

Henderson EuroTrust

April 2021

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Fund Manager Name

Janus Henderson

Monthly commentary

April once again saw strong equity market returns and performance in those stocks deemed to be rising rate beneficiaries and/or 'reopening beneficiaries' accelerated meaningfully. This proved to be a difficult for performance.

Our best performing positions included Delivery Hero, Worldline and Embracer. Delivery Hero is benefitting from strong post-lockdown consumer behaviour. Put simply, the habits formed during the period of Covid-19 restrictions (ordering more takeaways through delivery apps) seem to be sticking. This is not a surprise to us given the huge convenience benefits. Worldline has had a tough last 12 months given its large exposure to offline retail. However, as its key regions start to emerge from lockdown, we expect a significant pick up in transaction volumes and this will likely benefit the business. Embracer continues to trade strongly and to add new game development studios through M&A.

Our worst performing positions included Prosus, Stellantis and Aixtron. Prosus has suffered from being regarded as a Covid-19 beneficiary and also from heightened regulatory pressure in China. Stellantis lost some ground in April after a strong run year-to-date. Investors are concerned that the semiconductor shortages will impact the business negatively over the next few quarters. Aixtron suffered from negative news flow concerning a large customer who has decided to not proceed with a particular new technology offered by Aixtron.

During the month, there were only two notable trades. First, we participated in the IPO of the B-to-B fund platform business Allfunds. Allfunds has a dominant position, especially in Europe, acting as an intermediary between fund houses and fund distributors. This is a business where scale can bring possible advantages and we are hopeful Allfunds can benefit. Second, we bought a position in Adidas as we see their shift toward eCommerce (through their own website) as potentially beneficial.

We are confident in our positioning and will continue to retain balance in our exposures by considering two types of business for investment; those where we see high and sustainable returns that are undervalued by the market and those companies where we can see a material improvement in medium term business prospects.

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