

# GLOBAL EQUITY INCOME FUND

## As at October 2020

### Fund objective

To achieve dividend yield that exceeds the dividend yield of the MSCI World ex-Australia Index (net dividends reinvested) in AUD with the potential for long-term capital growth.

### Investment approach

The Fund is actively managed and typically holds between 50-80 companies diversified across geographic regions and industrial sectors. The Fund seeks to deliver regular income distributions with the potential for long-term capital growth through its investment in companies that the Manager has identified as having the potential to generate strong and growing levels of free cash flow.

### Benchmark

MSCI World ex-Australia Index (net dividends reinvested) in AUD

### Risk profile

High

### Suggested timeframe

5 years

### Inception date

1 May 2015

### Fund size

\$31.2 million

### Minimum investment

\$25,000

### Management cost (%)

0.85 p.a.

### Buy/sell spread (%)

0.15/0.15<sup>^</sup>

### Base currency

AUD

### Currency hedging

Unhedged

### Distribution frequency

Quarterly

### ARSN code

604 135 784

### APIR code

HGI0005AU

### ASX mFund

JHI03

| Performance               | 1 month (%) | 3 months (%) | 6 months (%) | 1 year (%) | 3 years (% p.a.) | 5 years (% p.a.) | Since inception (% p.a.) |
|---------------------------|-------------|--------------|--------------|------------|------------------|------------------|--------------------------|
| Fund (net)                | -2.31       | -2.20        | -2.49        | -9.83      | 0.72             | 2.33             | 3.37                     |
| <i>Growth (net)</i>       | -2.31       | -2.20        | -3.91        | -11.73     | -1.98            | -0.43            | 0.77                     |
| <i>Distribution (net)</i> | 0.00        | 0.00         | 1.41         | 1.91       | 2.70             | 2.76             | 2.60                     |
| Benchmark (%)             | -1.13       | 1.99         | 4.90         | 2.71       | 9.25             | 8.51             | 8.90                     |
| Excess Return (%)         | -1.18       | -4.19        | -7.39        | -12.54     | -8.53            | -6.18            | -5.53                    |

Returns are net of fees.

Past performance is not a reliable indicator of future performance

| Top 10 holdings (%)                     | Sector weightings (%)        |
|---|------------------------------|
| Microsoft 4.09                          | Financials 15.35             |
| Taiwan Semiconductor Manufacturing 3.44 | Information Technology 15.20 |
| Nestlé 2.78                             | Health Care 14.35            |
| Samsung Electronics 2.65                | Consumer Staples 12.92       |
| Roche 2.40                              | Industrials 9.52             |
| Unilever 2.31                           | Utilities 8.30               |
| Novartis 2.19                           | Communication Services 7.41  |
| Bristol-Myers Squibb 2.16               | Consumer Discretionary 5.08  |
| Sanofi 2.13                             | Materials 3.41               |
| Coca-Cola 2.13                          | Real Estate 3.00             |
|   | Energy 2.35                  |
|   | Cash 3.11                    |

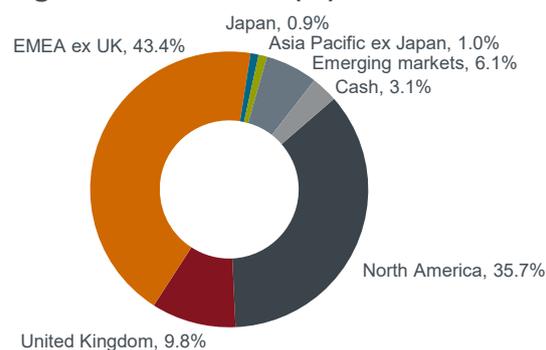
## Portfolio characteristics

|                                       |       |
|---------------------------------------|-------|
| Portfolio dividend yield <sup>1</sup> | 4.03% |
| Benchmark dividend yield <sup>1</sup> | 2.13% |
| Number of holdings                    | 72    |

<sup>1</sup> Portfolio (and Benchmark) dividend yield is a weighted calculation of the dividends paid by the underlying portfolio holdings (benchmark securities over the last 12 months divided by their closing share price). It is not representative of the Fund's actual distributions.

Past performance is not a guarantee of future performance.

## Regional breakdown (%)



## Cumulative performance



Fund returns are net of fees.

<sup>^</sup> Current spread became effective as at 13 May 2020. 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)

# GLOBAL EQUITY INCOME FUND

(continued)



**Fund Manager**  
Andrew Jones



**Fund Manager**  
Ben Lofthouse

## Market commentary

Equity markets fell in October as concerns grew about the effects that a significant increase in the number of COVID-19 cases globally would have on economic growth in the final quarter of the year. In particular, the increase in the number of COVID-19 cases in Europe resulted in several governments imposing national lockdowns. Uncertainty over the outcome of the US presidential election also impacted investor sentiment, as the two candidates had very different policy proposals. At the sector level, performance was mixed with utilities, and communication services outperforming whilst energy, technology and health care underperformed.

## Fund commentary

The Janus Henderson Global Equity Income Fund returned -2.31% in October versus the MSCI World ex Australia Index (net dividends reinvested in AUD) (Benchmark) returned -1.13% in Australian dollar terms.

The Fund's holdings in healthcare companies Novartis, Sanofi and GlaxoSmithKline were negative for performance during the month. While the companies all released robust quarterly earnings results, investors were concerned about the possible effects of healthcare reform following the US election on the sector. The French utility Veolia also underperformed after it announced plans to acquire a stake in Suez, leading to concerns that the company's debt levels will increase, and that the dividend may not be increased as forecast. Conversely, holdings in technology companies TSMC and Samsung and the insurance company Travellers outperformed following better than expected results.

During the month, the Fund initiated new positions in Pepsi and international gaming company GVC Holdings. Pepsi has continued to deliver good sales and earnings performance despite the pandemic, and pays an attractive 3% yield, whilst GVC continues to deliver strong revenue growth, driven by its online businesses. It is particularly well placed to grow in the crucial US market and continues to generate significant levels of free cash flow. These positions were funded by selling our holdings in pharmaceutical company Johnson & Johnson and insurer Swiss Re.

The short-term outlook for the global economy remains challenging, however there are reasons to be optimistic given the huge monetary and fiscal stimulus announced by central banks and governments. It is more important than ever for investors to be diversified both geographically and by sector. As active managers, we are well placed to look for opportunities in robust companies that can survive the economic downturn and are well positioned to benefit when the global economy starts to recover.

## Important information

A new Product Disclosure Statement and Additional Information Guide for the Fund dated 30 September 2020 is available at [www.janushenderson.com/australia](http://www.janushenderson.com/australia).

Commodity prices are shown in US dollars (USD) unless otherwise stated. Past performance is not a reliable indicator of future performance. Performance source: Morningstar, Janus Henderson. Performance figures are calculated using the exit price net of fees and assume distributions are reinvested. Due to rounding the figures in the holdings, breakdowns may not add up to 100%. The information in this monthly report was prepared by Janus Henderson Investors (Australia) Funds Management Limited ABN 43 164 177 244, AFS Licence 444268 and should not be considered a recommendation to purchase, sell or hold any particular security. Securities and sectors mentioned in this monthly report are presented to illustrate companies and sectors in which the Fund has invested. Holdings are subject to change daily. This monthly report contains general information only and does not take account of your individual objectives, financial situation or needs. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. None of Janus Henderson Investors (Australia) Funds Management Limited nor any of the Janus Henderson group entities nor their respective related bodies corporate, associates, affiliates, officers, employees, agents or any other person are, to the extent permitted by law, responsible for any loss or damage suffered as a result of any reliance by any reader or prospective investor. You should consider the current PDS, available at [www.janushenderson.com/australia](http://www.janushenderson.com/australia), before making a decision about the Fund. Dollar figures shown are in Australian Dollars (AUD), unless otherwise stated.