

# GLOBAL SUSTAINABLE EQUITY ACTIVE ETF

Janus Henderson  
INVESTORS

## As at November 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 investors with exposure to a diversified global portfolio of companies, whose products and services are aligned to 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

### Share class size

\$1.5 million

### Fund size

\$57.0 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)	3.63	4.38	6.12	25.15	6.77	-	7.22
Benchmark	5.16	8.73	13.58	30.10	11.90	-	12.65
Excess return	-1.53	-4.35	-7.46	-4.95	-5.13	-	-5.43

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	1.93	3.63	-	22.41

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

Top 10 Holdings	(%)
Microsoft	5.55
NVIDIA	4.79
T-Mobile US	3.27
Progressive	3.24
Schneider Electric	3.24
Westinghouse Air Brake Technologies	3.10
Spotify Technology	2.52
Mastercard	2.46
Intact Financial	2.46
Cie de Saint-Gobain	2.38

Characteristics	
Number of Holdings	57

Sector Weightings	(%)
Information Technology	26.95
Industrials	25.69
Financials	17.88
Health Care	10.25
Communication Services	7.21
Utilities	3.46
Consumer Discretionary	2.88
Real Estate	2.14
Consumer Staples	0.32
Cash	3.22

Country Weightings	(%)
Australia	0.15
Canada	6.63
France	7.43
Germany	3.66
Hong Kong	1.66
India	1.10
Ireland	3.54
Italy	1.95
Japan	4.75
Netherlands	3.70
Sweden	2.52
United Kingdom	1.57
United States	58.13
Cash	3.22

^ 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 (Fund) returned 3.63% in November, compared with a 5.16% return for the MSCI World Index (net dividends reinvested) in AUD (Benchmark).

Against this backdrop, the Fund's underweight position in the healthcare sector and holding no materials stocks were positive contributors to relative performance. This helped to offset the negative contribution from the notable underweight position in consumer discretionary.

Stock selection was the main driver of the relative underperformance of the Fund over the month, with notable weakness in the industrials and IT sectors. Within industrials, Legrand, Prysmian and Knorr-Bremse dragged on relative performance. Stock selection within healthcare provided some positive contribution to relative returns, driven by McKesson, Humana and Encompass. Within communication services, overweight positions in Spotify and T-Mobile contributed positively.

At the stock level, the largest positive contributors were drug wholesale distributor McKesson, audio-streaming service Spotify, and health insurance provider Humana.

McKesson reported an increase in quarterly operating profit and raised its guidance for earnings in 2025. The drug wholesaler is continuing to expand its oncology business and is also investing heavily in modernising its technology, which it expects to create significant efficiencies over the next five years. 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.

Spotify is the world's most popular audio-streaming service. The company released its third-quarter results in November, which were well received by investors. There were announcements that the company is diversifying outside of audio into video. The recent results and business announcements underscore our belief that the company is on the cusp of a shift in power in the music industry, and we think this should translate into better business economics.

After recent months of poor performance, shares in Humana made gains in November. During the month, there was a favourable court ruling for healthcare peer UnitedHealth regarding its star ratings, which are assigned and published by the Centers for Medicare and Medicaid Services (CMS). A similar ruling for Humana could mean the recovery of previous lost bonuses that are based on the star ratings, as well as improved future earnings.

Notable detractors at the stock level included holdings in electrical equipment provider Legrand, cables company Prysmian, and Knorr-Bremse, which provides safety systems for rail and road vehicles.

Shares in Legrand fell in November. The company reported lacklustre earnings, citing tough European markets and US non-residential markets where the company is over indexed. There were some positives, however, with the company reporting strong growth in its data centres business. Legrand is a global specialist in electrical and digital infrastructure for managers of residential and non-residential buildings, including datacentres, industrial spaces, and infrastructure. Legrand provides a host of solutions designed to manage lighting, energy, networks and building access. Its products improve building efficiency and enhance electrical safety, and we remain confident in the investment thesis for the business.

Shares in Prysmian were volatile over the month, with no notable news flow driving the movements. Prysmian is a cables company offering products and solutions for the energy, industry, and telecom sectors. About half of the company's revenues are derived from low carbon-enabling products. Cables are the backbone of electrification; they are essential for the further proliferation of renewables, including onshore and offshore wind and solar, as well as data centres and interconnectors for transmission grids.

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**Despite global tensions and uncertainties, we maintain a positive economic outlook.**

Shares in rail safety company Knorr-Bremse fell over November, after its third-quarter earnings missed expectations. Knorr-Bremse is one of the top global manufacturers of sub-systems and components for the rail and commercial vehicle industries. Its technology is focused on improving safety and efficiency. For example, it has leading capabilities in braking systems and driver assistance technology, such as lane departure warning and blind spot assistance. Knorr-Bremse employs an eco-design approach when developing products that aim to minimise environmental impacts in the use-phase and design process. The company aligns with our Knowledge & Technology and Safety themes, and we believe the business will grow over the longer term.

## Contributors/detractors

Stock selection detracted from relative performance with notable weakness in the industrials sector. Drug wholesale distributor McKesson was the biggest contributor while electrical equipment provider Legrand was a notable detractor.

## Outlook

Despite global tensions and uncertainties, we maintain a positive economic outlook, emphasising a focus on companies with what we see as attractive valuations and commitment to a sustainable future.

## Manager Outlook

Looking towards the end of the year, artificial intelligence (AI) clearly remains topical, and our recent team discussions frequently have touched upon the subject. As alluded to previously, we delved into the debate of increasing demand for electrical power required to support the ambitious growth plans for data centre capacity in the foreseeable future. Forecasts suggest a considerable surge in energy needs for AI, with data centres possibly consuming over 9% of the current US electricity demand by 2030. It is also estimated that the US needs to add upwards of 10GW of data centre capacity yearly to meet this demand. Meanwhile, there continue to be significant limitations in available power capacity to support such an expansion. For example, firms like Dominion Energy have indicated a waiting period of up to five years for electricity connections, followed by a staggered ramp-up over the ensuing years.

As a result, while we continue to maintain conviction in NVIDIA as it enters an exciting new product cycle, we scaled back the Fund's overweight position as we favour the "picks and shovels" of the AI trend, including the multi-year trend of grid upgrades needed to provide the power for this expansion. In accordance with this approach, our focus will remain on investing in business models and trends that play into the shift towards a more sustainable global economy, with companies that demonstrate durability in their business models offering some of the most compelling investment opportunities.

As we move towards 2025, markets are confronted with geopolitical tensions, especially in the Middle East and Ukraine. Elsewhere, the bigger-than-expected win for Donald Trump in the US election will create uncertainty in terms of policy change, and in Europe challenges persist as France and Germany deal with internal issues. Yet, in the face of increased market fluctuations, we maintain a positive outlook on the resilience of corporations and the broader global economy. With the low risk of an economic 'hard landing' (recession) and inflation largely under control, we believe that financial conditions remain supportive of economic growth.

The key takeaway is that our meticulous bottom-up approach to selecting stocks and alignment with powerful secular trends has proven effective over time. We believe the Fund's performance history demonstrates our ability to adeptly navigate varying economic conditions, and our consistent investment process has helped us avoid the pitfalls of the market's irrational exuberance at times. We echo the wisdom of investing legend Benjamin Graham: "The individual investor should act consistently as an investor and not a speculator."

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## Important information

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