

SHINING A LIGHT ON THE.....
Janus Henderson Global Sustainable Equity Fund

AT A GLANCE

Investment Objective
The Fund aims to provide capital growth over the long term (5 years or more). The Fund invests at least 80% of its assets in shares (also known as equities) of companies, of any size, in any industry, in any country. The Fund will invest in companies whose products and services are considered by the investment manager as contributing to positive environmental or social change and thereby have an impact on the development of a sustainable global economy. The Fund will avoid investing in companies that the investment manager considers to potentially have a negative impact on the development of a sustainable global economy.

Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=f0gbr04dt8
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Management	
Manager Name	Start Date
Hamish Chamberlayne	31 December 2013
Aaron Scully	30 June 2019

FUND PERFORMANCE

Performance from 1st January 2016 to 31st August 2021:

	2016	2017	2018	2019	2020	2021
Janus Henderson Global Sustainable Fund	21.81%	18.73%	-6.32%	32.57%	32.41%	13.88%
MSCI World NR	28.24%	11.80%	-3.04%	22.74%	12.32%	17.14%

Performance over 12 months, 3 years, 5 years and since fund manager inception:

	1 year	3 years	5 years	Since fund manager inception
Janus Henderson Global Sustainable Fund	29.09%	70.97%	133.32%	216.23%
MSCI World NR	26.25%	43.50%	90.01%	162.64%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

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Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
6.18	90.17	119.36	89.47	63.89	1.00	6.66	Growth/Large

Volatility Measurements	
3-Yr Std Dev (volatility)	15.89%
3-Yr Mean Return (average)	19.57%

Investment Style Details	
Giant	31.45%
Large	42.79%
Medium	17.80%
Small	5.08%
Micro	0.00%

Top 5 Holdings – 30 Equity Holdings		
Microsoft Corp	Technology	5.67%
Autodesk Inc	Technology	3.62%
Adobe Inc	Technology	3.45%
NVIDIA Corp	Technology	2.73%
Taiwan Semiconductor Manufacturi...	Technology	2.62%

Top 5 Sectors	
Technology	42.35%
Financial Services	14.05%
Industrials	11.87%
Consumer Cyclical	11.84%
Healthcare	7.07%

Top 5 Regions	
United States	65.18%
Eurozone	13.16%
Japan	8.18%
Canada	4.94%
Asia – Developed	4.78%

UPDATE....

In an age where there is a rush to launch sustainable strategies, this is one that has been running for 30 years, with the manager at the helm for nearly 10 years. Over that period the manager has seen massive changes, with the increase in available strategies and the acknowledgement that investors don't have to sacrifice returns to invest sustainably.

Despite all the change we are seeing, still 80% of energy comes from fossil fuels and that needs to half by 2050 to get near to the 1.5-degree target. Going further, electric vehicles currently make up 5 million cars. This needs to get to somewhere near 2 billion by 2050! And in terms of homes, 1 in 50 are heated by solar and wind. This needs to be 1 in 3 by 2050.

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They talked about the 4th industrial revolution and the electric blue cloud, where everything is connected whether it is industry, grids, homes etc. We are moving to a circular digital economy. It means that as we move into a decade of decarbonisation the opportunity is broad covering buildings, business / computing power, industry, transportation, and communications. This means you can create a diversified portfolio where everything is interconnected.

Microsoft is an example of a business which is committed to being carbon negative and many of these global mega businesses are driving cloud computing on renewable energy. The fund is therefore looking to focus on the environment and social megatrends pressuring the global economy. Examples would include resource constraint, aging population, climate change and population growth.

The framework is around the ten sustainable development investment themes, do no harm (avoidance criteria), fundamental research and active portfolio construction and risk management. This drives a portfolio of 50 to 70 holdings which fall under their strap line of triple bottom line – profits, people and planet.

In summary, for investors looking for a sustainable investment strategy this may be one to consider. Performance has been strong and there is very little that can be said against the strategy and team. The only area that we would want to focus more around is the holdings, which seems to be tech heavy and therefore could contain common holdings to other global funds. Therefore we would move this to a fund that might be added to the watch list once further work was done in this area.

The source of information in this note has been provided by Janus Henderson and is correct as at September 2021. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.