

GLOBAL AND INTERNATIONAL EQUITIES

# GLOBAL SUSTAINABLE EQUITY

Investing with Positive Impact

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COMMITTED TO THE PRESENT, FOCUSED ON THE FUTURE



# THREE DECADES OF DOING WHAT WE SAY WE DO

## Investment Team

**Hamish Chamberlayne, CFA**  
Head of Global Sustainable Equity, Portfolio Manager

**Aaron Scully, CFA**  
Portfolio Manager

**Amarachi Seery, CEnv**  
Sustainability Analyst

## STRATEGY OVERVIEW

- ▶ Established strategy built on a 30-year history of sustainable investing and innovative thought leadership
- ▶ High-conviction portfolio with a focus on companies selected for their compounding growth potential and positive impact on the environment and society
- ▶ Commitment to provide clients with high standards of engagement, transparency and measurement

**1987** Definition of Sustainable Development

**1991** UK Sustainable Investment Forum

**1993** Pensions and Lifetime Savings Association (PLSA)

**2002** Institutional Investors Group on Climate Change (IIGCC)

**2006**  
Founding signatory of UN Principles of Responsible Investment (UNPRI)

**2016** The Investor Forum

**2017** Business Benchmark on Farm Animal Welfare

**2019** Global Impact Investing Network (GIIN)

**1991**  
Janus Henderson Global Sustainable Equity Strategy Launch

**2000** Carbon Disclosure Project (CDP)

**2004** Access to Medicine Index

**2005** European Sustainable Investment Forum

**2014** Asian Corporate Governance Association

**2017** Climate Action 100+

**2018** Supporter Taskforce on Climate-related Financial Disclosures (TCFD)

**2020**  
Cofounded Net Zero Carbon 10 (NZC10) Initiative

## TEAM'S ACTIONS WITHIN:

○ Environmental    ○ Social    ○ Governance    ○ General ESG

## Megatrends

We believe the sustainability challenge is captured by four megatrends which are putting enormous pressure on the global economy: Population growth, aging population, resource constraints and climate change. In our view, these four have significant implications not just from an environmental and social perspective but also from a financial and investment perspective.

### Environmental and Social Megatrends Pressuring the Global Economy

#### POPULATION GROWTH

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



Societal and cultural changes accompany projected population growth. It is important to consider issues such as age, gender, race, ethnicity, religion and inequality.

#### AGING POPULATION

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



Additional goods and services need to be considered such as health care services, financial security and social protection, as well as businesses that offer solutions that address declining workforce participation and rising dependency ratios.

#### RESOURCE CONSTRAINTS

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



The ability of the global economy to generate adequate wealth to support social trends relies on companies that protect, enhance or enable more judicious use of natural capital by increasing efficiency, adopting circular business models, and mitigating and reducing pollution.

#### CLIMATE CHANGE

The greatest environmental and social challenge the world has ever faced



A transition to a low-carbon economic model is paramount.  
Companies producing goods and services that contribute to the mitigation, prevention and eradication of climate change are key.

“ 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

Our Investment Philosophy

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, while at the same time helping us stay on the right side of disruption.

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

Investment Process

Our four pillars for a sustainability-driven investment strategy

There are four pillars to the sustainable investment process, which incorporates both positive and negative selection criteria and includes product and operational impact analysis. It is through this rigorous stock selection process that the investment managers add value for their clients.

- 1. **Positive impact:** Ten sustainable development themes guide idea generation and identify long-term investment opportunities.
- 2. **Do no harm:** Strict avoidance criteria are adopted. We will not invest in activities that contribute to environmental and social harm. This also helps us avoid investing in industries most likely to be disrupted.
- 3. **“Triple-bottom-line” framework:** Fundamental research evaluates how companies focus on profits, people and the planet.
- 4. **Active management and engagement:** Collaborative, collective and continuous engagement are key aspects of the process to construct a differentiated portfolio with a typically high active share (>90%).

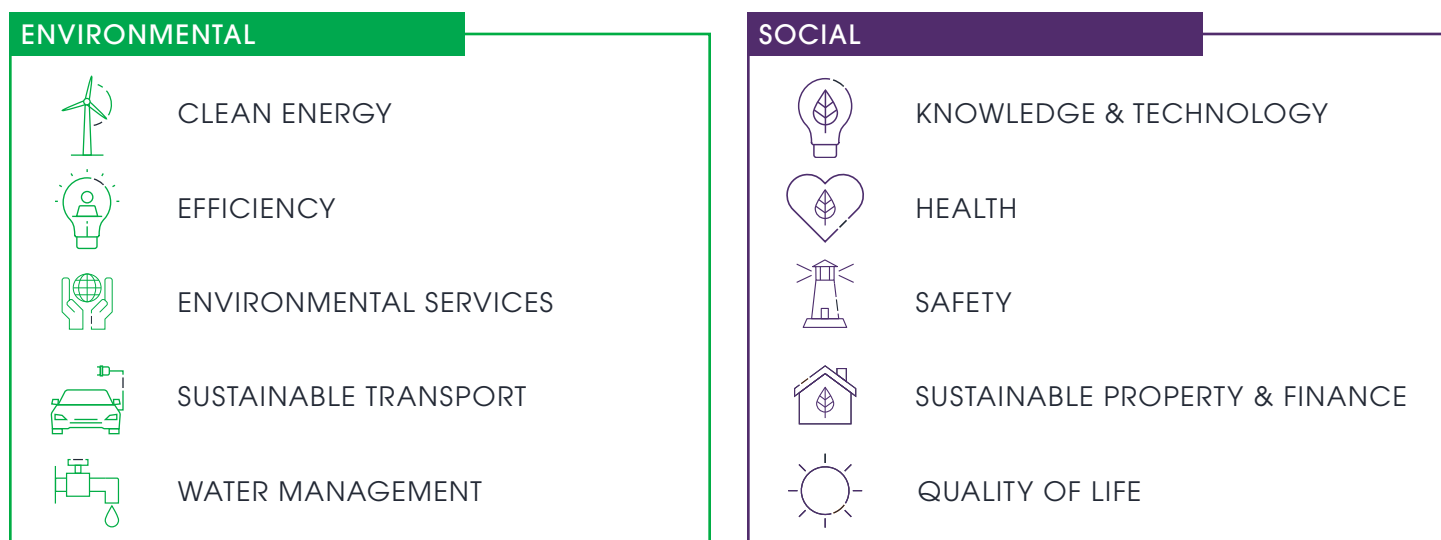


High-conviction, positive impact global equity portfolio with 50–70 holdings

## Invest with Positive Impact

### Our Ten Sustainable Development Investment Themes

Derived from the four megatrends are 10 environmental and social themes which help us identify companies with positive impact and long-term compounding growth characteristics.



## Our Low-Carbon Approach to Investing

### Explicitly Low-Carbon Global Equity Strategy: Five 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 that are providing solutions to drive the transition to a low-carbon economy: renewables and batteries, efficiency and electrification, semiconductors, buildings and design

## Do No Harm, Avoidance Criteria

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.

- FOSSIL FUEL EXTRACTION & REFINING
- FOSSIL FUEL POWER GENERATION
- NUCLEAR POWER
- CHEMICALS OF CONCERN
- CONTENTIOUS INDUSTRIES
- INTENSIVE FARMING & MEAT PRODUCTION
- ANIMAL TESTING
- FUR

- ALCOHOL
- ARMAMENTS
- GAMBLING
- PORNOGRAPHY
- TOBACCO
- HUMAN RIGHTS
- SLAVERY
- CORRUPTION & BRIBERY

## Portfolio Management and Resources

Highly experienced, interdisciplinary team supported by a large global network

### GLOBAL SUSTAINABLE EQUITY INVESTMENT TEAM



**Hamish Chamberlayne, CFA**  
Head of Global Sustainable Equity,  
Portfolio Manager

- Portfolio Manager since 2012
- 14 years at the firm and 18 years of financial industry experience
- London based



**Aaron Scully, CFA**  
Portfolio Manager

- Portfolio manager since 2017
- 20 years at the firm and 23 years of financial industry experience
- Denver based



**Amarachi Seery, CEnv**  
Sustainability Analyst

- 3 years at the firm and 13 years of sustainability experience
- London based

### GLOBAL RESEARCH NETWORK

#### eQuantum

Proprietary research tool

#### Regional Investment Teams

- Global Equity
- Europe Equities
- UK Equities
- Japanese Equity
- Asia Equity
- Emerging Market Equity

#### Centralized Research

- 33 sector specialists with an average of 16 years of financial industry experience

#### Specialized Research

- Technology
- Property
- Global Natural Resources
- Fixed Income

### RISK MANAGEMENT NETWORK

- Governance & Responsible Investment Team
- Ethical Oversight Committee
- Portfolio Risk & Analytics
- Investment Risk Management
- Investment Compliance

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## Portfolio Characteristics

Strategy AUM	\$3.2 Billion (as of 03/31/21)
Number of Holdings	50-70
Benchmark	MSCI World Index
Expected Turnover	<30%
Typical Active Share	>90%
Expected Tracking Error Range	3-6% pa
Morningstar Category	World Large Stock
Available Vehicles	U.S. Mutual Fund Separately Managed Account Separate Account

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“ We believe that a sustainable and responsible investment approach should not compromise the potential for long-term performance. Our analysis identifies quality companies that are supportive of a sustainable global economy.”

HAMISH CHAMBERLAYNE, CFA  
PORTFOLIO MANAGER



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INVESTORS

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performance and exposures to differ from, and potentially be more concentrated in certain areas than, the broader market.

Foreign securities are subject to additional risks including currency fluctuations, political and economic uncertainty, increased volatility, lower liquidity and differing financial and information reporting standards, all of which are magnified in emerging markets.

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**Active Share** represents the portion of portfolio holdings that differ from an index.

**Tracking Error** is the divergence between the price behavior of an investment and an index.

**Turnover** is a measure of portfolio trading activity. Higher turnover may indicate higher transaction costs and vice versa.

**MSCI World Index<sup>SM</sup>** reflects the equity market performance of global developed markets.

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