

# GLOBAL SUSTAINABLE EQUITY ACTIVE ETF

Janus Henderson  
INVESTORS

## As at September 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

\$1.6 million

### Underlying fund size

\$53.3 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)    | -1.18       | -0.09        | 1.63         | 24.45      | 6.75             | -                | 5.71                     |
| Benchmark     | -0.41       | 2.39         | 2.66         | 23.20      | 10.56            | -                | 10.16                    |
| Excess return | -0.77       | -2.48        | -1.03        | 1.25       | -3.81            | -                | -4.45                    |

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 | -1.18 | -     | -    | -     | 15.89  |

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

| Top 10 Holdings                     | (%)  |
|-------------------------------------|------|
| Microsoft                           | 5.66 |
| NVIDIA                              | 4.22 |
| Schneider Electric                  | 3.33 |
| Westinghouse Air Brake Technologies | 3.28 |
| Progressive                         | 3.07 |
| T-Mobile US                         | 2.74 |
| Xylem                               | 2.52 |
| Intact Financial                    | 2.49 |
| Uber Technologies                   | 2.42 |
| Humana                              | 2.41 |

| Characteristics    |    |
|--------------------|----|
| Number of Holdings | 54 |

| Sector Weightings      | (%)   |
|------------------------|-------|
| Information Technology | 27.33 |
| Industrials            | 27.12 |
| Financials             | 17.57 |
| Health Care            | 9.53  |
| Communication Services | 5.54  |
| Utilities              | 4.12  |
| Consumer Discretionary | 3.40  |
| Real Estate            | 2.09  |
| Consumer Staples       | 0.34  |
| Cash                   | 2.97  |

| Country Weightings | (%)   |
|--------------------|-------|
| Australia          | 0.18  |
| Canada             | 6.13  |
| France             | 7.81  |
| Germany            | 3.99  |
| Hong Kong          | 2.00  |
| India              | 1.03  |
| Ireland            | 2.32  |
| Italy              | 2.16  |
| Japan              | 5.05  |
| Netherlands        | 4.11  |
| Sweden             | 1.50  |
| United Kingdom     | 1.76  |
| United States      | 58.99 |
| Cash               | 2.97  |

^ 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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Hamish Chamberlayne



**Portfolio Manager**  
Aaron Scully

## Fund commentary

The Janus Henderson Global Sustainable Equity Active ETF (Fund) returned -1.18% in September, compared with a -0.41% 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 significant overweight position to industrials were positive contributors to performance. The notable underweight position in consumer discretionary detracted from relative performance.

Stock selection detracted from relative Fund performance with notable weakness in information technology (IT) and healthcare. Within IT, the Fund's overweight position in semiconductor capital equipment company ASML was the biggest detractor from relative returns. Within the healthcare sector, Humana, McKesson and Icon were the biggest detractors, although there was some positive contribution from Encompass to help lessen the overall negative stock selection. Stock selection was positive within financials, with contributions from AIA Group and Walker & Dunlop.

At the stock level, the largest positive contributors were insurance company AIA Group, rail equipment and systems provider Wabtec, and renewable energy developer Boralex.

Shares in AIA Group benefited from the surprise economic stimulus measures announced by China at the end of September and the general rotation into value-style stocks. The company also delivered robust results, with modest beats on all fronts. The company announced three-year growth targets and an additional share buyback programme. We are enthused by the value proposition of AIA; the company'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. Meanwhile, life insurance sales in more developed markets are being driven by ageing populations.

Wabtec's share price rose over September after the company beat earnings estimates and raised its full-year 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 in achieving decarbonisation, as one of the "greenest" modes of transportation available.

Shares in Boralex also rose in September, along with other utilities stocks, as interest rates were cut. Boralex is a Canadian renewable energy company that develops wind, solar and hydroelectric power solutions. The stock looks more attractively priced to us than other renewable energy stocks while the firm has an ambitious investment programme for expanding renewable energy output. As a clean energy supplier, Boralex is making a significant contribution to reducing global carbon emissions, and is aligned with the investment theme of transitioning to a more sustainable global economy.

Notable detractors at the stock level included holdings in drug wholesale distributor McKesson, health insurance provider Humana, and clinical research company Icon.

McKesson's share price weakened due to its commentary at a conference. 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 over the longer-term, and the company gives us a way to gain exposure to the rapidly growing GLP-1 trend, as well as owning a prominent oncology franchise.

Shares in healthcare insurer Humana underperformed after there was speculation that Humana would face a downgrade in its star ratings, which are assigned and published by the Centers for Medicare and Medicaid Services (CMS). This would affect Humana's eligibility for quality bonuses. We continue to believe that 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.

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(continued)

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## Global equities fell in sterling terms over September.

After a strong funding environment in the biotech space in the first half of the year, September was more muted, and this was reflected in the share price of Icon. However, the company's management team stated that investment flows for their business remain strong, and they are positive on their outlook. As a clinical research organisation, 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.

Stock selection detracted from relative returns with notable weakness in information technology (IT) and healthcare. Insurer AIA Group contributed, while drug wholesale distributor McKesson detracted.

### Manager Outlook

Global equities fell in sterling terms over September.

There was positive news during the month as the US Federal Reserve (Fed) finally began its interest-rate cutting cycle with a larger-than-expected reduction of 50 basis points.

A slowdown in US inflation provided a further boost for markets, as did the announcement of significant, new stimulus measures in China.

The utility sector performed best, followed by consumer discretionary and materials, while healthcare, energy and financials were the worst performing sectors.

### Important information

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