

# GLOBAL SUSTAINABLE EQUITY FUND

September 2023



# Environmental and social megatrends

## Environmental and social megatrends pressuring the global economy



### RESOURCE CONSTRAINTS

Natural capital resources are being **damaged and depleted** faster than they can be replenished



### CLIMATE CHANGE

The greatest environmental and social challenge the **world has ever faced**

### POPULATION GROWTH

Global population is projected to increase to almost **10 billion by 2050**



### AGING POPULATION

By 2050 it is expected that one in six people globally will be **over the age of 65 (16%)**



Source: United Nations, un.org, Global Footprint Network National Footprint Accounts, as at 31 December 2019.

# Global Sustainable Equity:

## OUR INVESTMENT PHILOSOPHY

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We believe there is a strong link between sustainable development, innovation and long-term compounding growth.

Our investment framework seeks to invest in companies that have a positive impact on the environment and society; and at the same time, it helps us stay on the right side of disruption by avoiding companies we consider to be involved in activities that are harmful to the environment or society.

We believe this approach will provide clients with a persistent return source, deliver future compound growth, and help mitigate downside risk.

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### **Sustainable Development as Defined by The United Nations:**

*Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*


**Our Common Future, The Brundtland Report, 1987**

# Global Sustainable Equity

## Defining characteristics

- 30 years of sustainable investing experience and innovative thought leadership.
- High conviction portfolio with every company selected for its compounding growth potential and positive impact on the environment and society.
- Commitment to provide our clients with the highest standards of engagement, transparency and measurement.

### FUND CHARACTERISTICS

<b>Inception</b>	31 July 1991
<b>Assets Under Management</b>	£ 1.9 Bn
<b>Number of Holdings</b>	50 – 70
<b>Benchmark</b>	MSCI World Index™
<b>Expected Turnover</b>	< 30%
<b>Typical Active Share</b>	> 90%
<b>Expected Tracking Error</b>	3% – 6%
<b>Morningstar Sustainability Rating*</b>	

Source: Janus Henderson Investors, as at 30 June 2023.

Note: \*Morningstar Sustainability Rating is based on representative account. Morningstar Sustainability Rating™ measures the financially material environmental, social and governance (ESG) risks in a fund's portfolio relative to the fund's peers. First, a Morningstar Portfolio Sustainability Score™ ranging from 0 to 100 is calculated for funds that meet certain asset coverage criteria. This score, using data from Sustainalytics, is an asset-weighted average of company-level ESG Risk Ratings. Next, scores are rescaled to reflect consistency based on weighted average scores over the past 12 months. Finally, funds are ranked against global peers: the top 10% receive 5 globes (High), the next 22.5% receive 4 (Above Average), the next 35% receive 3 (Average), the next 22.5% receive 2 (Below Average), and the bottom 10% receive 1 (Low). Ratings are calculated one month and six business days after the reported as-of date of the fund's most recent portfolio, using Sustainalytics scores from the same month. For details, visit [morningstar.com/company/esg-investing](https://www.morningstar.com/company/esg-investing).

Investing involves risk, including the possible loss of principal and fluctuation of value. There is no assurance the stated objectives will be met.

Please note that these ranges are reflective of the portfolio managers' investment process and style at the time of publication. They may not be hard limits and are subject to change without notice.

# Interdisciplinary investment team

Global team of experienced investment and sustainability specialists benefiting from centralised resources

**GLOBAL SUSTAINABLE EQUITY TEAM**




**Hamish Chamberlayne, CFA**  
Head of Global Sustainable Equities,  
Portfolio Manager  
20 years industry experience

**Aaron Scully, CFA**  
Portfolio Manager  
25 years industry experience





**Suney Hindocha, CFA**  
Research Analyst  
14 years industry experience

**Amarachi Seery, CEnv, MIEEnvSCI, MIEMA <sup>1</sup>**  
Sustainability Analyst  
15 years sustainability experience

**Jigar Pipalia**  
Portfolio Analyst  
4 years industry experience

**CENTRAL RESEARCH**

**Matt Peron, Director of Research**

Communications (5) | Consumer (10)  
Energy & Utilities (2) | Financials (5) | Health Care (7) | Industrials & Materials (8) |  
Technology (8)

**RESPONSIBILITY TEAM**

**Michelle Dunstan**  
Chief Responsibility Officer

Responsible Investment & Governance (9)	ESG Strategy & Operations (5)	Client ESG Solutions (2)
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**KEY INVESTMENT SUPPORT**

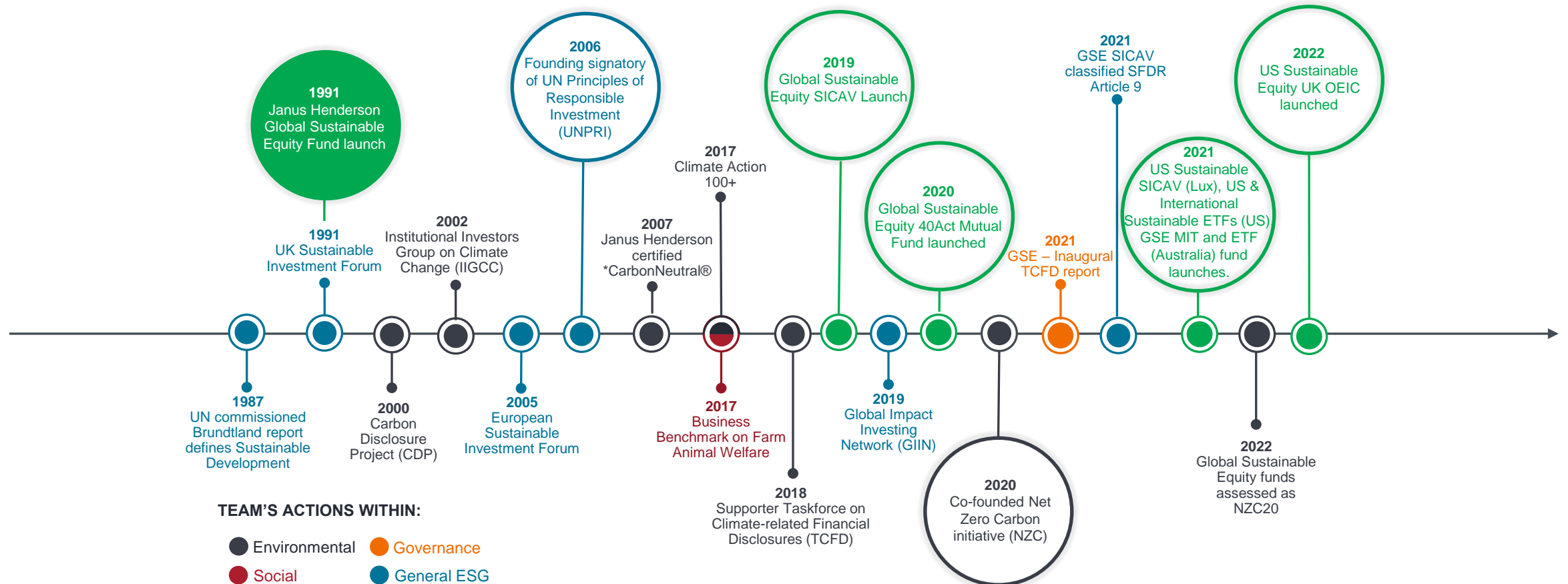
<b>Steve Weepie</b> Client Portfolio Manager	<b>Portfolio Risk &amp; Analytics (11)</b>
<b>Tim Brown</b> Head of UK Product Specialists	<b>Investment Risk Compliance</b>
<b>ESG Oversight Committee</b>	<b>Specialised &amp; Regional Investment Teams</b>

Source: Janus Henderson Investors, as at 31 July 2023.

Note: Central Research analysts include individuals who are considered both analysts and portfolio managers. <sup>1</sup> CEnv is the Chartered Environmentalist designation. MIEEnvSci is full membership of the Institution of Environmental Sciences. MIEMA is full membership of the Institute of Environmental Management & Assessment.

# Our history of sustainable investing

Three decades of thought leadership and active industry engagement



Source: Janus Henderson Investors, as at 31 December 2022.

Note: \*Brundtland commission defined sustainable development. \*\*CarbonNeutral® certification applies to Janus Henderson Investors since 2017 and Henderson Global Investors prior to this date. NZC10 is the commitment to have 10% or more of the firms in the portfolio be carbon neutral or net zero carbon emissions.

# Explicitly low carbon strategy

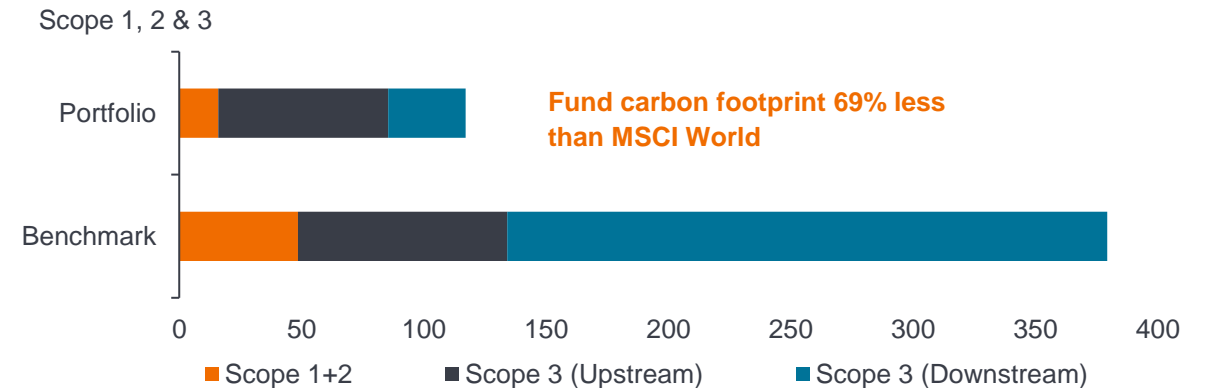
## Investing in climate change solutions and avoiding fossil fuel value chain

### Net Zero Carbon (NZC20 Standard)

20% of the portfolio asset value should either:

- Be in firms that are carbon neutral or have net zero carbon emissions,
- Be in firms that have realistic, credible strategies using currently available technologies in place, for zero net carbon emissions by a defined target date, and that the target date should be no later than 2030,
- Be in firms that the fund manager is actively engaging with at company board level to encourage the firm to develop realistic, credible strategies using currently available technologies, for zero net carbon emissions by a defined target date, and that the target date should be no later than 2030.

### Fund Carbon Footprint



### SIX LEVELS OF LOW CARBON INVESTING

- 1 Avoiding** companies involved in fossil fuel extraction
- 2 Avoiding** suppliers and service companies to the fossil fuel industry
- 3 Avoiding** technology that relies on fossil fuels and power generated by fossil fuels
- 4 Avoiding** carbon intensive industries
- 5 Actively** seeking companies which are proving solutions to drive the transition to a low carbon economy; Renewables and batteries, Efficiency and electrification, Semiconductors, Buildings and design
- 6 Engage** with companies in our portfolio on their carbon reduction and elimination strategies

Source: Janus Henderson Investors, as at 31 December 2022

Note: Portfolio: Janus Henderson Global Sustainable Equity Fund, Benchmark: MSCI World.

ISS Climate Impact data including Scope 1 (direct), Scope 2 (purchased electricity), Scope 3 (other indirect not included in Scope 2).



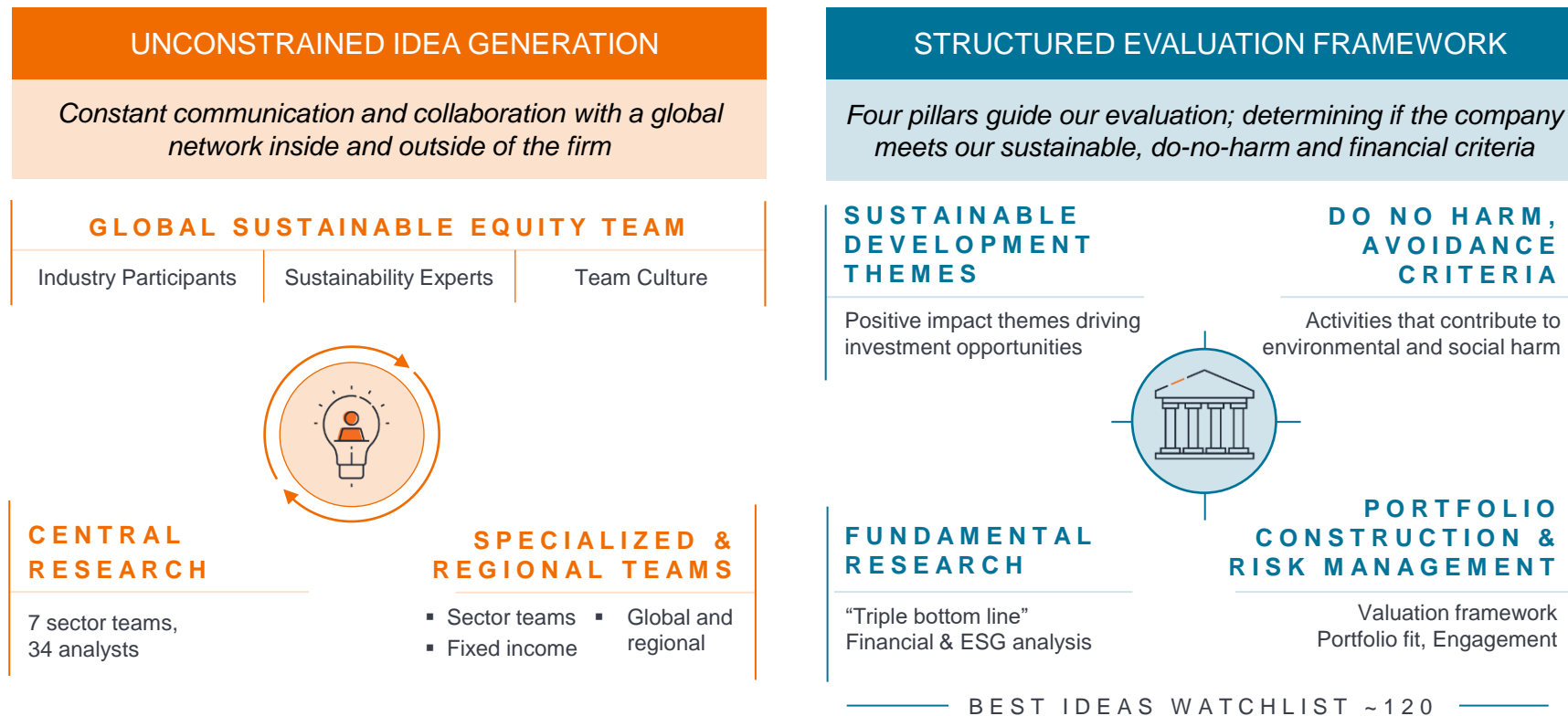
# Investment process

Investing with Positive Impact



# Investment process overview

Unconstrained idea generation filtered through a rigorous evaluation framework aiming to build a high-conviction, positive impact global equity portfolio with 50 – 70 holdings



Source: Janus Henderson Investors, as at 30 June 2023.

# Unconstrained idea generation

GSE team, culture and resourcing is structured to create rich and diverse sources of investment ideas



## Global Sustainable Equity (GSE) Team Expertise & Research

- Experienced portfolio management team are continuously meeting companies, attending conferences, engaging with industry experts & reading thematic and company-specific research to ensure they are exposed to diversified sources of external idea generation.
- A team culture that deliberately creates the time and space to read, watch, listen and foster curiosity
- A diligence process that prioritizes “finding the expert”

- Example ideas:
  - Autodesk
  - Evoqua Water Technologies



## JHI Central Research Capability

- PM team collaborate with JHI’s dedicated global sector analyst team:
  - Participating on regular sector calls
  - Subscribing & contributing to written research
  - Access to the global proprietary research platform, eQuantum
  - Participating in company management meetings and research trips
- Example ideas:
  - NVIDIA, Intact Financial



## Specialised & Regional Investment Teams

**Specialized:** Technology, Natural Resources, Property, Fixed Income

**Regional:** Global, Europe, Japan, Asia, Emerging Markets

- Strong relationships with many of the experienced JHI investment teams
- Example ideas:
  - Nintendo

Source: Janus Henderson Investors.

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# Our ten sustainable development themes

Derived from the four megatrends are ten environmental and social themes which help us identify companies with positive impact and long-term compounding growth characteristics.



## ENVIRONMENTAL



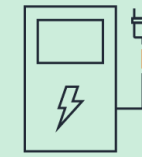
CLEAN ENERGY



EFFICIENCY



ENVIRONMENTAL SERVICES



SUSTAINABLE TRANSPORT



WATER MANAGEMENT

## SOCIAL



KNOWLEDGE & TECHNOLOGY



HEALTH



SAFETY



SUSTAINABLE PROPERTY & FINANCE



QUALITY OF LIFE



# Do no harm, avoidance criteria

A strategy with high sustainability standards – managed with these exclusions for over 30 years

Companies on the wrong side of environmental and social trends are subject to both disruption and operational risk.

We believe avoiding these companies protects our clients from contributing to environmental and social harm while helping better preserve long-term capital.

## ENVIRONMENTAL

- ❖ Fossil fuel extraction & refining
- ❖ Fossil fuel power generation
- ❖ Nuclear power
- ❖ Chemicals of concern
- ❖ Contentious industries
- ❖ Intensive farming & meat production
- ❖ Animal testing
- ❖ Fur

## SOCIAL

- ❖ Alcohol
- ❖ Armaments
- ❖ Gambling
- ❖ Pornography
- ❖ Tobacco
- ❖ Human rights
- ❖ Slavery
- ❖ Corruption & bribery



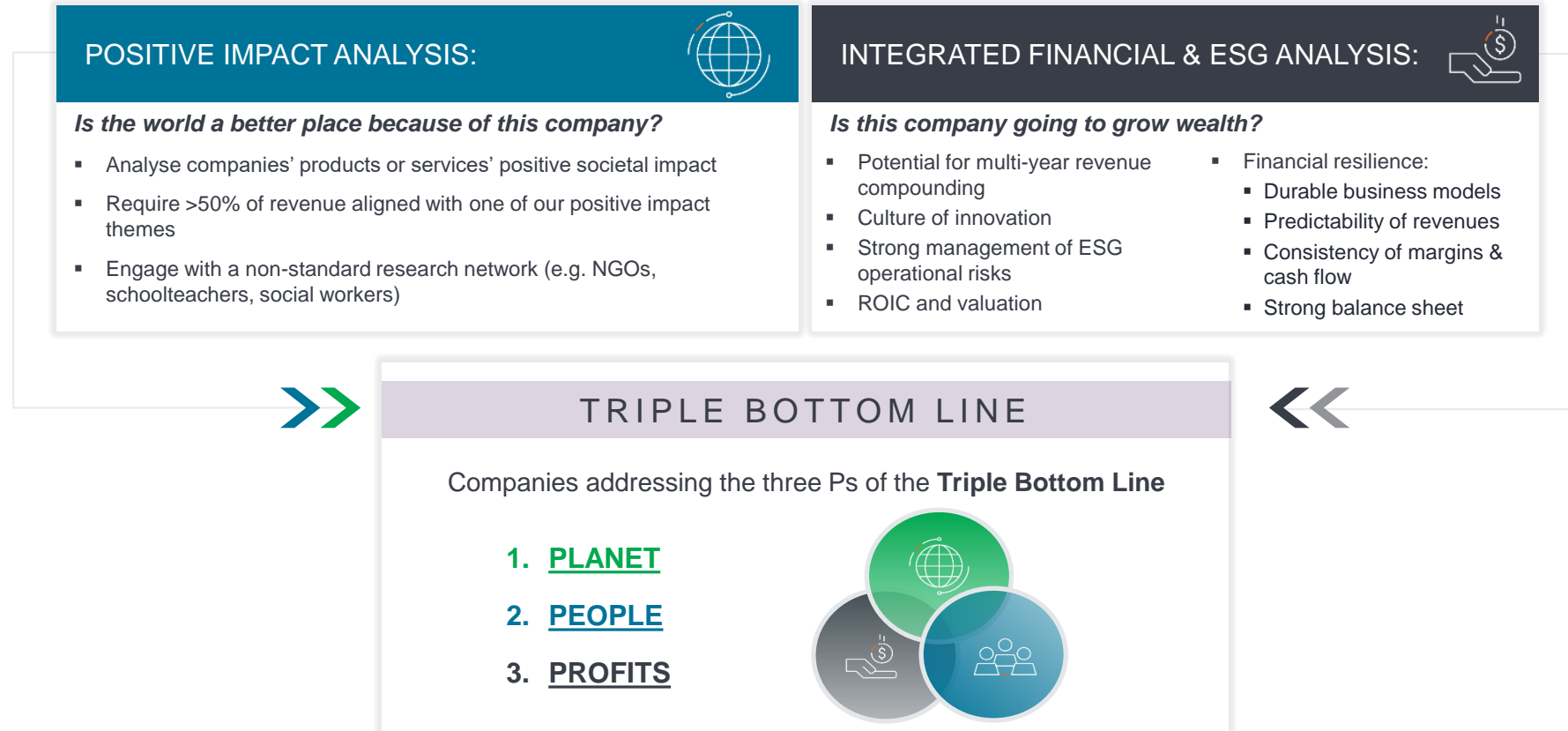
To monitor these avoidance criteria, we utilise:

1. External screening tools (e.g. Vigeo Eiris & Sustainalytics)
2. Proprietary team research and engagement
3. Internal risk oversight (ESG oversight committee)

Note: For a full list of avoidance criteria, please refer to the Global Sustainable Equity Strategy's Investment Principles. A de minimis limit exists, please see final slide for additional information.

# Fundamental research

We believe companies with strong ESG characteristics are more likely to have financial resilience

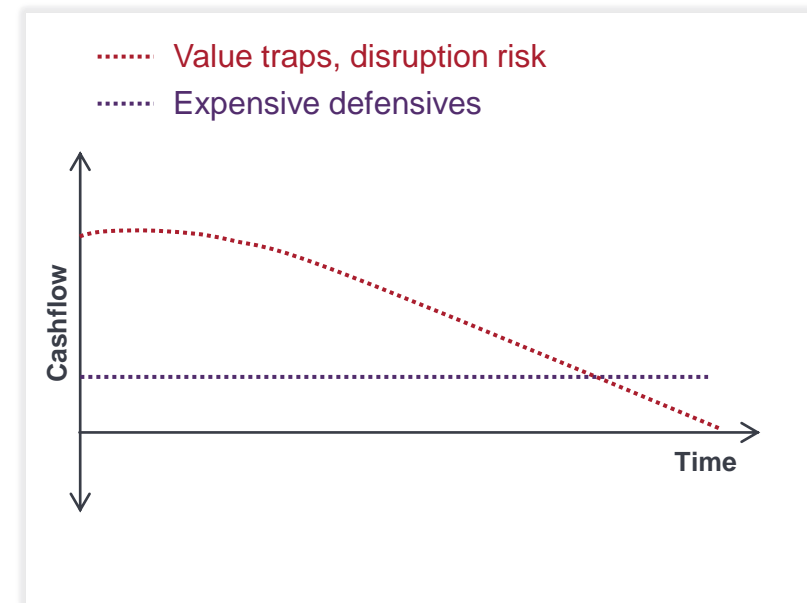
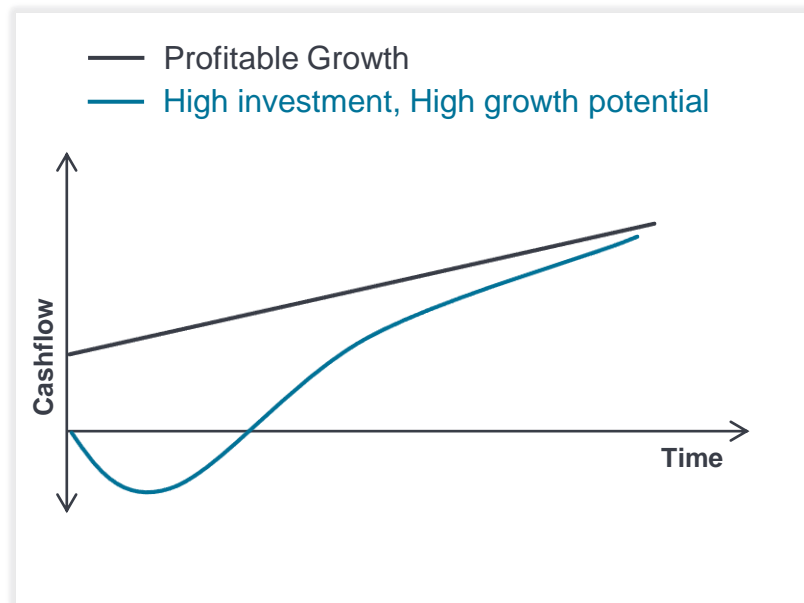


Note: The triple bottom line (TBL) is a framework or theory that recommends that companies commit to focus on social and environmental concerns just as they do on profits. Environmental, Social and Governance (ESG) or sustainable investing considers factors beyond traditional financial analysis. This may limit available investments and cause performance and exposures to differ from, and potentially be more concentrated in certain areas than, the broader market.

# Valuation framework

## Compounding is more important than timing

- We take a longer-term approach to company valuations; focused on long-term value not short-term valuation metrics.
- We seek to identify businesses with compounding characteristics and optionality upside that are trading at discounts to their long-term intrinsic value.



Note: The example provided is hypothetical and used for illustrative purposes and not indicative of any actual investment. Please see end of presentation for index descriptions.

# Portfolio construction

## High-conviction portfolio with high active share

- Candidates selected for portfolio fit and overall risk diversification
- Regionally balanced to avoid unintended country and currency risk
- Thematic allocation is an outcome
- Portfolio of 50 – 70 companies
- Typical active share >90% to MSCI World

### POSITION SIZING

#### SUBSTANTIAL

> 2.0%

- Typically totals 30% – 40% of the portfolio
- Strong combination of compelling revenue growth, financial strength and valuation upside

#### STANDARD

1.5% – 2.0%

- Typical initial position size
- Meets our portfolio entry and liquidity requirements

#### SMALL

0.25% – 1.0%

- Typically totals less than 5% of the portfolio
- Less liquid investments which are earlier in their life cycle, and where we see potential significant upside

# Engaging at all stages of the process

Active not activist; understanding risk and raising standards

## PRE-INVESTMENT DUE DILIGENCE



### Prior to investing in a company, we will typically:

- Conduct company due diligence meetings
- Engage with our non-traditional networks
- Use external data providers to screen for controversies
- Use the Vigeo Eiris tool to screen for avoidance criteria
- Layout the “gap analysis” to form our on-going engagement agenda

## CONTINUOUS ENGAGEMENT



### There are several areas we continually engage on to understand and encourage direction-of-travel. These include:

- Carbon reduction plans and targets:
  - NZC20
  - SBTi
- Supply chain auditing
- Transparency & disclosures:
  - Corporate Sustainability Reports
  - ESG KPIs
  - DE&I

## AD-HOC ENGAGEMENT



### When issues or controversies arise at portfolio holdings we engage to understand:

- Nature of the controversy
- Management approach
- Mitigation, remediation or adaption policies



# Risk management and sell discipline

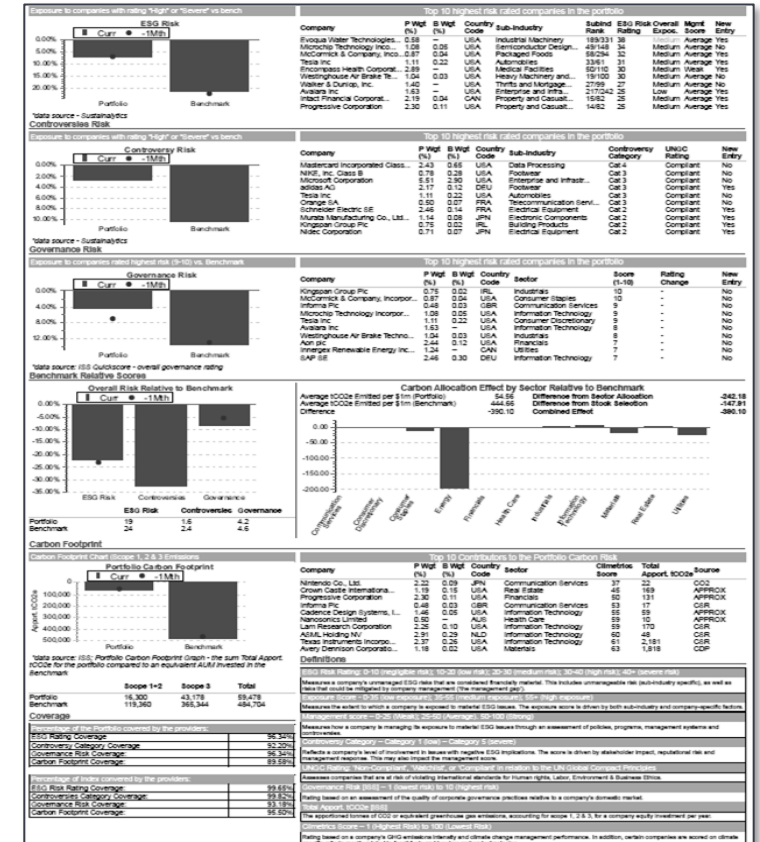
## Risk Management

- Third party Screening – monitoring of adherence to avoidance criteria
- Pre-trade compliance – custom restrictions based on screening output
- Ethical Oversight Committee
- Investment Risk Team – Riskmetrics, Style Advisor, Barra
- Corporate Governance Monthly Report – Bespoke ESG risk analysis

## Sell Discipline

- Failing our sustainable investment criteria
- Evidence of poor management of ESG risks
- Deterioration of operational ESG metrics
- Unfavourable risk/reward
- Reallocate capital to higher conviction ideas

## CORPORATE GOVERNANCE MONTHLY REPORT



Note: Any risk management process discussed includes an effort to monitor and manage risk which should not be confused with and does not imply low risk or the ability to control certain risk factors. For illustrative purposes and not indicative of any actual investment. Please see end of presentation for index descriptions.

# Stock examples

# Nvidia

## POSITIVE IMPACT ANALYSIS:

NVIDIA is a US based company that designs, develops and markets graphics processing units (GPUs) that enhance the performance of computing platforms across the globe. Nvidia's GPUs use up to **90% less energy** than Central Processing Units (CPUs) for computer graphics, image processing, and processing large blocks of data in parallel. **This increases the processing power efficiency of computing and in turn energy efficiency.** Analysis from the International Energy Agency shows that in a 10-year period from 2010 to 2019 global data centre energy use remained flat despite a greater than 8-fold increase in data centre workloads. NVIDIA's GPUs have also enhanced cloud-based gaming and game-streaming, increasing connectivity between users; NVIDIA GeForce has more than 200 million gamers. In addition, the company's products are increasingly being used in autonomous vehicles, AI, and research and development (R&D) for medical science.

## INTEGRATED FINANCIAL & ESG ANALYSIS:

- Revenues have grown from \$10bn in FY18 to \$27bn in FY22
- Net cash balance sheet (>\$10bn) & >\$10bn of FCF generation expected in '23e
- High operating margins (~45%) and ROIC (>25%)
- >2.5% '23e FCF yield
- Culture of innovation – annual R&D expenditure 24% of revenues

**NVIDIA** is a US-based company that designs, develops and markets graphics processing units (GPUs) which enhance the performance of computing platforms across the globe.



### Idea Generation

- Central research semi-conductor analysts have deep domain and company-specific expertise. As revenue mix shifted from gaming end-markets to DC and AI the company met our thematic revenue threshold

### Engagement Focus

- Scope 3 emissions measurement

### Thematic Exposure

- Efficiency 50%
- Quality of Life 50%



Source: Janus Henderson Investors, Bloomberg, as at 31 December 2022.

Note: **Green:** what is the impact, **orange:** who experiences the impact, **red:** what is the scale of the impact.

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# Prologis

## POSITIVE IMPACT ANALYSIS:

The company is an owner, operator, and developer of industrial real estate specialising in modern distribution facilities which it leases to ~5,800 customers; these include manufacturers, retailers, transportation companies, third-party logistics providers, and other enterprises. The company has nearly 500 buildings, with an aggregate footprint of over 1 billion square feet, that have achieved sustainable building certification, and it has committed to 100% of all future developments achieving certification. The company's built-out logistics network can reduce transport related emissions by 50%. E-commerce delivery has also been shown to have 36% lower carbon emissions on average and replace up to 100 car trips compared to traditional instore retail visits.

## INTEGRATED FINANCIAL & ESG ANALYSIS:

- Over last the 20 years the company has invested over \$35bn and achieved a 21% IRR
- 94% of fee revenues come from perpetual or long-life ventures
- All-in debt cost that is significantly lower than other US logistics REITs
- Over \$5bn of liquidity and over \$15bn of investment capacity
- Last 10 years have seen 15% CAGR in development starts growth
- Highly efficient and sustainable warehouses. Ranked #3 in the U.S. for on-site Solar capacity

The company example is one of the world's leading owner and operator of logistics real estate. 2.5% of world's GDP flow through PLD's building each year and it owns and operates over one billion square feet of space



### Idea Generation

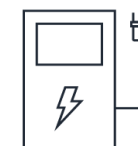
- PM team has significant career experience in analysing and investing in REITs
- Increasing academic work on the sustainability benefits of e-commerce brought the company within scope for thematic inclusion

### Engagement Focus

- Maintaining industry leadership on climate and impact reporting

### Thematic Exposure

- Sustainable Property & Finance 50%
- Sustainable Transport 50%



Source: Janus Henderson Investors, company reports, MIT Research, Bloomberg, as at 31 December 2022.

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# Nanosonics

## POSITIVE IMPACT ANALYSIS:

This company is a healthcare technology company specialising in infection control. Its mission is to improve the safety of **patients, clinics, their staff and the environment** by transforming the way infection prevention practices are understood and conducted, and introducing innovative technologies that deliver improved standards of care. **Its solutions can be used at point of care and are proven to eliminate an extended range of infectious microbes and pathogens** that have developed resistance to other disinfection methods. Its **innovation for the disinfection of ultrasound probes protects over 32 million patients annually from the risk of cross contamination.**

## INTEGRATED FINANCIAL & ESG ANALYSIS:

- Net cash balance sheet, >75% plus gross margins, 70% of sales are recurring consumables
- Market for their ultrasound product has grown to around an estimated TAM of 140k units, compared to the 27k installed base at end of FY21
- R&D/revenues >16%, and R&D spend increased +11% y-o-y in FY21
- Best in class human capital management, culture of innovation and environmental footprint (disinfection machines produce water and oxygen as sole waste by-products)

The company's devices prevent infection and cross-contamination of clinical equipment



### Idea Generation

- PM research trip to Australia

### Engagement Focus

- Understanding the prospect for product extensions
- Data privacy and cybersecurity

### Thematic Exposure

- Safety 50%
- Health 50%



Source: Janus Henderson Investors, company reports, Bloomberg, as at 31 December 2022.

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# Innergex

## POSITIVE IMPACT ANALYSIS:

This company develops and operates renewable power facilities throughout Canada, the United States, France and Chile, specialising in **wind, solar, and run-of-river hydroelectric projects**. The company has partnered with government, NGOs, conservation groups, academia and local organisations to design and enact solutions that mitigate human-wildlife interaction and disturbance to important ecosystems. On an annual basis, Innergex generates over 9.5 million Mwh's of renewable energy, which is enough to meet the energy needs of more than 1 million households, avoiding more than 4.5 million metric tons of CO<sub>2</sub>e\*.

## INTEGRATED FINANCIAL & ESG ANALYSIS:

- 5-year target of +12% FCF per share CAGR to 2025
- Adjusted EBITDA margin of ~70%
- Interests in over 80 operating facilities with a net installed capacity of over 3,000MW
- Long-term contracts and non-recourse debt correspond to a low-risk financial profile
- Strong management of stakeholder relations and biodiversity impacts

The company is a Canadian-listed independent power producer which develops, acquires, owns and operates hydro, wind, solar and energy storage facilities across Canada, USA, France and Chile.



### Idea Generation

- PM team invited to meet a number of Canadian companies at the Canadian embassy in London
- Worked with sell-side analysts to model development potential

### Engagement Focus

- Sustainability reporting and scope 3 emissions

### Thematic Exposure

- Clean Energy 100%



Source: Janus Henderson Investors, company reports, Bloomberg, as at 31 December 2022.

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\*Estimated using a global estimate of CO<sub>2</sub>e intensity in electricity production provided by the IEA.

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# Xylem

## POSITIVE IMPACT ANALYSIS:

Xylem is a global water infrastructure and technology company headquartered in North America. It has a **broad portfolio of products and applications for the water and wastewater, agriculture, industrial, residential and commercial end markets**. Climate change is having a disruptive impact on the global water cycle; at the same time that demand for fresh water continues to increase due to population growth and urbanisation. **Xylem's solutions range from flood recovery services to water conservation and treatment services**. **Xylem provides water and sanitation solutions to of 4.5 million people around the world.**

## INTEGRATED FINANCIAL & ESG ANALYSIS:

- Expecting >10% CAGR of ebitda 2020-2024
- Resilient business model with nearly two thirds of revenues from service and aftermarket
- Improving ebitda margins towards high-teens % as digital services increase
- FCF being used to reduce leverage levels to <2x ND/ebitda
- Expecting cash flows to compound at double digit rate. ~5% 2026e FCF Yield
- Strong environmental management system (good performance on water and waste management) and health and safety culture

**Xylem** is a global water infrastructure and technology company is a water technology company with a broad portfolio of products and applications for the water and wastewater, agriculture, industrial, residential and commercial end markets.



### Idea Generation

- PM team initiated the position in July 2012

### Engagement Focus

- Water emissions reporting
- Scope 3 reporting
- Energy consumption? JP to check with AS

### Thematic Exposure

- Water Management 50%
- Environmental Services 50%



Source: Janus Henderson Investors, Bloomberg, as at 31 December 2022.

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# WABTEC

## POSITIVE IMPACT ANALYSIS:

Westinghouse Air Brake Technologies (Wabtec), is one of the world's largest providers of equipment and components to the global freight and transit rail industries. Its products are focused on safety and efficiency, including driver control systems, collision-avoidance systems, braking equipment, signalling technology and low emission locomotives with enhanced fuel efficiency. Rail has the lowest environmental impact out of all motorised modes of land transportation, with the greenhouse gas (GHG) emission of rail per kilometre 41g on average, less than a third of a short haul flight at 156g. With the global transportation sector accounting for nearly 25% of total worldwide GHG emissions, rail and public transportation systems have a key role to play in achieving decarbonisation. Wabtec has over 23,000 locomotives in services and over 45,000 vehicles fitted with Wabtec braking systems in over 100 countries.

## INTEGRATED FINANCIAL & ESG ANALYSIS:

- Net cash balance sheet, >75% plus gross margins, 70% of sales are recurring consumables
- Market for their ultrasound product has grown to around an estimated TAM of 140k units, compared to the 27k installed base at end of FY21
- R&D/revenues >16%, and R&D spend increased +11% y-o-y in FY21
- Expecting cash flows to compound at double digit rate. ~7% 2026e FCF Yield
- Best in class human capital management, culture of innovation and environmental footprint (disinfection machines produce water and oxygen as sole waste by-products)

**Wabtec** is one of the world's largest providers of equipment and components to the global freight and transit rail industries. Its products are focused on safety and efficiency



### Idea Generation

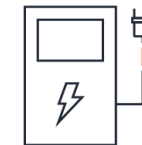
- PM Research
- Initiated in July 2012

### Engagement Focus

- @JP
- Scope 3 emissions disclosure

### Thematic Exposure

- Sustainable Transport 50%
- Safety 50%



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# Engagement, Measurement and Transparency

# Taskforce for climate related financial disclosures (TCFD)

## 2021 Climate scenario analysis

- Scenarios are “what if” narratives designed to inform and challenge strategic thinking. We use the International Energy Agency (IEA) scenarios, which provides different energy and emission scenarios. The IEA’s World Energy Model runs three main scenarios describing the future energy mix.
- The ISS climate scenario alignment compares current and future portfolio greenhouse gas emissions with the carbon budgets for three scenarios until 2050. The ISS carbon footprint data informs the scenario model.

Scenario	Definition	Objective
<b>Stated Policies Scenario (STEPS)</b>	STEPS reflects a scenario where all existing and announced policies at the sector level are implemented. This reflects a business-as-usual scenario.	To provide a benchmark to assess the potential achievements (and limitations) of recent developments in energy and climate policy.
<b>Announced Pledges Scenario (APS)</b>	APS assumes that all existing climate commitments made by governments at the national level are met, including net-zero targets.	To show how close current pledges get the world towards the target of limiting global warming to 1.5°C, it highlights the “ambition gap” that needs to be closed to achieve the goals agreed at Paris in 2015.
<b>Sustainable Development Scenario (SDS)</b>	SDS is a well below 2 degrees scenario representing a gateway to the outcomes targeted by the Paris Agreement.	To demonstrate a plausible path to achieve universal energy access and set a path towards meeting the objectives of the Paris Agreement on climate change and significantly reduce air pollution.

The result of the scenario analysis is that the portfolio is aligned to the SDS for the next three decades with performance shown as the percentage of assigned budget used by the Global Sustainable Equity Strategy (Portfolio) and MSCI World (Benchmark). We significantly outperform compared to the benchmark, which is misaligned to all scenarios by 2030. The model suggests that the portfolio starts to exceed the SDS budget in 2046 but remains aligned to the APS scenario until 2050.

	2020	2030	2040	2050
Portfolio	-73.56%	-67.61%	-28.32%	+93.08%
Benchmark	-0.82%	+32.89%	+135.67%	+375.48%

Source: Janus Henderson Investors Analysis, ISS Climate Impact, data from 2021 Annual Sustainability Report.

Note: Portfolio: Global Sustainable Equity. Benchmark: MSCI World.

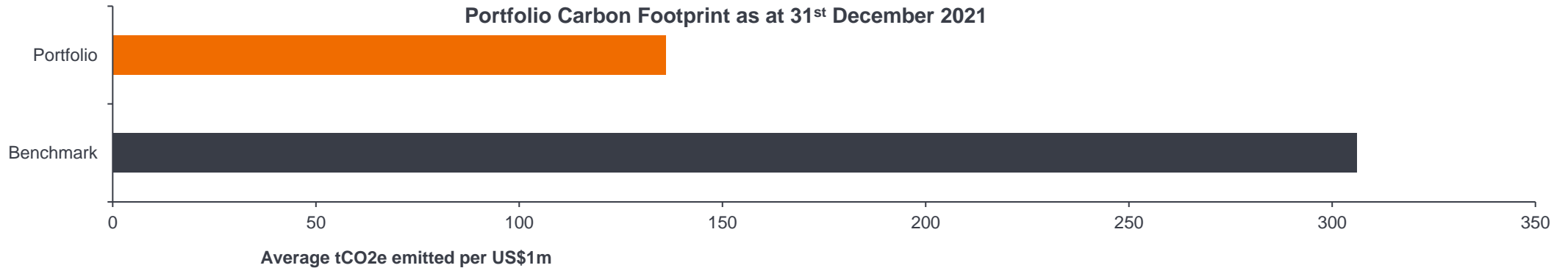
Portfolio allocations are subject to change without notice. (Carbon Footprint) ISS’ methodology takes emissions data, where self-reported or disclosed to the Carbon Disclosure Project (CDP) and uses algorithms to estimate figures when unavailable. For the calculation for each company three levels of emissions data are added together.

There is no guarantee that past trends will continue, or forecasts will be realised. The views are subject to change without notice.

# Taskforce for climate related financial disclosures (TCFD)

## Carbon Footprint (scope 1, 2 and 3)

When we compare the fund to our benchmark index we significantly outperform.



The fund as of the 31st December 2021 is **associated with a potential temperature increase of**

**1.7°C↑**

for the full analysed period (until 2050).

Our intention is to be aligned with the 1.5°C scenario.

**The MSCI World has a potential temperature increase of**

**2.8°C↑**

Source: Janus Henderson Investors

Note: Portfolio: Global Sustainable Equity. Benchmark: MSCI World, data from 2021 Annual Sustainability Report.

(Carbon Footprint) ISS' methodology takes emissions data, where self-reported or disclosed to the Carbon Disclosure Project (CDP) and uses algorithms to estimate figures when unavailable. For the calculation for each company three levels of emissions data are added together.

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# Scenario stress testing

## Scenario analysis

We have used scenario analysis to understand the effects of different transitions to a low carbon economy on the portfolio relative to the benchmark. The results highlight which risks are driving changes in asset prices, improving our understanding of the portfolio's risk profile, and allowing us to enhance mitigation measures where appropriate. A security's climate value-at-risk (CVaR) estimates the magnitude of changes in market value resulting from physical and transitional climate risks and opportunities

**Orderly Transition 1.5°C** - Assumes climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.

**Disorderly Transition 1.5°C** - Explores the possibility of higher transition risk due to policies being delayed or divergent across countries and sectors. Carbon prices are typically higher for a given temperature outcome.

**Hot House World 3°C** - Assume that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. Critical temperature thresholds are exceeded leading to severe physical risks and irreversible impacts like sea-level rise.

The results below describe the expected changes to the value of the portfolio and benchmark on a 15-year horizon.

	Orderly Transition 1.5°C		Disorderly Transition 1.5°C		Hot House World 3°C	
	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
CVaR	-0.31%	-10.23%	-0.92%	-32.83%	-4.01%	-10.52%
Transition Risk	+1.87%	-4.17%	+1.26%	-26.77%	-0.22%	-0.39%
Physical Risk	-2.18%	-6.06%	-2.18%	-6.06%	-3.79%	-10.12%

Source: Janus Henderson Investors, MSCI, data from 2021 Annual Sustainability Report.

Note: Portfolio: Global Sustainable Equity Strategy. Benchmark: MSCI World.

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# Evidence-based and systematic engagement

## Engagement is a key part of our investment process

### CONTINUOUS ENGAGEMENT

#### Example:

##### Example – Adidas

- ISSUE: Racial equity
- ENGAGEMENT:
  - We engaged with the company to gain a better understanding of how they are looking to improve race relations within the business
  - The company has created a formal framework for Diversity Equity and Inclusion (DE&I) which is chaired by the CEO.
  - It has signed the Juneteenth Pledge for all US employees (making 19th June a paid holiday in commemoration of the ending of slavery in the United States), and increased training on DE&I globally
  - The company has also committed to invest \$120 million into Black and Latinx communities
  - The company is still working towards increasing the number of black people in senior management positions and increasing minority representation on the board
- The company is on a journey regarding race relations, and this will be part of the responsibilities of the new Head of HR. We will continue to engage on race with an aim of also gaining examples of best practice within companies

### AD-HOC ENGAGEMENT

#### Gap-Analysis Example:

##### Example – ICON

- ISSUE: Possible direct involvement in animal testing
- ENGAGEMENT (pre-investment):
  - Seek further clarity on potential involvement
  - Following our research and engagement, we gathered evidence that confirmed no direct involvement
  - We provided this evidence to the Ethical Oversight Committee (EOC) to sign off on an investment into ICON

#### Controversy / Issue-Related Example:

##### Example – Evoqua

- ISSUE: Workplace culture
  - ISS has recommended that we withheld the vote against three board members due to a lack of gender diversity on the board and poor culture towards women
- ENGAGEMENT:
  - To investigate the allegations, and to get more clarity we had a meeting with the company prior to the vote
  - Based on our findings and in alignment with the recommendation of the Governance & Stewardship team, we withheld the vote and committed to future engagements

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# Proxy voting activity

Proxy voting is an important component of active ownership

1

ISS provides custom voting policy recommendations based on JHG policy

2

Recommendations are scrutinised by the GRI team in collaboration with investment team

3

Additional inputs include company engagement, broker research, newswires and IVIS

4

Final voting decisions are made

5

Voting positions and outcomes are used as an input for future engagement work

## Voting Statistics for 2022

<b>Total # of meetings where it was possible to vote</b>	<b>56</b>
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Number of meetings voted	56
--------------------------	----

% of meetings voted	100%
---------------------	------

<b>Total # of proposals where it was possible to vote</b>	<b>676</b>
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Number of items voted	676
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% of meetings voted	100%
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Number of votes with policy	666
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Number of votes against policy	10
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Number of votes with management	649
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Number of votes against management	27
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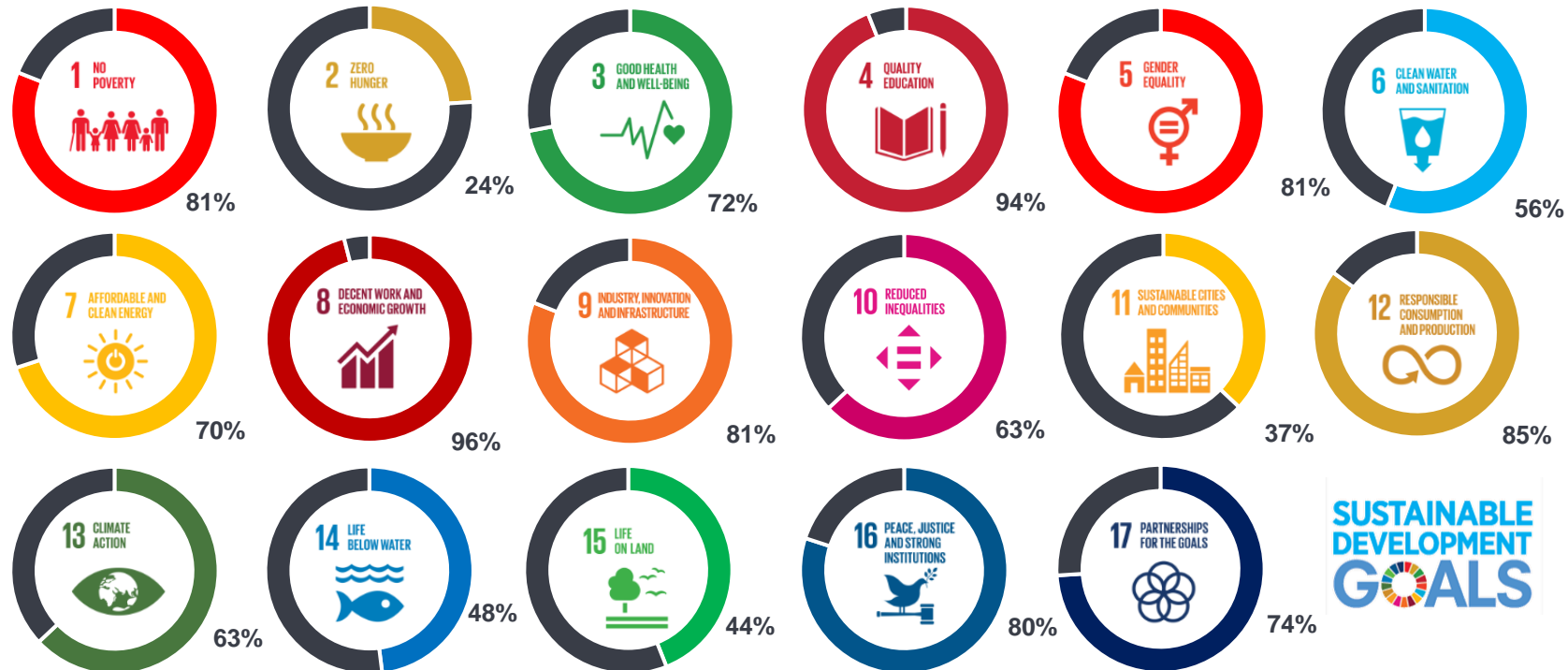
Number of votes on Shareholder proposals	20
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Source: Janus Henderson Investors, as at 31 December 2022.

# Comprehensive measurement & reporting

We consider the UN SDGS goals an impact measurement of the portfolio and a helpful measure for ensuring sustainability

Percentage contribution to each UN SDG



*“The SDGs call on companies everywhere to advance sustainable development through the **investment they make**, the **solutions they develop**, and the **business practices they adopt**.”*

SDG Compass: The guide for business action on the SDGs

Source: Janus Henderson Investors, as at 31 December 2021.

# ESG analysis: what KPIs do we monitor?

We monitor and report on several ESG KPIs for the portfolio



## ENVIRONMENTAL

- Carbon footprint & carbon intensity
- TCFD report, including Paris Agreement alignment
- CDP disclosure



## SOCIAL

- Signatories of UN Global Compact
- 5-year growth rate in employees



## GOVERNANCE

- Sustainalytics Controversy ratings
- Proportion of female execs within the management team relative to the benchmark index
- CEO tenure
- Financial indicators: 5-year sales growth, 5-year EBITDA growth, R&D spend

Note: Environmental, Social and Governance (ESG) or sustainable investing considers factors beyond traditional financial analysis. This may limit available investments and cause performance and exposures to differ from, and potentially be more concentrated in certain areas than, the broader market.



# Reporting and transparency

## Positive Impact Companies (quarterly)

Quarterly report detailing holdings with a positive environmental and/or social impact

### Positive impact companies:

- Companies providing products or services that contribute in a beneficial way to the environment and/or society
- Promotes a responsible economy, supporting sustainable industry
- These types of companies confront the challenges posed by key megatrends: climate change, resource constraints, population growth and aging populations

## Voting and Engagement (quarterly)\*

Quarterly report detailing voting and engagement activity

## Annual Sustainability Report (annual)

Annual report detailing portfolio managers' statement and portfolio impact measurement

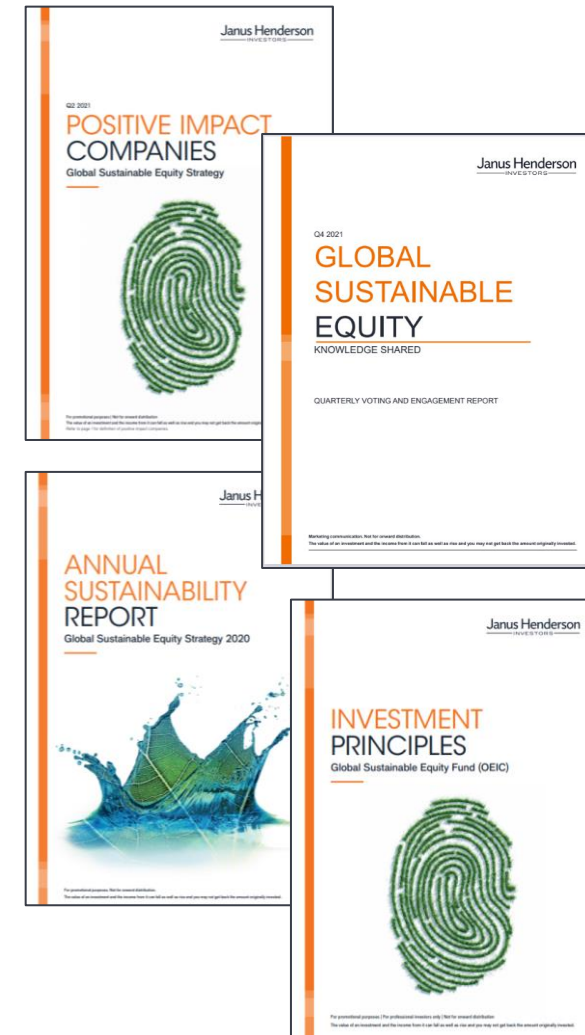
- Review United Nations' Sustainable Development Goals (SDGs)
- Portfolio positive impact for each SDG
- Low carbon investing reporting

## Investment Principles

Paper detailing our investment philosophy

- Detailed investment philosophy
- Expanded definition of sustainability
- In-depth description of our environmental and social megatrends
- In-depth description of our environmental and social themes
- In-depth description of our avoidance criteria including the UN Global Compact, and strategy specific criteria
- Team policy on ESG issues and company engagement and voting

Note: \*Report only available in EMEA at this time.  
For illustrative purposes and not indicative of any actual investment. Please see end of presentation for index descriptions.



# Global Sustainable Equity

## Our commitment to our clients and the planet

- More than 30 years of sustainable investing and innovative thought leadership.
- High-conviction portfolio with every company selected for its compounding growth potential and positive impact on the environment and society.
- Commitment to provide our clients with the highest standards of transparency, engagement and measurement.

**WE ARE WHO WE SAY WE ARE.**

**WE DO WHAT WE SAY WE DO.**

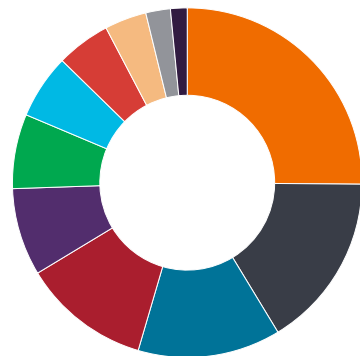




# Characteristics and performance

# Fund characteristics

## Exposure by Theme



- Knowledge & Technology 25.1%
- Sustainable Property & Finance 16.2%
- Safety 13.2%
- Efficiency 11.8%
- Health 8.1%
- Sustainable Transport 6.9%
- Quality of Life 6.0%
- Cleaner Energy 5.0%
- Environmental Services 3.9%
- Water Management 2.3%
- Non-thematic 1.5%

Attributes	Fund	Benchmark
Number of holdings: Equity issues	51	1,512
Active Share	88.8%	—
Turnover Rate (12m)*	15.9%	—
FCF Yield	4.9	5.5
EBIT / EV	0.1	0.1
ROE	29	28
ROIC (12m)	15.7	14.1
3-yr Sales Growth	12.5	12.3
Gearing	78.4	104.1

Source: FactSet and Style Analytics, Janus Henderson Investors Analysis, as at 30 June 2023.

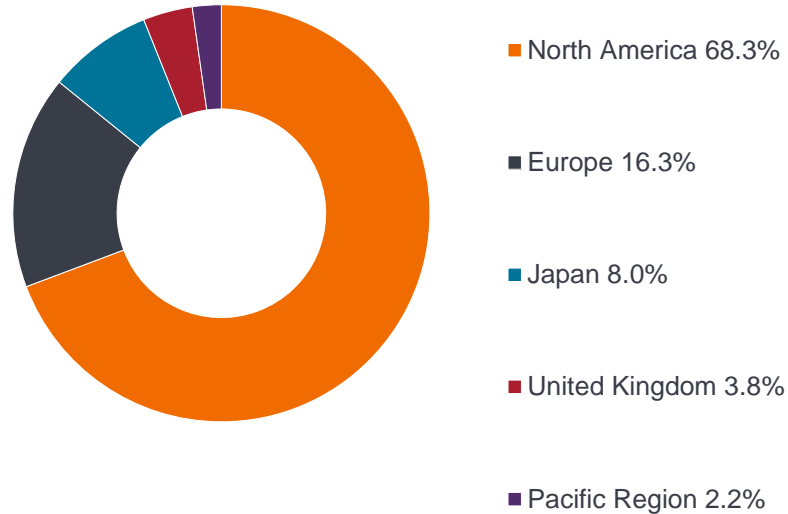
Note: \*Turnover Rate (12m) as at 18 July 2023. Gearing refers to the relationship, or ratio, of a company's total debt to common equity. Gearing shows the extent to which a firm's operations are funded by lenders versus shareholders—in other words, it measures a company's financial leverage. When the proportion of debt to equity is great, then a business may be thought of as being highly geared, or highly leveraged.

Sustainable growth shows last reported Return on Equity x Reinvested Rate (RoE x RR).

Exposures are subject to change without notice.

# Fund characteristics

## Exposure by Region (%)



## Exposure by Country (%)

	Fund	Benchmark
United States	62.9	69.8
Japan	8.0	6.1
France	5.4	3.4
Canada	5.4	3.1
Germany	4.5	2.3
United Kingdom	3.8	4.0
Netherlands	3.7	1.2
Ireland	2.8	0.2
Hong Kong	1.9	0.6
Australia	0.3	2.0

Source: FactSet, Janus Henderson Investors Analysis, as at 31 August 2023.

Note: Totals may not add up due to rounding or cash levels.

Exposures are subject to change without notice.

# Fund characteristics

## Top Ten Holdings

Stock	Theme	Fund (%)
Microsoft	Knowledge & Technology	7.1
NVIDIA	Efficiency	4.5
WABTEC	Sustainable Transport	3.6
Xylem	Water Management	3.1
Humana	Health	2.8
ICON	Health	2.8
Schneider Electric	Efficiency	2.7
Legrand	Efficiency	2.6
Mastercard	Sustainable Property & Finance	2.6
Aon	Sustainable Property & Finance	2.6

## Portfolio Exposure By Sector (%)

Sector	Fund (%)	Benchmark (%)
Information Technology	35.4	22.1
Industrials	18.4	10.9
Financials	17.3	14.7
Health Care	8.2	12.8
Consumer Discretionary	6.3	11.0
Utilities	4.8	2.7
Communication Services	3.1	7.2
Real Estate	2.8	2.4
Materials	1.8	4.1
Consumer Staples	0.4	7.3
Energy	0.0	4.9

## Portfolio Exposure by Market Cap

Market Cap	Fund (%)	Benchmark (%)
> £100bn	23.4	45.3
£50bn – £100bn	21.7	16.6
£10bn – £50bn	36.4	31.0
£5bn – £10bn	8.9	5.1
< £5bn	8.1	2.0
Cash	1.4	--

Source: FactSet, Janus Henderson Investors Analysis, as at 31 August 2023.

Note: Sector weights based on GICS. Portfolio holdings and exposures are subject to change without notice.

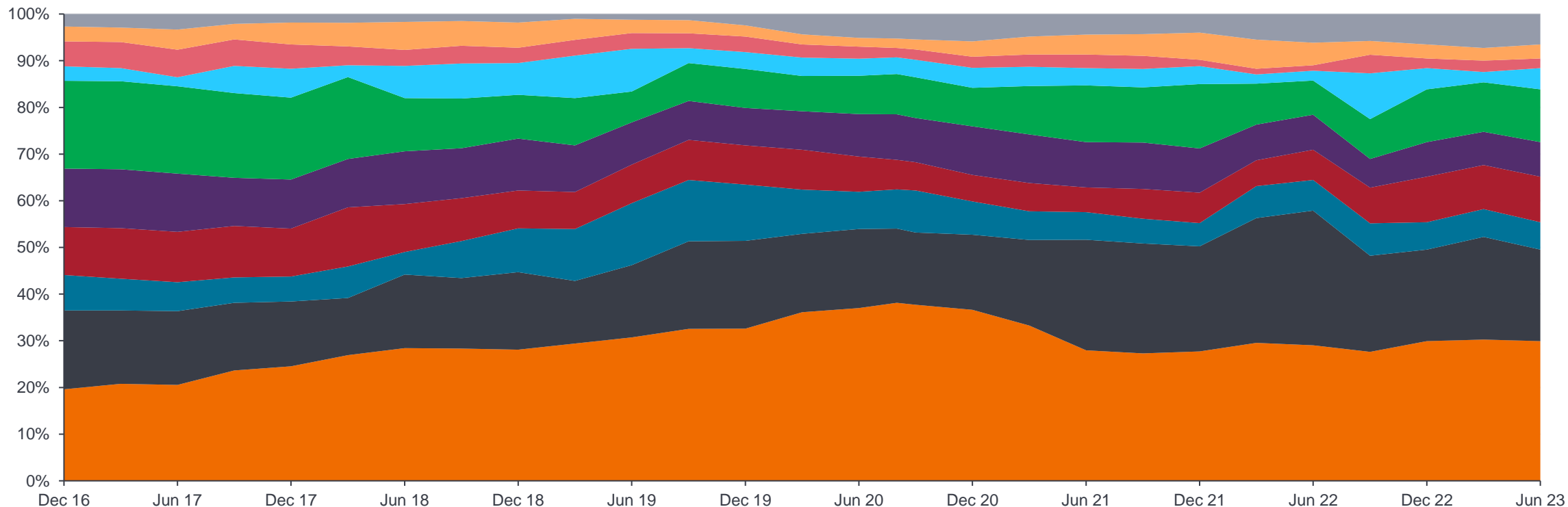
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# Primary themes over time

December 2016 – June 2023

■ Knowledge and Technology 
 ■ Sustainable Property and Finance 
 ■ Quality of Life 
 ■ Health 
 ■ Sustainable Transport 
 ■ Efficiency 
 ■ Safety 
 ■ Environmental Services 
 ■ Water Management 
 ■ Cleaner Energy



Source: Janus Henderson Investors, as at 30 June 2023.

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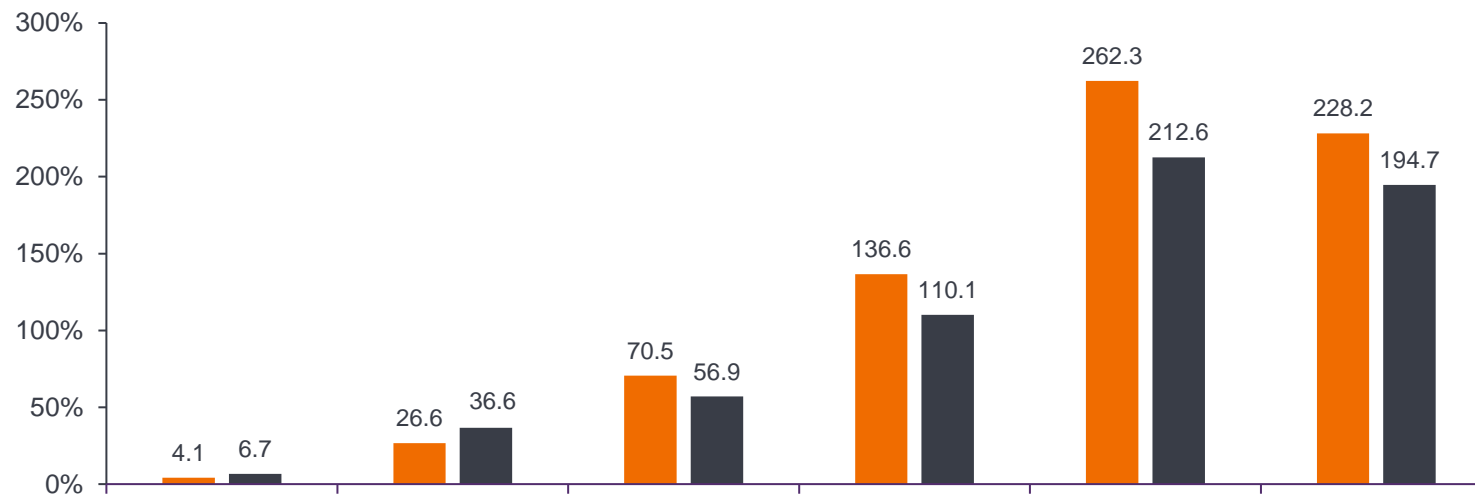
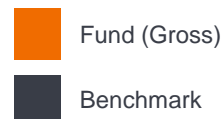
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**Past performance does not predict future returns.**

# Performance

## Cumulative Performance (%)



## Annualised Performance (%)

	1 Year	3 Years	5 Years	7 Years	10 Years	Since PM Inception
Fund (Net)	3.2	7.3	10.3	12.1	12.8	12.1
Benchmark	6.7	11.0	9.4	11.2	12.1	11.8
<b>Relative (Net)</b>	<b>-3.5</b>	<b>-3.7</b>	<b>0.9</b>	<b>1.0</b>	<b>0.7</b>	<b>0.3</b>

Source: Morningstar, Janus Henderson Investors Analysis, as at 31 August 2023.

Note: Fund: Global Sustainable Equity, I Acc, in GBP.

Benchmark: MSCI World – Index usage: Comparator.

Since PM inception date: 31 December 2013. Availability of share classes shown may be limited by law in certain jurisdictions. Performance records are detailed on the specific KIID, fees and charges may vary and further information can be found in the fund's prospectus and KIID which must be reviewed before investing. Please consult your local sales representative if you have any further queries. Please see appendix for full performance disclosures.

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# Performance contributors: 1 year

## Janus Henderson Global Sustainable Equity Fund

Sector Attribution (%)	Allocation Effect	Stock Selection Effect	Total Effect
Industrials	0.3	1.1	1.4
Health Care	0.3	0.5	0.8
Consumer Staples	0.7	0.0	0.7
Materials	0.0	0.3	0.3
Energy	0.1	0.0	0.1
Real Estate	-0.2	0.0	-0.2
Financials	0.0	-0.6	-0.6
Consumer Discretionary	0.1	-0.7	-0.7
Communication Services	-0.1	-0.8	-0.9
Information Technology	2.0	-3.1	-1.1
Utilities	-0.5	-1.1	-1.6

Regional Attribution (%)	Allocation Effect	Stock Selection Effect	Total Effect
Europe ex-UK	-0.4	1.1	0.7
UK	0.0	0.2	0.2
North America	-0.1	-0.1	-0.2
Pacific ex-Japan	0.1	-0.3	-0.3
Emerging Markets	-0.3	0.0	-0.3
Japan	0.0	-2.0	-2.0

Top Contributors (%)	Total Effect
NVIDIA	2.0
Lam Research Corporation	0.6
Evoqua Water Technologies	0.6
Schneider Electric	0.6
Encompass Health Corporation	0.5

Bottom Detractors (%)	Total Effect
Boralex	-1.3
Innergex Renewable Energy	-0.9
Atlassian Corporation	-0.8
Crown Castle	-0.6
Shimano	-0.6

Source: Janus Henderson Investors, as at 31 August 2023.

Note: Attribution is gross of fees, in GBP, based on daily buy and hold methodology.

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Portfolio holdings are subject to change without notice.

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# Performance contributors: 3 year

## Janus Henderson Global Sustainable Equity Fund

Sector Attribution (%)	Allocation Effect	Stock Selection Effect	Total Effect
Consumer Staples	1.2	-0.3	0.8
Financials	-0.3	1.0	0.7
Industrials	0.2	0.4	0.6
Materials	-0.2	0.6	0.4
Communication Services	1.5	-1.4	0.1
Consumer Discretionary	0.9	-0.9	0.0
Health Care	0.5	-0.9	-0.4
Real Estate	-0.3	-0.6	-0.9
Utilities	-0.5	-0.5	-0.9
Energy	-3.2	0.0	-3.2
Information Technology	2.1	-7.7	-5.6

Regional Attribution (%)	Allocation Effect	Stock Selection Effect	Total Effect
UK	-0.1	0.0	-0.2
North America	-0.2	-0.1	-0.3
Emerging Markets	-0.3	0.0	-0.3
Europe Ex-UK	0.2	-1.8	-1.6
Pacific Ex-Japan	0.0	-1.8	-1.9
Japan	-0.4	-3.6	-4.0

Top Contributors (%)	Total Effect
NVIDIA	2.9
Lam Research Corporation	2.1
Evoqua Water Technologies	1.9
Amazon.com*	1.7
Aon	1.0

Bottom Detractors (%)	Total Effect
Adobe	-1.8
Autodesk	-1.5
Knorr-Bremse	-1.5
IPG Photonics Corporation	-1.5
Innergex Renewable Energy	-1.4

Source: Janus Henderson Investors, as at 31 August 2023.

Note: Attribution is gross of fees, in GBP, based on daily buy and hold methodology.

\*Amazon.com and Apple are not held in the portfolio; this active underweight has detracted or contributed to performance.

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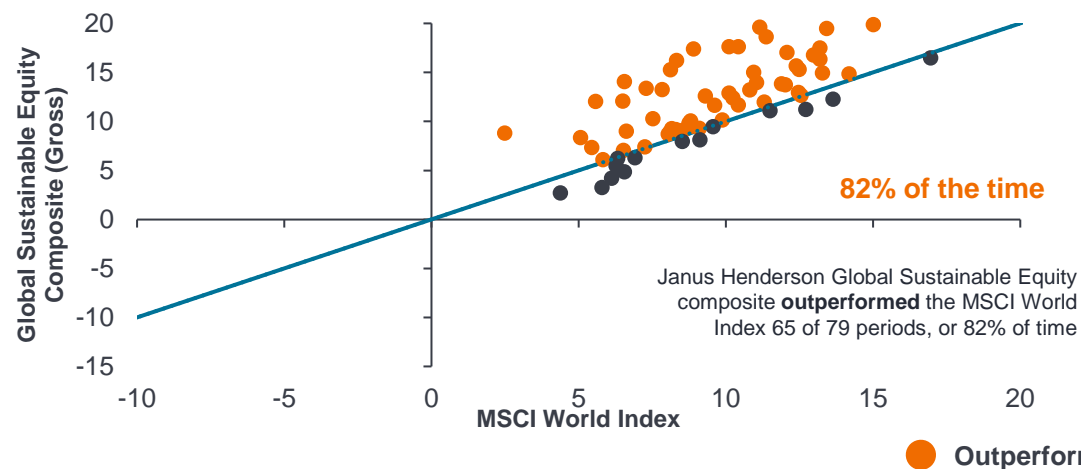
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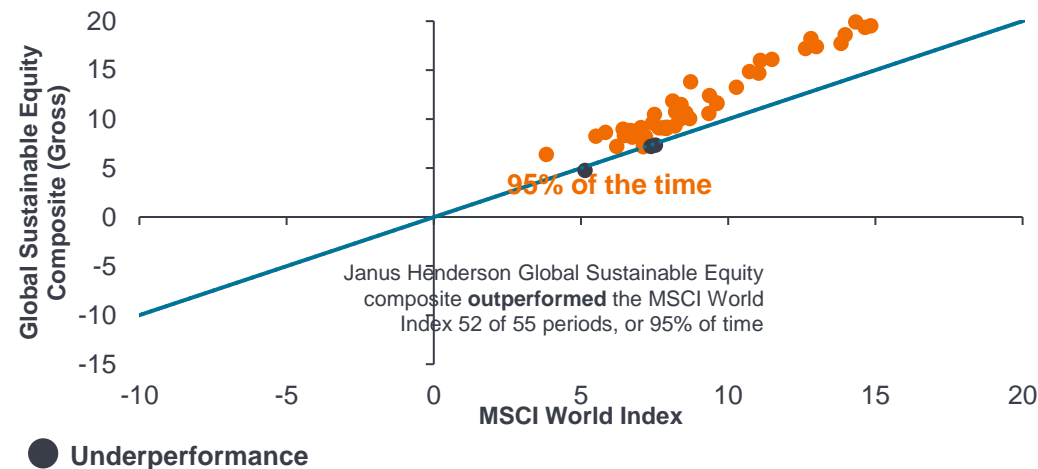
**Past performance does not predict future returns.**

# Performance: long term consistency

Annualised monthly rolling 3 year performance since PM inception\* (12/2016 – 06/2023)



Annualised monthly rolling 5 year performance since PM inception\* (12/2018 – 06/2023)



**% of time the composite has outperformed MSCI World Index since pm inception\* (rolling basis)**



Source: Janus Henderson Investors, as at 30 June 2023.

Notes: Composite: Janus Henderson Global Sustainable Equity Strategy, in USD.

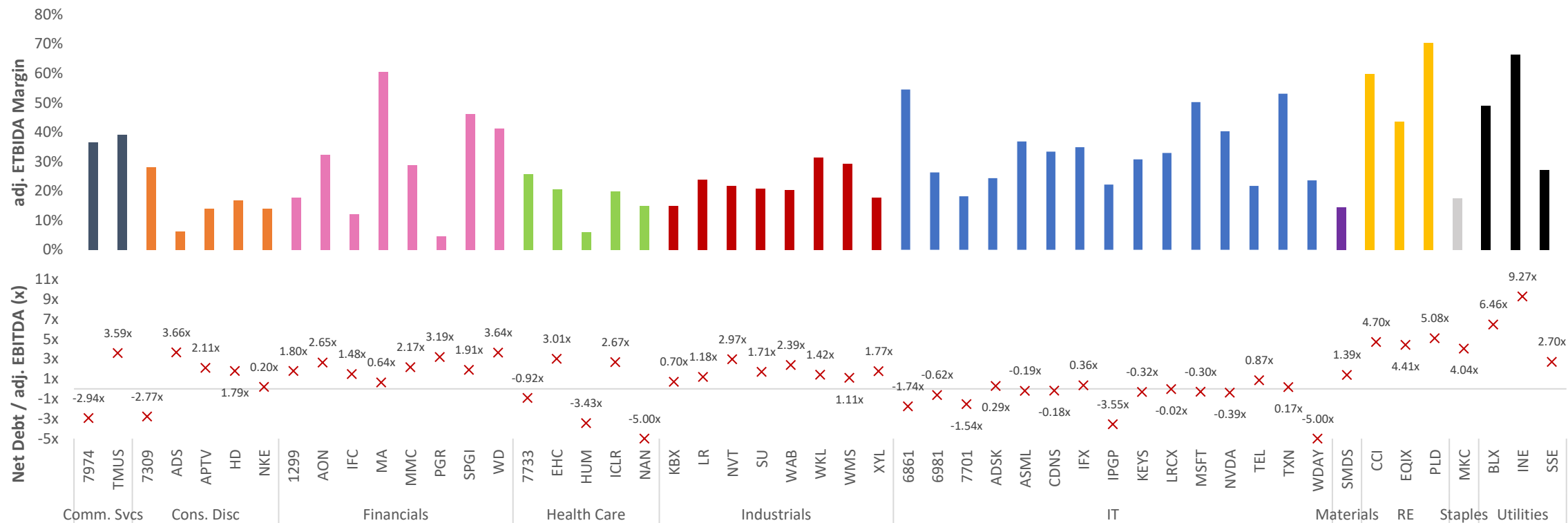
\*Hamish Chamberlayne became PM December 2013. Percentages calculated using monthly data.

Please see the appendix for the GIPS® compliant presentation and important disclosures.

For illustrative purposes and not indicative of any actual investment. Please see end of presentation for index descriptions.

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# Net debt / adj. EBITDA with adj. EBITDA margin



Source: Janus Henderson Investors, Bloomberg as at 31 August 2023. Latest available data based on last twelve months. Uses EBIT where adj. EBITDA data not available. PGR, IFC and 1299: NPE / Equity.

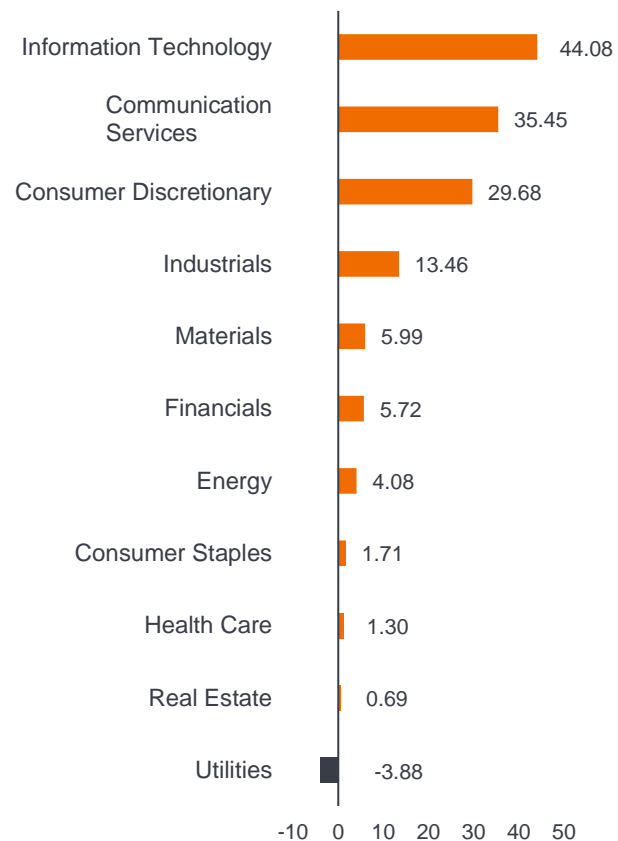
Note: Based on the Janus Henderson Global Sustainable Equity Strategy portfolio. NAN, 9959 and WDAY adjusted to -5x Net Debt/adj. EBITDA to fit on scale. References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned.

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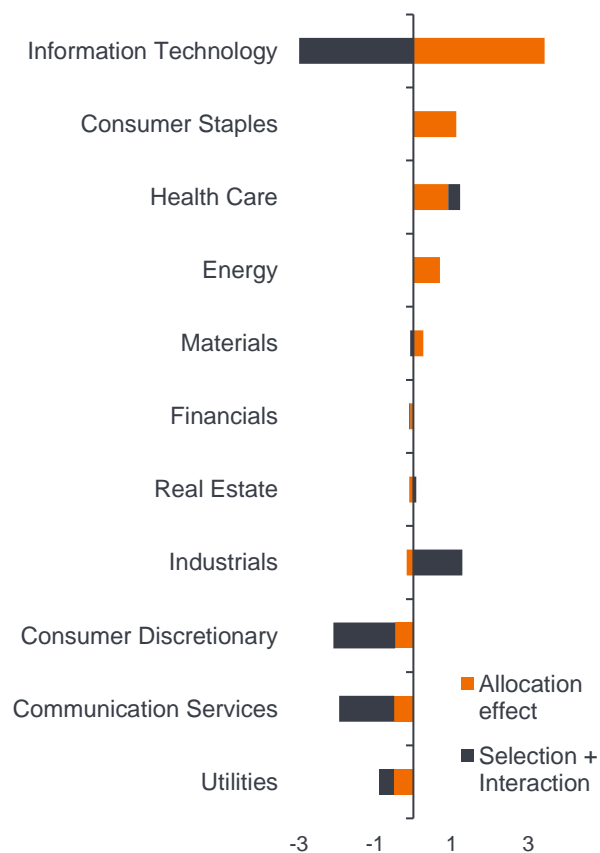
# Performance review

## Representative Account

### Benchmark sector returns (%)



### Fund performance attribution (%)



	Effect
Allocation Effect	4.13
Selection Effect	-4.86
<b>Total Attribution</b>	<b>-0.73</b>

Unowned names:		
Names	Weight	Attribution
Apple Inc.	4.88	-1.23
Alphabet (Class A + C)	2.33	-0.79
Amazon.com, Inc.	1.89	-0.76
Tesla, Inc.	1.03	-0.65
Meta Platforms, Inc.	0.94	-0.72
UnitedHealth Group Incorporated	0.84	0.26
Exxon Mobil Corporation	0.83	0.13
Johnson & Johnson	0.78	0.21
Berkshire Hathaway Inc.	0.78	0.00
JPMorgan Chase & Co.	0.76	0.04
Visa Inc.	0.69	-0.02
Procter & Gamble Company	0.65	0.09
Nestle S.A.	0.61	0.07
Eli Lilly and Company	0.60	-0.22
Chevron Corporation	0.55	0.17

Source: Janus Henderson Investors, FactSet – YTD to 31 August 2023.

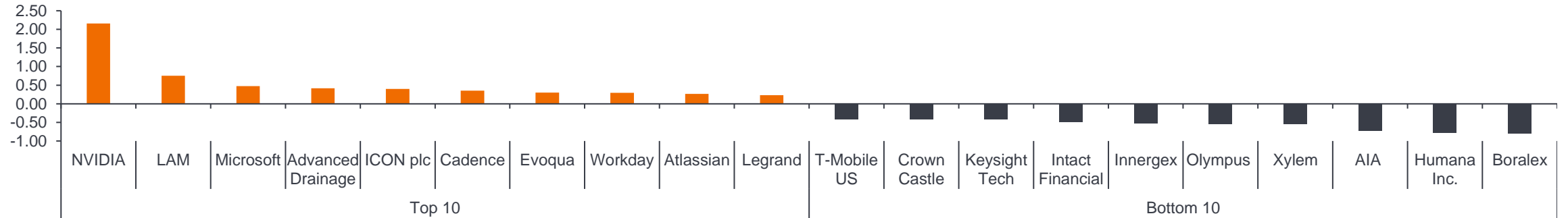
Note: Portfolio: Horizon Global Sustainable Equity. Benchmark: MSCI World. References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned. Representative account data is based on the representative account in the composite and may vary from other accounts in the strategy, due to asset size, client guidelines and other factors. The representative account is believed to most closely reflect the current portfolio management style.

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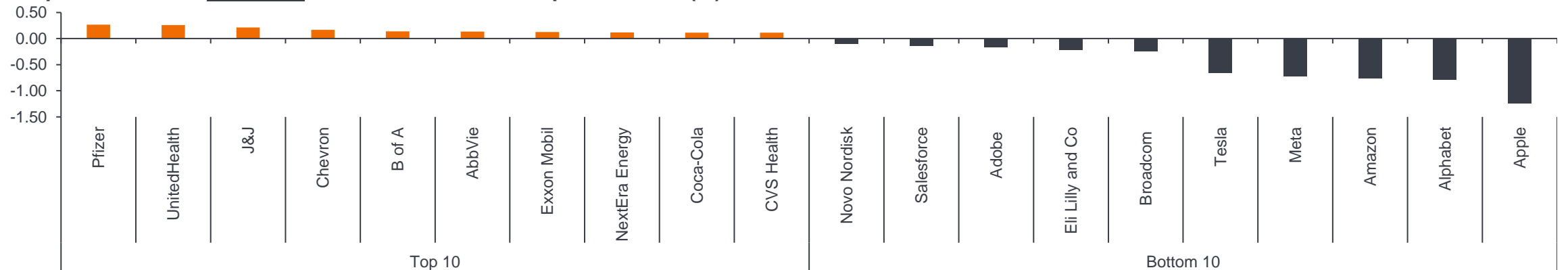
# Performance review: YTD

## Representative Account

### Top / Bottom 10 – Owned contributors to relative performance (%)



### Top / Bottom 10 – Unowned contributors to relative performance (%)



Source: Janus Henderson Investors, FactSet: YTD to 31 August 2023.

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# ESG score summary

## Representative Account

### Sustainability Rating

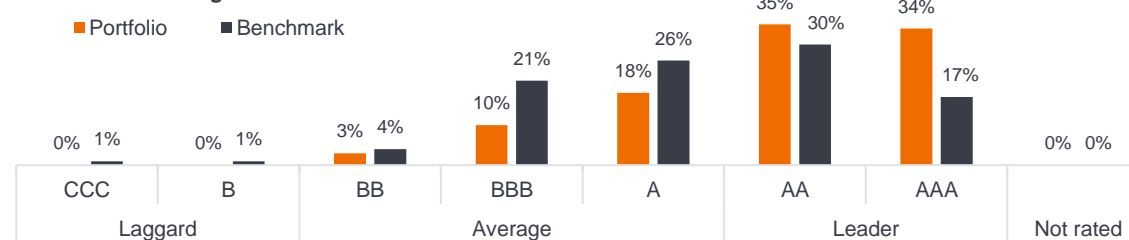


### Corporate Sustainability Contribution

100%

### Portfolio Score

### MSCI ESG Rating Distribution



### Benchmark Score

### Relative to Benchmark %

MSCI ESG Rating	Portfolio Score	Benchmark Score	Relative to Benchmark %
MSCI ESG Rating	AA	A	--
Environmental	6.3 / 10	6.1 / 10	+3.3%
Social	5.7 / 10	5.1 / 10	+11.8%
Governance	6.3 / 10	5.8 / 10	+8.6%

### Top 10 Holdings

### Portfolio Position

### ESG Score

Company	Portfolio Position	ESG Score
Microsoft	7.11%	9.3
Nvidia	4.54%	9.1
Wabtec	3.74%	6.2
Xylem	3.11%	9.0
Humana	2.90%	7.1
Icon Public Limited Co	2.88%	8.5
Schneider Electric SE	2.79%	10.0
Legrand	2.68%	8.5
Mastercard Inc	2.63%	7.6
Aon	2.60%	5.5

Source: Sustainability Rating, Corporate Sustainability Contribution, Morningstar as at 31 August 2023. ESG Scores, MSCI, 31 August 2023.

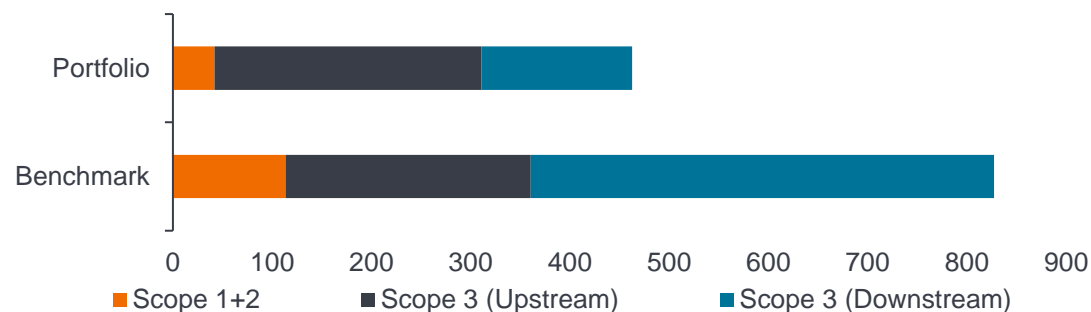
Note: Portfolio: Horizon Global Sustainable Equity. Benchmark: MSCI World. References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned. Representative account data is based on the representative account in the composite and may vary from other accounts in the strategy, due to asset size, client guidelines and other factors. The representative account is believed to most closely reflect the current portfolio management style.

**Past performance does not predict future returns.**

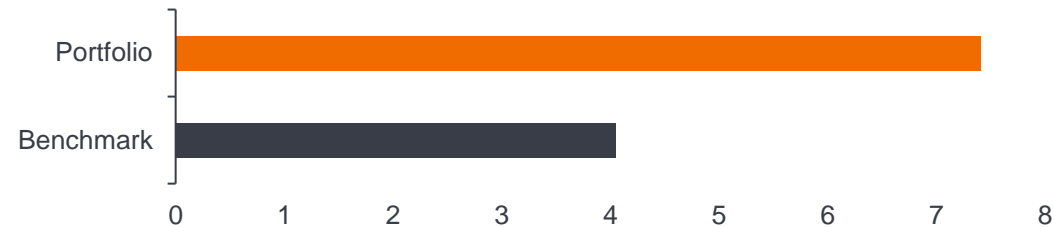
# Carbon metrics and controversy risk

## Representative Account

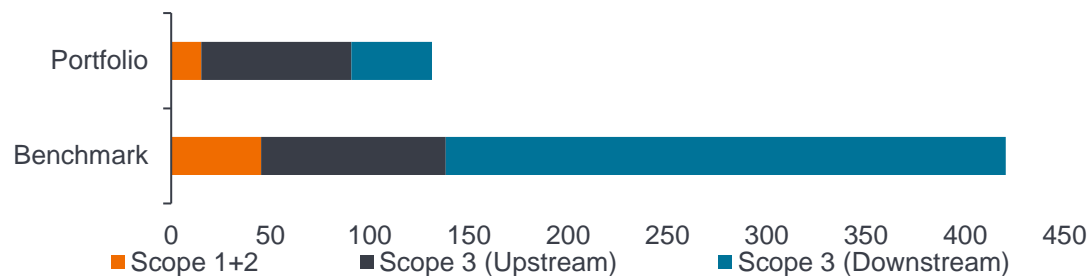
Weighted average carbon intensity (tons CO<sub>2</sub>e / \$m sales)



Controversy risk



Financed GHG emissions (tons CO<sub>2</sub>e / \$m invested)



Source: Carbon Intensity, Total GHG Emissions, and Controversy Score, MSCI as at 31 August 2023.

Note: Portfolio: Horizon Global Sustainable Equity. Benchmark: MSCI World. Carbon emissions measured in metric tons (Mt). Greenhouse gas (GHG). A high controversy score = the portfolio is less exposed to controversies. Representative account data is based on the representative account in the composite and may vary from other accounts in the strategy, due to asset size, client guidelines and other factors. The representative account is believed to most closely reflect the current portfolio management style.



# 2023 trades

## Representative Account

Adds	Trims	Buys	Sells
Humana	Autodesk	Olympus	Bill.com
Knorr-Bremse	Nintendo	Keysight	Evoqua Water Technologies
Xylem	Workday	S&P Global	Atlassian
Shimadzu	Nvidia	nVent Electric	Nidec
Murata	Crown Castle	Infineon Technologies	Microchip Technology
Keyence	AON		Linklogis
Wabtec			
Cadence Design Systems			

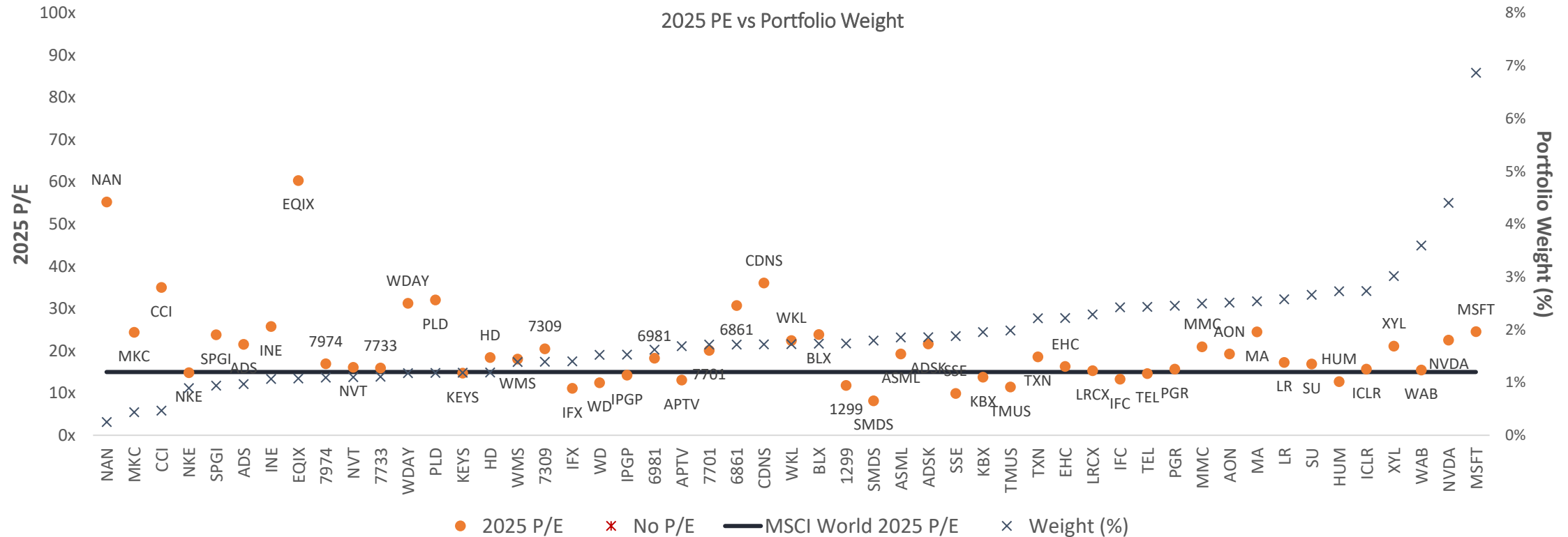
Source: Janus Henderson Investors as at 31 August 2023.

Note: References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned. Representative account data is based on the representative account in the composite and may vary from other accounts in the strategy, due to asset size, client guidelines and other factors. The representative account is believed to most closely reflect the current portfolio management style.

# Appendix

# Portfolio construction – valuation discipline

## Representative Account



Source: Janus Henderson Investors, Bloomberg as at 31 August 2023.

Note: Based on the Janus Henderson Horizon Sustainable Equity Strategy portfolio.

References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned. The above example is intended for illustrative purposes only and is not indicative of the historical or future performance of the strategy or the chances of success of any particular strategy. There is no guarantee that past trends will continue, or forecasts will be realised. The views are subject to change without notice. Representative account data is based on the representative account in the composite and may vary from other accounts in the strategy, due to asset size, client guidelines and other factors. The representative account is believed to most closely reflect the current portfolio management style.

**Past performance does not predict future returns.**

# Additional information

## Discrete performance and descriptions

Performance (%)	August 2023 – August 2022	August 2022 – August 2021	August 2021 – August 2020	August 2020 – August 2019	August 2019 – August 2018
Fund (Gross)	4.1	-6.6	30.2	22.4	10.1
Fund (Net)	3.2	-7.3	29.1	21.3	9.1
Index	6.7	0.9	26.8	6.8	7.6
Peer group benchmark	3.3	-5.9	26.4	6.4	5.3

### Index

#### MSCI World Index

##### Index usage: Comparator

The MSCI World Index is a measure of the combined performance of large and medium sized companies from developed stock markets around the world. It provides a useful comparison against which the Fund's performance can be assessed over time.

### Peer group benchmark

#### IA Global Equity

##### Peer group benchmark usage: Comparator

The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

Source: Janus Henderson Investors, as at 31 August 2023.

Note: Fund: Janus Henderson Global Sustainable Equity Fund, I Acc share class, in GBP

**Past performance does not predict future returns.**

# Sustainable development themes in practice

## ENVIRONMENTAL

CLEAN ENERGY	EFFICIENCY	ENVIRONMENTAL SERVICES	SUSTAINABLE TRANSPORT	WATER MANAGEMENT
				
Boralex Innergex	IPG Photonics Schneider Electric	DS Smith	Aptiv TE Connectivity	Advanced Drainage Systems Xylem

## SOCIAL

KNOWLEDGE & TECHNOLOGY	HEALTH	SAFETY	SUSTAINABLE PROPERTY & FINANCE	QUALITY OF LIFE
				
Microsoft Texas Instruments	Humana ICON	Progressive Shimadzu	Walker & Dunlop Autodesk	McCormick Nike

Source: Janus Henderson Investors.

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# Environmental themes – investment opportunities

<b>Clean Energy</b>	<p>A global energy mix shift to renewable and cleaner energy is crucial in order to limit global temperature increases. Additionally, battery storage will play an essential role in enabling renewables to become a mainstream source of energy by smoothing the peaks and troughs associated with variable output from solar and wind farms.</p> <p><b>SDGs 1, 2, 3, 7, 8, 9, 11, 12, 13, 14, 15</b></p>	<p><b>Renewable energy developers and operators, renewable energy technology, battery technology</b></p>
<b>Efficiency</b>	<p>Roughly two thirds of the primary energy contained in fossil fuels globally is wasted. As well as reducing emissions, efficiency gains are necessary in the use of all natural resources, including materials, food and water. At its core efficiency is about minimizing environmental impact while still providing essential goods and services to society.</p> <p><b>SDGs 1, 6, 7, 8, 9, 11, 12, 14</b></p>	<p><b>Electrical equipment, industrial process and automation technology, building materials, software and semiconductors</b></p>
<b>Environmental Services</b>	<p>The value of natural capital is not captured in economic measures and yet it is the foundation of prosperity. There are many negative impacts on the environment associated with population growth and a linear economic model. Waste management, pollution control, environmental protection &amp; remediation, and the creation of circular business models are all required.</p> <p><b>SDGs 1, 2, 3, 6, 8, 11, 12, 14, 15</b></p>	<p><b>Recycling &amp; circular economy, sustainable packaging, waste management, environmental engineering &amp; infrastructure</b></p>
<b>Sustainable Transport</b>	<p>Transportation is one of the main contributors to global greenhouse gas emissions and pollution and is a key target for government curbs. There is significant opportunity for companies at the forefront of pioneering new energy technologies, vehicle efficiency, public transport infrastructure and other low carbon solutions.</p> <p><b>SDGs 2, 3, 7, 8, 9, 11, 12, 13, 14, 15</b></p>	<p><b>Electric vehicles, electric vehicle technology, rail, public transport, shared economy, cycling</b></p>
<b>Water Management</b>	<p>Water is under pressure from both the supply side (insufficient fresh water, uneven distribution, poor quality and climate change) and the demand side (increasing use in agriculture, industry and municipal/residential areas). Substantial investment is required in infrastructure, alongside behavioral changes in order to bridge the supply gap.</p> <p><b>SDGs 1, 6, 8, 11, 12, 14</b></p>	<p><b>Water utilities, water technology, water infrastructure</b></p>

Source: Janus Henderson Investors, as at 31 December 2022.

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# Social themes – investment opportunities

<b>Knowledge &amp; Technology</b>	<p>There is a close link between sustainability and innovation. Technological innovation and the advancement of knowledge play an integral role in the development of a more sustainable economic model. The world needs companies that provide tools and services that enable greater productivity and innovation.</p> <p><b>SDGs 2, 3, 4, 5, 7, 8, 9, 12, 13</b></p>	<p><b>Software, semiconductors, AI, cloud computing, robotics, communication services, education &amp; publishing</b></p>
<b>Health</b>	<p>Ageing populations are putting systemic pressures on health provision and social care services. The demand for healthcare increases with age and the challenge will be providing affordable care and services for this growing segment of society over a longer time horizon – as life expectancies are also rising – in addition to supporting healthcare innovation to address unmet needs.</p> <p><b>SDGs 1, 2, 3, 6, 8, 12</b></p>	<p><b>Health insurance, HCIT, healthcare services, diagnostics</b></p>
<b>Safety</b>	<p>Growing populations, technological change and climate change are leading to an increase in the scope and complexity of risks. Companies with goods and services that prevent or mitigate risks are necessary to protect human life and enhance economic resilience. Examples are technology or services related to road safety, natural disasters, cyber security, food safety.</p> <p><b>SDGs 1, 2, 3, 4, 5, 8, 9, 11, 12, 13</b></p>	<p><b>Food, drug &amp; environmental testing, transportation &amp; electrical safety, public safety equipment, insurance</b></p>
<b>Sustainable Property &amp; Finance</b>	<p>Financial services play an integral role in the development of a sustainable economy. Banks provide essential products and services for savers, borrowers and business. Insurance companies contribute to economic resilience. Urbanization, demographic trends and climate change necessitate the construction of sustainable and resilient housing and other types of property used in the provision of social services.</p> <p><b>UN SDGs 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 14</b></p>	<p><b>Financial technology, insurance, Commercial and retail banks, affordable housing, digital payments</b></p>
<b>Quality of Life</b>	<p>Thousands of years of human development have resulted in rich and diverse societies with complex needs. There are many companies with goods or services that make a positive contribution to society and human culture, improving quality of life, including healthy living, sustainable consumer goods, and entertainment &amp; leisure.</p> <p><b>UN SDGs 1, 2, 3, 4, 8, 9, 11, 12</b></p>	<p><b>Entertainment &amp; leisure, sports &amp; fitness, sustainable clothing, healthy food</b></p>

Source: Janus Henderson Investors, as at 31 December 2022.

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# Composite disclosures

## Janus Henderson Global Sustainable Equity as at 30 June 2023

### **The Firm**

For the purpose of claiming GIPS compliance, Janus Henderson Investors defines its GIPS Firm as the following entities within Janus Henderson Group plc that directly manage assets: The GIPS firm was formed on January 1, 2018 as a result of the merger of the predecessor GIPS firms Janus Capital Management LLC and Henderson Global Investors, which previously claimed compliance since January 1, 1994 and January 1, 2009, respectively. Janus Henderson Investors UK Limited, Janus Henderson Investors (Singapore) Limited (excluding private equity assets), Janus Henderson Fund Management UK Limited, Janus Henderson Investors US LLC, Janus Henderson Investors Europe S.A. and Janus Henderson Investors (Australia) Institutional Funds Management Limited.

### **Compliance Statement**

Janus Henderson Investors claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JHI has been independently verified for the periods January 1, 2018 through December 31, 2022.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The verification reports are available upon request.

### **Composite Description**

Global Sustainable Equity Composite, benchmarked to the MSCI World Index, includes portfolios that aim to provide long term capital growth and increasing income by investing in equity securities worldwide. Portfolios seek to invest in companies whose products and services are considered by the portfolio managers to contribute to positive environmental or social change. The composite was created in March 2015.

### **Benchmark**

MSCI World U\$ - Total Return Index

### **Fee Disclosure**

The net returns shown are net of model investment advisory fees. Net returns are calculated monthly using the maximum fee rate in effect, adjusted for performance-based fees where applicable. Actual advisory fees can vary among clients invested in this strategy. All fees for segregated funds are negotiated individually with each client.

### **Basis of Returns**

Account returns are presented both gross and net of management fees. All account returns are net of transaction costs and gross of non-reclaimable withholding taxes, if any, and reflect the reinvestment of dividends and other earnings. Monthly composite returns are calculated by weighting each account's monthly return by its relative beginning market value.



# Composite disclosures

## Janus Henderson Global Sustainable Equity as at 30 June 2023

### **Composite Dispersion**

The dispersion of annual returns is measured by the asset weighted standard deviation of gross account returns represented within the composite for the full year. For those periods with five or fewer accounts included for the entire year, "n.m." is noted as the dispersion is not considered meaningful.

The three-year annualized ex-post standard deviation measures the variability of the monthly gross returns of the composite and the benchmark over the preceding 36 months.

### **GIPS Policies and Procedures**

The firm's policies and procedures for valuing portfolios calculating performance and preparing the compliant presentation is available on request.

### **Minimum Asset Level – Perennial Firm**

Prior to the acquisition of Perennial by Henderson on the 31st October 2015 there was a minimum asset level of \$1 million AUD for the inclusion of the portfolios in the composite for the firm. From the 1st November 2015 the minimum asset level for a portfolio to join a composite is 5 million in the reference currency of the portfolio. If the portfolio asset level descend below 3.5 million in the reference currency of the portfolio then it will be removed from the composite until it reaches again the initial minimum level required to be included.

### **Composite Currency**

The base currency for composite and benchmark returns and values is GBP

# Biographies



**Hamish Chamberlayne, CFA**

Head of Global Sustainable Equity,  
Portfolio Manager

Hamish Chamberlayne is Head of Global Sustainable Equities and a portfolio manager at Janus Henderson Investors. He was an investment manager with the firm from 2012 and joined Henderson as an investment analyst in 2011 from Gartmore, where he was an equity analyst with the global equity team. Prior to this, from 2004 to 2007, Hamish worked as a senior auditor at PricewaterhouseCoopers, where he covered a variety of sectors, including energy, technology, and communications. He began his career at Burlington Consultants in 2003 performing commercial due diligence on businesses identified as acquisition targets by private equity houses.

Hamish graduated with a master's degree in chemistry from New College, Oxford University. He holds the Chartered Financial Analyst designation and is a qualified accountant. He has 20 years of financial industry experience.



**Aaron Scully, CFA**

Portfolio Manager

Aaron Scully is a Portfolio Manager on the Global Sustainable Equities Team at Janus Henderson Investors, a position he has held since 2019. He is responsible managing a suite of global and regional sustainable equity strategies. From 2017, he was an assistant portfolio manager and was a research analyst from 2009 to 2019 focused on the real estate, infrastructure, and financial sectors. Aaron joined Janus in 2001 as a corporate financial analyst, became a research associate in 2004 and was promoted to junior equity analyst in 2007. Prior to that, he worked as a financial analyst in the financial development program at Cardinal Health.

Aaron received his bachelor of science degree in finance from Indiana University. He holds the Chartered Financial Analyst designation and has 25 years of financial industry experience.

Source: Janus Henderson Investors, as at 31 July 2023.

# Biographies



**Amarachi Seery,**  
**CEnv, MIEEnvSci, PIEMA**  
Sustainability Analyst

Amarachi Seery is a Sustainability Analyst at Janus Henderson Investors, a position she has held since 2018. Prior to joining the firm, Amarachi worked as a sustainability professional in the property sector, first as a scheme manager for BREEAM (green building certification) and later teaching others how to certify green buildings before moving into constructing them.

Amarachi earned a BSc in environmental management from the University of Hertfordshire and graduated with a master's degree in interdisciplinary design for the built environment from Cambridge University, Wolfson College. She holds the Chartered Environmentalist designation and has 15 years of sustainability experience.



**Jigar Pipalia**  
Portfolio Analyst

Jigar Pipalia is a Portfolio Analyst on the Global Sustainable Equities Team at Janus Henderson Investors, a position he has held since 2021. Prior to joining the firm, Jigar was a graduate wealth manager at Cantab Asset Management from 2019, managing high net-worth client portfolios and assisting on the European fund research team.

Jigar holds a BSc degree (Hons) in mathematics and an MSc in finance, graduating with distinction, both from the University of Bath. He holds a diploma in financial planning from the Chartered Insurance Institute and has 4 years of financial industry experience.

Source: Janus Henderson Investors, as at 31 July 2023.

# Biographies



**Steve Weeple**  
Client Portfolio Manager

Steve Weeple is the Client Portfolio Manager for several Global and Emerging Market equity strategies at Janus Henderson Investors. Prior to this he was a portfolio manager on the UK-based Global Equities Team. He joined Janus Henderson in 2017 after 16 years at Standard Life Investments, where he held a number of senior positions, including global equity portfolio manager, director of equity research, and head of US equities.

Steve earned an MA (Hons) in economics and international relations from the University of St Andrews and a diploma in investment analysis from the University of Stirling. He has 26 years of financial industry experience managing institutional and retail client assets.



**Suney Hindocha, CFA**  
Research Analyst

Suney Hindocha is a Research Analyst on the Global Sustainable Equities Team at Janus Henderson Investors, a position he has held since 2023. Prior to joining the firm, he was a long-only equity analyst at Veritas Asset Management from 2019. Before that, he served as a global emerging markets long-only equity analyst at Somerset Capital Management from 2017. He worked as a private equity associate for Macquarie from 2013 and as an analyst in Nomura's equity division from 2011. Suney began his career as an investment banking analyst at JPMorgan in 2009.

Suney graduated with bachelor's and first class MA degrees (Hons) in economics from the University of Cambridge, Trinity College. He holds the Chartered Financial Analyst designation and has 14 years of financial industry experience.

Source: Janus Henderson Investors, as at 31 July 2023.

# Biographies



**Tim Brown**

Head of UK Product Specialists

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Tim Brown is Head of UK Product Specialists at Janus Henderson Investors. Before assuming his current position in 2023, he was a senior product specialist focusing on sector and thematic equity products with the firm. Prior to joining the firm in 2018, he spent eight years at Vanguard Asset Management in several roles, most recently as a product specialist focused on active equity funds.

Tim earned a BSc degree (Hons) in business and finance from Royal Holloway University of London. He holds the CFA Institute Certificate in ESG Investing and has 14 years of financial industry experience.

Source: Janus Henderson Investors, as at 31 July 2023.

## Contact us

janushenderson.com



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