

GLOBAL NATURAL RESOURCES FUND

A high conviction natural resources fund, targeting high-quality global equity opportunities, focused on the materials, energy, agribusiness, industrial and utility sectors.

Objective

The Janus Henderson Global Natural Resources Fund (“**Fund**”) seeks to achieve a total return after fees that exceeds the total return of the S&P Global Natural Resources Index (net dividends reinvested) in AUD (“**Benchmark**”) over rolling five year periods.

About the Fund

The Fund is a long only, actively managed, global natural resources equity fund. The Global Natural Resources Team (“**Team**”) seeks to provide exposure to a diversified portfolio of global natural resource companies operating in the materials, energy, agribusiness, industrial and utility sectors. The Fund typically holds between 50-70 companies diversified by sector, market capitalisation and country.

Investment philosophy

The Team’s core belief is that a global investment approach focused on high quality natural resource assets combined with specialist investment and industry expertise is the key to superior long-term investment returns in the natural resources sub-sectors. The Team utilises extensive specialist natural resources portfolio management expertise supported by technical skills in resource identification, development, production and distribution.

The Team examines a broad stock universe of companies involved in the entire natural resources supply chain. This adds potential return and diversification and allows the Team to take advantage of cyclical price moves advantaging upstream, mid or downstream sub-sectors.

Outstanding natural resource assets, low cost and long life become the foundation of successful resource companies over the longer term.

Investment process

The Fund is actively-managed, using a fundamental bottom-up stock selection process.

Research focus

- Technical focus on the quality of resource or project to identify companies with outstanding natural resource advantages;
- Focus on important valuation catalyst events; and
- Project ‘outliers’ in terms of overall economic return.

Stock selection

Stock selection is a seven-stage process that assesses for competitive operating costs, quality, valuation, growth and ESG factors. The investment universe of several thousand companies, is screened to develop a quality watch list, typically several hundred companies, from which to select the stock portfolio.

1. **Cost curves** and margin analysis identify high margin, lower cost curve companies.
2. **Quality analysis** enables the Team to seek companies with compelling natural resource advantages. Quality parameters include ESG and Sustainability quality, management quality, balance sheet and financial strength quality.
3. **Valuation screening** primarily uses discounted cash flow analysis for long term valuation.
4. **Growth screens** incorporate organic production and earnings growth forecasts. Maintaining reserves and their intrinsic natural resource advantage are critical for long-term value generation.
5. **Stress testing** of assumptions in valuations can include sensitivity analysis of the commodity price, exchange rate, production volume, cost and margin assumptions.
6. **Catalysts** such as exploration success, financing by debt and equity providers, the development of new resource projects and progress made against ESG targets are often catalysts for stock re-ratings.
7. **Conviction discussions** highlight the key reason(s) for owning a particular stock.

Environmental, social and governance (ESG) considerations

Responsible investment is an integral part of the investment process. Our belief is that key areas of concern and performance need to be identified, monitored and measured actively with the companies in our portfolios.

We believe that companies that adhere to sustainable practices are likely to be best prepared for the future and will tend to demonstrate superior, risk-adjusted returns. Our investment decision-making, engagement and ownership activities will be informed by internationally recognised standards, quality external sector/thematic research and company-level ESG performance data.

As owners, we seek to engage with companies on material ESG issues that may adversely impact company valuation. Janus Henderson's in-house Governance and Responsible Investment (GRI) team work with the Team to assist in identifying and analysing key ESG issues for the Fund's existing and potential investments.

Key reasons to invest in the Fund

Achieve long-term capital appreciation from global natural resources: The Fund invests in companies the Team believes to be best placed to benefit from the ongoing demand for natural resources, with allocations actively managed to target the most compelling opportunities up and down the supply chain.

Aims to differentiate and deliver lower volatility: The Fund primarily invests in high quality, liquid assets from a global selection universe of materials, energy, agribusiness, industrial and utility sectors companies to further diversify the portfolio.

Identify investment 'sweet spots' ahead of catalyst: With expertise in metals and mining, agricultural and energy, the Team seeks to pre-empt investment triggers and stock price appreciation.

The Team

The team of four experienced natural resource investment specialists combine their skills in finance with qualifications and industry experience in geology, mining engineering and metallurgy (average of over 33 years per team member). The Team manages in excess of \$781mn (as at 30 June 2021) on behalf of institutional and retail clients.

Key facts about the Fund

APIR code	ETL0331AU
ASX mFund	NWG01
Inception date	1 July 2012
Benchmark	S&P Global Natural Resources Index (net dividends reinvested) in AUD
Risk profile	Very High
Minimum initial investment	\$25,000
Management fee	1.10% p.a.
Buy/Sell spread	0.25%/0.25%
Unit pricing frequency	Daily
Income distribution	Semi-annually (if any)

Please refer to the Product Disclosure Statement for further information.

For more information and most up to date buy/sell spread information visit www.janushenderson.com/en-au/investor/buy-sell-spreads

Researcher ratings (for adviser use only)



Platform availability

- | | |
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INVESTORS

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