

GLOBAL EQUITY INCOME FUND

As at January 2021

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

\$33.9 million

Minimum investment

\$25,000

Management cost (%)

0.85 p.a.

Buy/sell spread (%)

0.15/0.15[^]

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)	-0.58	8.06	5.68	-8.60	2.53	5.09	4.62
<i>Growth (net)</i>	-0.58	6.16	3.82	-11.50	-0.52	1.98	1.79
<i>Distribution (net)</i>	0.00	1.89	1.85	2.90	3.05	3.11	2.83
Benchmark (%)	-0.45	6.41	8.53	0.87	10.35	11.57	9.67
Excess Return (%)	-0.13	1.65	-2.85	-9.47	-7.82	-6.48	-5.05

Returns are net of fees.

Past performance is not a reliable indicator of future performance

Top 10 holdings (%)	Sector weightings (%)
Microsoft 3.74	Information Technology 17.88
Samsung Electronics 3.67	Financials 14.76
Unilever 2.97	Health Care 13.97
Taiwan Semiconductor Manufacturing 2.55	Consumer Staples 11.16
Cisco Systems 2.27	Industrials 9.28
Nestlé 2.26	Utilities 8.93
Broadcom 2.18	Consumer Discretionary 8.83
Roche 2.17	Communication Services 4.64
Zurich Insurance Group 2.16	Materials 4.01
Novartis 2.14	Energy 2.89
	Cash 3.65

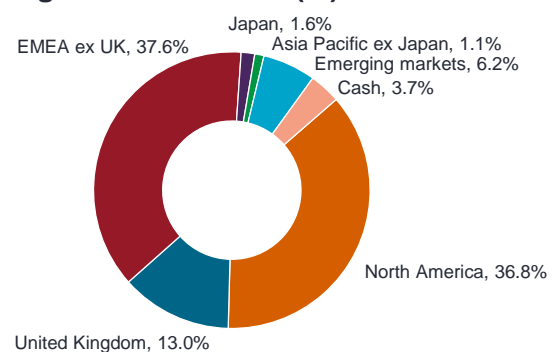
Portfolio characteristics

Portfolio dividend yield ¹	3.43%
Benchmark dividend yield ¹	1.84%
Number of holdings	66

¹ 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.

[^] Current spread became effective as at 13 May 2020. For more information and most up to date buy/sell spread information visit www.janus Henderson.com/en-au/investor/buy-sell-spreads

GLOBAL EQUITY INCOME FUND

(continued)

Janus Henderson
INVESTORS



Fund Manager
Andrew Jones



Fund Manager
Ben Lofthouse

Market commentary

After a strong finish to 2020, global equity markets struggled to make progress in January. New COVID variants led to increasing restrictions around the world whilst the rollout of vaccination programmes varied markedly from country to country. Sector performance was mixed with energy, health care, consumer discretionary and technology outperforming whilst consumer staples, industrials, financials and materials underperformed.

Fund commentary

The Janus Henderson Global Equity Income Fund (Fund) returned -0.58% in January versus the MSCI World ex Australia Index (net dividends reinvested in AUD) (Benchmark) which fell 0.45% in Australian dollar terms.

The Fund's holdings in Taiwan Semiconductor Manufacturing Company (TSMC), Panasonic and Microsoft were all beneficial for performance. Both TSMC and Panasonic benefitted from earnings upgrades whilst Microsoft reported significantly better-than-expected second quarter earnings driven in part by Azure, its cloud business, and the widespread adoption of Teams as people worked from home. The gambling company Entain also outperformed after it received an unsolicited bid from MGM. Conversely, holdings in financials Zurich Insurance, Allianz and Axa detracted from returns. Coca-Cola also underperformed due to consumer staples being out of favour and an ongoing legal case regarding tax underpayments.

During the month, the position in Entain was trimmed following the MGM bid with the proceeds used to initiate a position in Fiat Chrysler ahead of its merger with Peugeot to become Stellantis. The stock looks cheap relative to its global peers and is expected to restart dividend payments this year alongside returning excess cash to shareholders via special dividends.

In the short-term, the outlook for global economic growth remains challenging as governments tackle the more transmissible variants of the virus. However, the longer-term outlook remains encouraging as vaccination programmes gain traction, whilst monetary and fiscal policy remains supportive. Equity markets have performed well but still look attractive on a yield basis relative to bonds. Certain sectors and stocks have been overlooked by investors and now offer a compelling investment opportunity which as active investors, we are well positioned to take advantage of. We continue with our strategy of selecting companies with strong free cash flow generation and valuation support that are well positioned to benefit from a recover in global economic activity.

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.

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, before making a decision about the Fund. Dollar figures shown are in Australian Dollars (AUD), unless otherwise stated.