

# GLOBAL SUSTAINABLE EQUITY ACTIVE ETF

Janus Henderson  
INVESTORS

## As at January 2025

### 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

\$59.3 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)	3.44	6.75	5.10	21.86	10.03	-	7.79
Benchmark	2.77	10.74	13.11	28.66	14.08	-	13.71
Excess return	0.67	-3.99	-8.01	-6.80	-4.05	-	-5.92

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	-0.42	21.90
2025	3.44	-	-	-	-	-	-	-	-	-	-	-	3.44

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

Top 10 Holdings	(%)
Microsoft	5.47
NVIDIA	4.18
Spotify Technology	3.43
Westinghouse Air Brake Technologies	3.23
Schneider Electric	3.22
Progressive	2.98
McKesson	2.94
Mastercard	2.58
T-Mobile US	2.51
Cie de Saint-Gobain	2.47

Characteristics	
Number of Holdings	56

Sector Weightings	(%)
Information Technology	27.53
Industrials	24.92
Financials	17.00
Health Care	11.35
Communication Services	7.14
Consumer Discretionary	3.29
Utilities	2.98
Real Estate	2.08
Consumer Staples	0.32
Cash	3.40

Country Weightings	(%)
Canada	6.14
France	7.31
Germany	3.39
Hong Kong	1.55
India	1.00
Ireland	3.19
Italy	2.07
Japan	4.51
Netherlands	4.04
Sweden	3.43
Taiwan	2.06
United Kingdom	1.42
United States	56.48
Cash	3.40

^ 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 (Fund) returned 3.44% in January, compared with a 2.77% return for the MSCI World Index (net dividends reinvested) in AUD (Benchmark).

Stock selection drove fund performance, with selections within the information technology (IT), industrials and communication services providing notable positive contributions.

Within IT, not owning Apple benefited relative returns, as did the holdings in Keysight Technologies and semiconductor equipment companies ASML and Lam Research. However, not owning Meta Platforms detracted. Within communications services, Spotify was a significant positive contributor. Nextracker and Wabtec were notable positives in the industrials sector. These positives were somewhat offset by negative contributions from Schneider Electric and nVent. Financials was one of the sectors where stock selection proved weak, with Intact Financial and AIA Group being the main negative contributors.

At the stock level, the largest positive contributors were streaming service Spotify, solar panel software solutions provider Nextracker, and rail equipment and systems provider Wabtec.

Spotify continued its strong momentum from the prior year. The company renewed its deals with record labels. Also, Amazon raised its streaming prices in January, supporting Spotify's ability to raise its own pricing. Our long-term thesis remains unchanged. We believe that the company is benefiting from a shift in relative power in the music industry, and we think this should translate into better business economics for Spotify. Spotify has revolutionised how the world enjoys music, podcasts, audiobooks and other forms of content, enabling greater accessibility and enhancing discovery, while democratising music distribution.

Nextracker's shares rose at the end of January after the company released much better-than-expected quarterly results. The company increased its adjusted earnings guidance for its full-year 2025, with some analysts predicting actual earnings could be even higher than its guidance (forecasts). Its share price rose 25% on the day the results were released. Nextracker produces solar tracker and software solutions for solar panels both in the US and globally. Its solutions feed into the broader AI value chain, and we think the business has strong potential to harness returns from AI applications and innovation.

During January, Wabtec announced the acquisition of Evident's Inspection Technologies division. This division provides solutions for productivity, reliability and safety across critical assets and infrastructure. Wabtec's existing business provides solutions to the freight and transit rail industries, focused on safety and efficiency. This deal offers attractive complementary technologies to its Digital Intelligence business, and Wabtec can now expand the scope of solutions offered to its existing rail and mining customers. The acquisition was well received by investors. Our thesis is unchanged. As a leading manufacturer of railway locomotives and components, we think Wabtec could benefit from increased government spend across the rail sector as part of reshoring and green industry initiatives. Wabtec has demonstrated impressive cash flow generation and margin expansion throughout the rail cycle, which is testament to its strong value proposition and pricing power.

Notable detractors at the stock level included holdings in renewable energy developer Boralex, clinical research company Icon, and insurance company AIA Group.

There was no material company-specific news for Boralex, but the renewables industry in general has suffered from the challenging environment presented by the new US administration. Boralex is a Canadian renewable energy company that develops wind, solar and hydroelectric power solutions. 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.

Shares in Icon fell after its presentation at the 43rd Annual JP Morgan Health Care Conference in January. As part of the presentation, the CEO pre-announced Icon's 2025 guidance, with earnings having the potential to be lower than 2024. As one of the largest global clinical research organisations (CRO), Icon helps pharmaceutical and biotechnology companies manage the human clinical trial process as they move towards drug approvals. This helps accelerate the development of 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.

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There was no significant news for Asian insurer AIA Group. We remain positive about 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 across Southeast Asia have relatively low penetration and therefore good potential in our view. Meanwhile, life insurance sales in more developed markets are being driven by ageing populations.

## Investment environment

Global equities rose over January amid a slowdown in US core inflation and initial optimism that President Trump would take a more cautious approach to trade relations. However, US technology stocks slumped after a Chinese firm unveiled the artificial intelligence (AI) model, DeepSeek.

Communication services, financials and healthcare were the best-performing sectors. Information technology (IT) was the only sector to produce a negative return, although consumer staples and real estate were also weak.

## Manager Outlook

Notwithstanding the outsized contribution of 'Mag 7' stocks, 2024 encouragingly saw the beginning of a broadening in equity returns. We expect this trend to continue through 2025, supported by growing confidence in avoiding an economic "hard landing" – particularly in the US – and changing geopolitical dynamics.

We think that the market's broadening trend in 2025 presents a highly favourable landscape for active investors. While the 'Mag 7' stocks have dominated the S&P 500 Index, their disproportionate influence has created potential value opportunities in other market segments. As such, we are remaining watchful for attractive entry points in overlooked areas, both in the US and globally. The combination of potentially lower interest rates and projected strong earnings growth could further enhance these opportunities in our view.

The new US administration presents intriguing investment avenues, but also introduces uncertainties for global markets, particularly regarding punitive tariffs against US trading partners, retaliative tariffs against the US and US dollar strengthening. While sustainability-related investment themes may face challenges under the Trump administration, historical precedent suggests that fears may not match reality. For example, the US actually added more renewables during the previous Trump presidency than during the Obama administration. Significantly, companies tend to operate on longer timelines than presidential terms, so despite the potential for negative policies towards ESG and sustainability, we think that these corporates are likely to maintain their commitment to sustainability. Moreover, we see current valuations across the green-asset spectrum as attractive.

Earnings growth is anticipated globally in 2025, with productivity gains driven by AI applications and innovation potentially differentiating company performance. Sectors beyond technology, such as healthcare, are seeing groundbreaking innovations that could drive returns. An example is GLP-1s for obesity, where already these drugs – which are yielding weight loss levels in patients once achievable only through surgery – are annualising more than \$50 billion in sales and have been growing by 50% annually. This is just one example of the many innovations that we think could drive returns in the year ahead and lead to a more dynamic playing field for equity investors.

Regional factors will also likely play a role in 2025. Europe may see deeper interest rate cuts, potentially benefiting risk assets. Japan's corporate reforms and end of deflation could support its stock market. India's continued pro-manufacturing and infrastructure policies under Modi's re-election may boost growth. And China's recent stimulus efforts could help stabilise its equity market and lift economic growth.

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Ultimately, our investment approach remains steadfastly grounded in bottom-up stock selection. We employ a rigorous and consistent methodology, emphasising thorough fundamental analysis. Our focus is on identifying companies with compelling financial profiles that we believe have the potential for long-term wealth creation, while making the world a better place. Throughout this process, we maintain strict adherence to valuation discipline. Indeed, we have noted a number of pockets of tremendous value sitting within our current portfolio of high-quality businesses, which we are very excited about. And our portfolio metrics are continually refined and enhanced to set ourselves up for outperformance.

We recognise that the ongoing economic and technological transition, which is deeply intertwined with sustainability themes, represents a significant multi-year megatrend that is likely to persist. To fully leverage the opportunities presented by this shift, we believe adopting a long-term perspective is crucial. This approach allows us to navigate short-term market fluctuations while positioning our portfolio to benefit from enduring, transformative trends in the global economy. The "sustainability train" cannot be stopped!

## Important information

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