company reported a rise in net premiums and income, as well as increased total policies in force. We believe this is still an attractive stock to hold as the company retains a strong competitive position and it still has scope to increase its market share.

Shares in Uber Technologies performed strongly in August after posting a strong set of results. Uber reported higher profits, with increased bookings and strong growth in its Delivery business. Uber's proprietary technology is proving to create a strong moat around its business model, supporting almost 1 million trips per hour. The company continues to remain confident in its outlook and has committed to being a fully electric, zero-emission platform by 2030 in Canada, Europe and the US – and globally by 2040 – reinforcing its commitment to sustainability.

T-Mobile's share price rose over August. The company reported earnings and revenue growth that beat expectations, with increases in its mobile phone subscribers and broadband customers. The prospect of lower interest rates in the second half of the year could also benefit the business. T-Mobile is the clear leader in 5G investment in the US. Here, its 5G networks already cover nearly all of the US, around two years ahead of competitors, with additional investments planned to improve speed and reliability. We believe the company will play a pivotal role in the upcoming era of ubiquitous connectivity through the Internet of Things (IoT).

Notable detractors at the stock level included holdings in drug wholesale distributor McKesson, wafer-fabrication equipment supplier Lam Research, and solar tracker manufacturer Nextracker.

McKesson's share price weakened over August due to the release of a mixed set of results. This included a lowering of its full-year guidance for 2025. The management team stated that expectations of weakness in primary care demand was due to continued post-Covid normalisation. The company has implemented a restructuring programme in this segment of its business to address the increase in staffing levels undertaken during the pandemic to cope with increased demand in that period. McKesson has a strong market position in a consolidated market with defensive growth characteristics. We think it is well placed to benefit from secular tailwinds in biosimilar and speciality products, and the company gives us a way to gain exposure to the rapidly growing GLP-1 trend, as the company has the leading franchise in pre-authorising the majority of GLP-1 volumes in the US today.

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(continued)

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Lam Research's share price continued to weaken, along with other semiconductor stocks. Sentiment has been undermined by macroeconomic dynamics, indications of tougher restrictions related to China, and fears that current expectations in the growth of artificial intelligence (AI) could underwhelm. Lam's products remain essential to driving innovation in silicon, which is a key foundation for many areas of technological progress.

Nextracker's share price fell over August. There was no significant news, however. Our investment thesis remains intact and recent commentary with the management team at a conference supported this. The company is the leading US supplier of solar trackers, whose use in solar power generation significantly boosts efficiency. In this way, Nextracker provides strong exposure to the cleaner energy theme in a diversified way, since it has no direct power price exposure to the renewable energy companies.

## Manager Outlook

August gave us a clear indication that the long-awaited interest rate cut from the Fed will occur in September. This resulted in a continuation of the previous month's 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 economic 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 our portfolio, 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. We believe this 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.

## 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).

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