

DECONSTRUCTING SUSTAINABLE DESIGN

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Source: https://commons.wikimedia.org/wiki/File:Park_Royal_on_Pickering_at_dusk_from_Hong_Lim_Park_Singapore.jpg

WHAT IS DESIGN?



John Heskett, a scholar and lecturer on the economic, political, cultural and human value of industrial design, stated that:

“

Design, stripped to its essence, can be defined as the human capacity to shape and make our environment in ways without precedent in nature, to serve our needs and give meaning to our lives.”

Lu YongZhong, Chinese designer and philosopher

“

Boundless. Design will always continue. We must continuously use the language of design to express ourselves. We're always in a new stage with new things to express because we are always growing.”



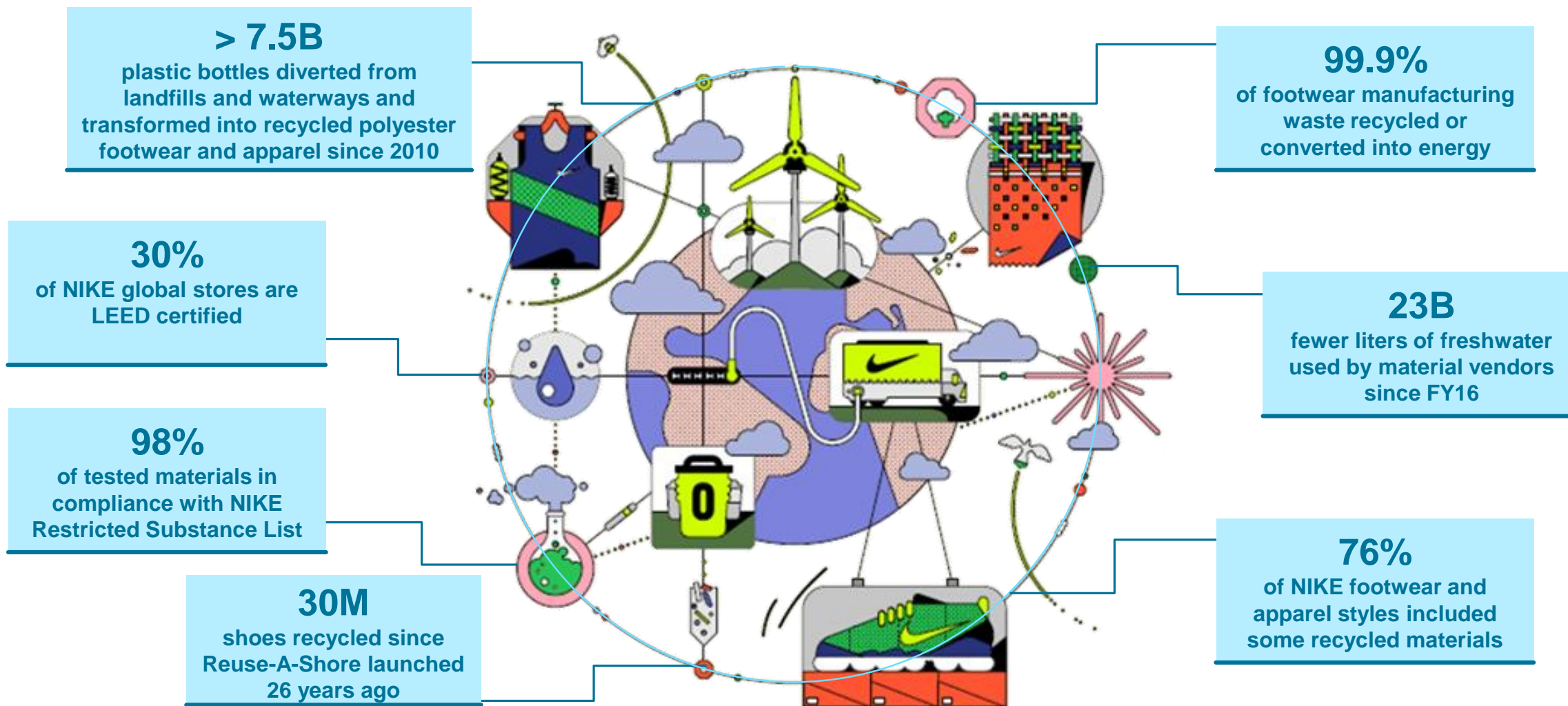
DESIGN: INTENTIONALITY. IMPACT.



INCORPORATING CIRCULARITY INTO DESIGN



NIKE'S SUSTAINABILITY IMPACT



Source: Nike Annual Impact Report 2019

JANUS HENDERSON GLOBAL SUSTAINABLE EQUITY



JANUS HENDERSON GLOBAL SUSTAINABLE EQUITY

Environmental and social megatrends pressuring the global economy

RESOURCE CONSTRAINTS



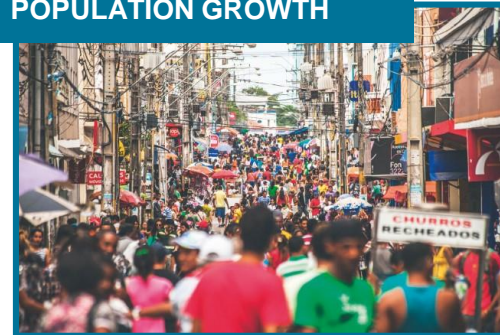
AGING POPULATION



CLIMATE CHANGE



POPULATION GROWTH



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 alpha source, deliver future compound growth, and better capital preservation.

JANUS HENDERSON GLOBAL SUSTAINABLE EQUITY

Defining characteristics

- Twenty nine 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.

Strategy overview

Inception Date

31 July 1991

Fund Assets

£1.3 Billion (as at 30/11/2020)

Strategy Assets

£1.8 Billion (as at 30/09/2020)

Available Vehicles

UCITS Mutual Fund
Separate Accounts
US Mutual Fund

Number of Holdings

50 – 70

Benchmark

MSCI World Index

Expected Turnover

<30%

Typical Active Share

>90%

Expected Tracking Error Range

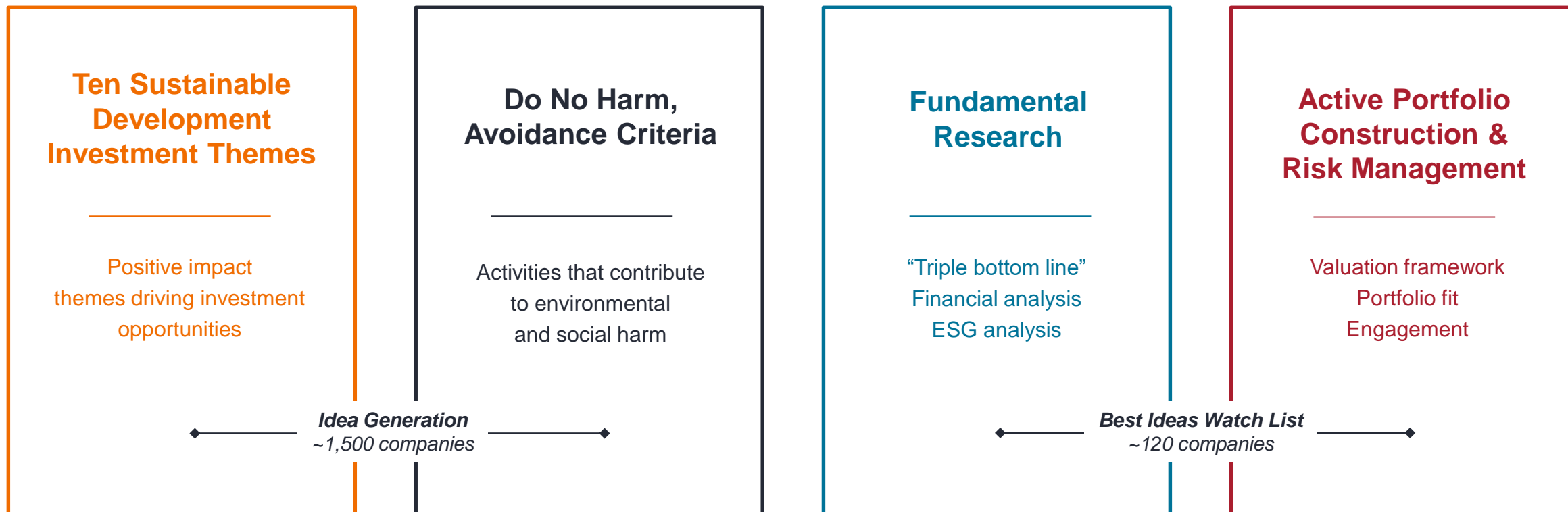
3% – 6%

Source: Janus Henderson Investors, as at 30 November 2020

Note: 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. Please refer to the Prospectus for the broader parameters within which the Fund may operate.

INVESTMENT PROCESS OVERVIEW

The four pillars of a sustainability driven investment strategy



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

Note: There is no assurance that the investment process will consistently lead to successful investing.

IDENTIFYING SUSTAINABLE INVESTMENT OPPORTUNITIES

There are a myriad of investment opportunities arising from the migration towards a more sustainable global economy. We believe our ten environmental and social themes help us identify companies with positive impact and long-term compounding growth characteristics.

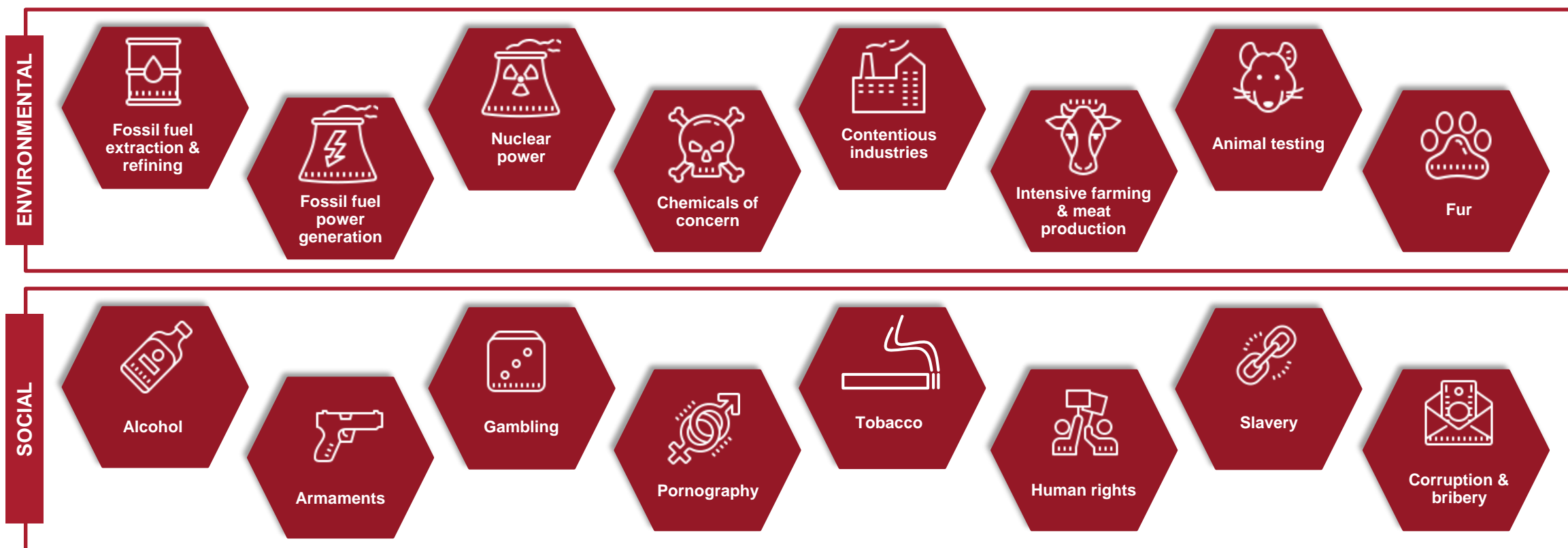
Identifying companies on the right side of environmental and social trends



AVOIDING ENVIRONMENTAL AND SOCIAL HARM

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.

Avoiding companies on the wrong side of environmental and social trends



Note: Please reference our Investment Principles document for complete avoidance criteria descriptions.

PORTFOLIO CONSTRUCTION

High-conviction portfolio with high active share

Position Sizing

Substantial > 2.00%

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

Standard 1.50% – 2.00%

- Initial position size for investments that meet all our portfolio entry requirements and have good liquidity

Small 0.25% – 1.00%

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

Portfolio Construction

- 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

INVESTING WITH THE INTENTION OF POSITIVE ENVIRONMENTAL AND SOCIAL IMPACT



Note: Reference to individual companies or any securities is purely for the purpose of information only and should not be construed as a recommendation to buy or sell the same

PORTFOLIO CHARACTERISTICS

Top Ten Holdings (%)

Holdings	Theme	Fund (%)
Microsoft	Knowledge and Technology	5.0
Adobe	Knowledge and Technology	3.3
Lam Research	Knowledge and Technology	3.3
Autodesk	Knowledge and Technology	3.2
Nintendo	Quality of Life	2.8
salesforce.com	Knowledge and Technology	2.7
Taiwan Semiconductor Manufacturing	Knowledge and Technology	2.7
Humana	Health	2.5
Schneider Electric	Efficiency	2.3
Encompass Health	Health	2.3

Exposure by Market Cap (%)

Market Cap	Fund (%)	MSCI World Index (%)
> £100bn	23.53	38.39
£50bn – £100bn	10.59	16.50
£10bn – £50bn	45.60	35.35
£5bn – £10bn	7.45	7.19
< £5bn	9.68	2.58

Portfolio Exposure by Sector (%)

Sector	Fund (%)	MSCI World Index (%)
Information Technology	42.6	21.6
Industrials	12.6	10.7
Financials	11.2	12.8
Consumer Discretionary	9.0	11.9
Health Care	5.3	13.1
Utilities	5.3	3.2
Real Estate	4.5	2.7
Communication Services	3.3	8.9
Materials	2.2	4.5
Consumer Staples	0.8	7.8
Energy	0.0	2.8

Source: Janus Henderson Investors, FactSet, as of 30 November 2020

Note: Sector weights based on GICS. References made to individual securities and commodities should not constitute or form part of any offer or solicitation to issue, sell, subscribe or purchase, and neither should be assumed profitable. Holdings are subject to change without notice.

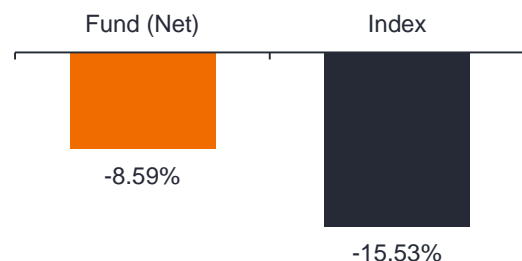
2020 PERFORMANCE REVIEW

A portfolio of resilient companies leading to resilient performance

1Q 2020

(01/01/20 – 31/03/20)

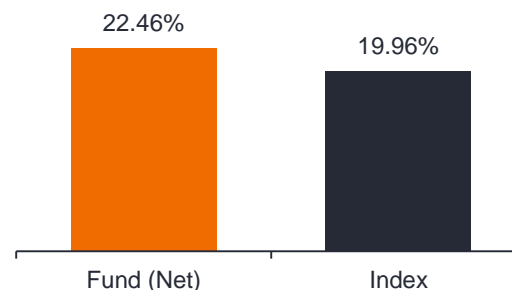
- Portfolio performance aided by our bias against balance sheet leverage.
- Fossil fuel exposed names were significant underperformers due to the decline in commodity prices.
- A number of our companies proved antifragile during the pandemic including in telemedicine, software as a service, and technology infrastructure.



2Q 2020

(01/04/20 – 30/06/20)

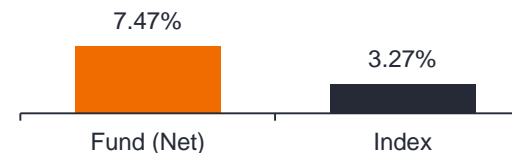
- Opportunistically took advantage of the market volatility in Q1 to increase positions in names that irrationally sold off. These additions played a role in outperformance in Q2 and Q3.
- The quarter continued a trend in Q1 of rewarding companies exposed to the increased digitalisation of society.



3Q 2020

(01/07/20 – 30/09/20)

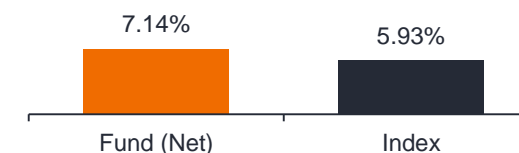
- Names supporting the transition to a low-carbon economy including renewables and electric vehicles were significant outperformers.



4Q 2020

(01/10/20 – 30/11/20)

- Strong performance from several of the more pro-cyclical names in the portfolio as the market moved higher on optimism of an economic recovery due to vaccine news.
- Biden win and Brexit deal also positive for names exposed to global trade and IP growth.



Source: Janus Henderson Investors, Morningstar Workstation, as at 30 November 2020

Note: Fund performance for the OEIC is based on the I Acc share class, based on midday pricing, in GBP

Index: MSCI World – Index usage: Comparator For a full description of the benchmark usage please refer to the appendix.

Past performance is not a guide to future performance.

FUNDAMENTAL RESEARCH – “TRIPLE BOTTOM LINE”

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

Positive Impact Analysis:

Is the world a better place because of this company?

- Analyse companies’ products or services’ positive societal impact
- Require 50% of revenue derived from one of our positive impact themes
- Strong management of ESG operational risks
- Engage with a non-standard research network (e.g. NGOs, school teachers, social workers)

Financial Analysis:

Is there a large growth opportunity?

- Potential for multi-year revenue compounding
- Culture of innovation
- Financial resilience:
 - Durable business models
 - Predictability of revenues
 - Consistency of margins and cash flow
 - Strong balance sheet

Companies focusing on the three Ps of the “triple bottom line”

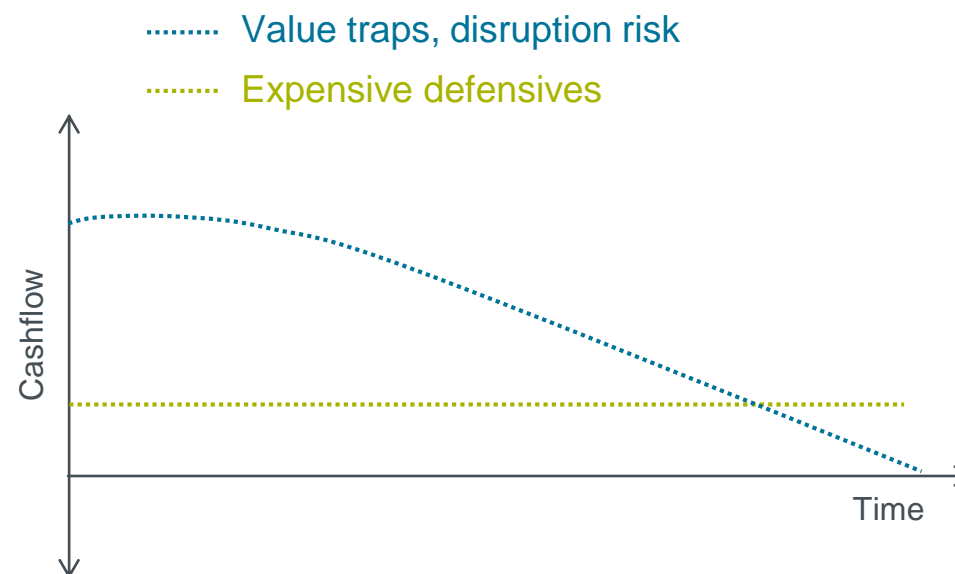
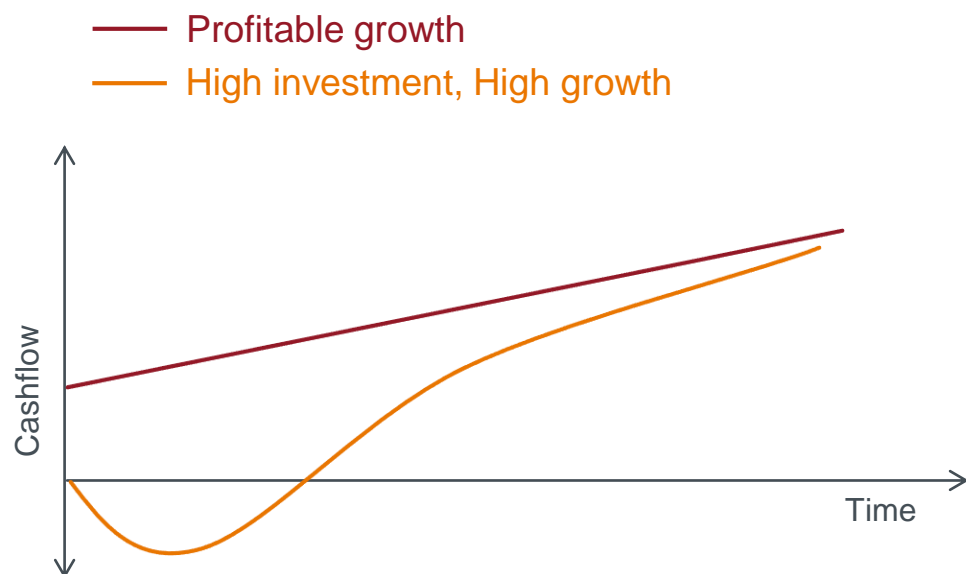


Note: The triple bottom line (TBL) is a framework or theory that recommends that companies commit to focus on social and environmental concerns just as they do on profits.

OUR 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.

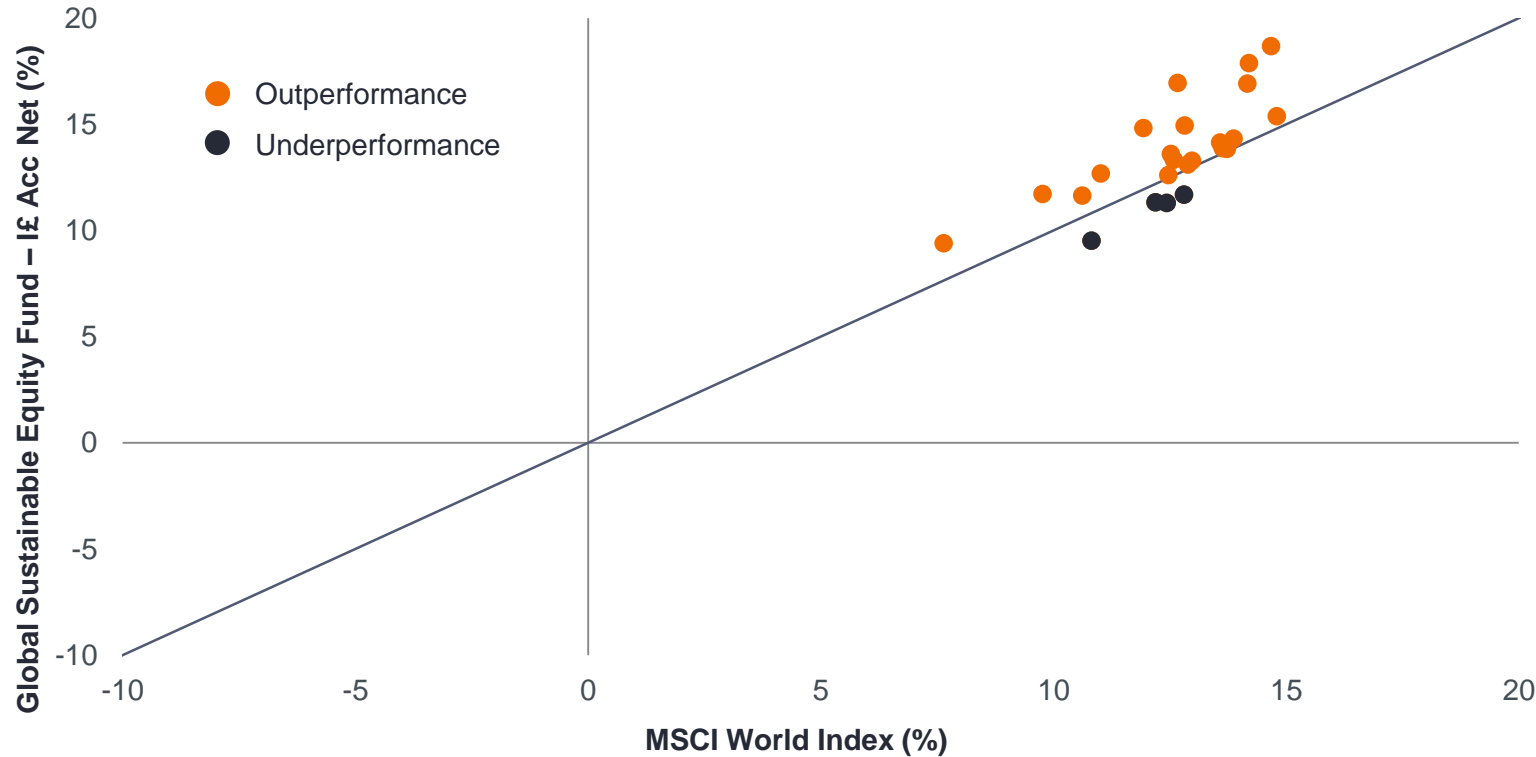


Note: The example provided is hypothetical and used for illustrative purposes only.

PERFORMANCE: LONG-TERM CONSISTENCY

Annualised Monthly Rolling 5 Year Performance

Since PM Inception*



83% of the time

Global Sustainable Equity Fund
outperformed the MSCI World Index
20 of 24 periods, or 83% of time

Source: Janus Henderson Investors, Morningstar Workstation, as at 30 November 2020

Note: Fund performance for the OEIC is based on the I Acc share class, based on midday pricing, in GBP

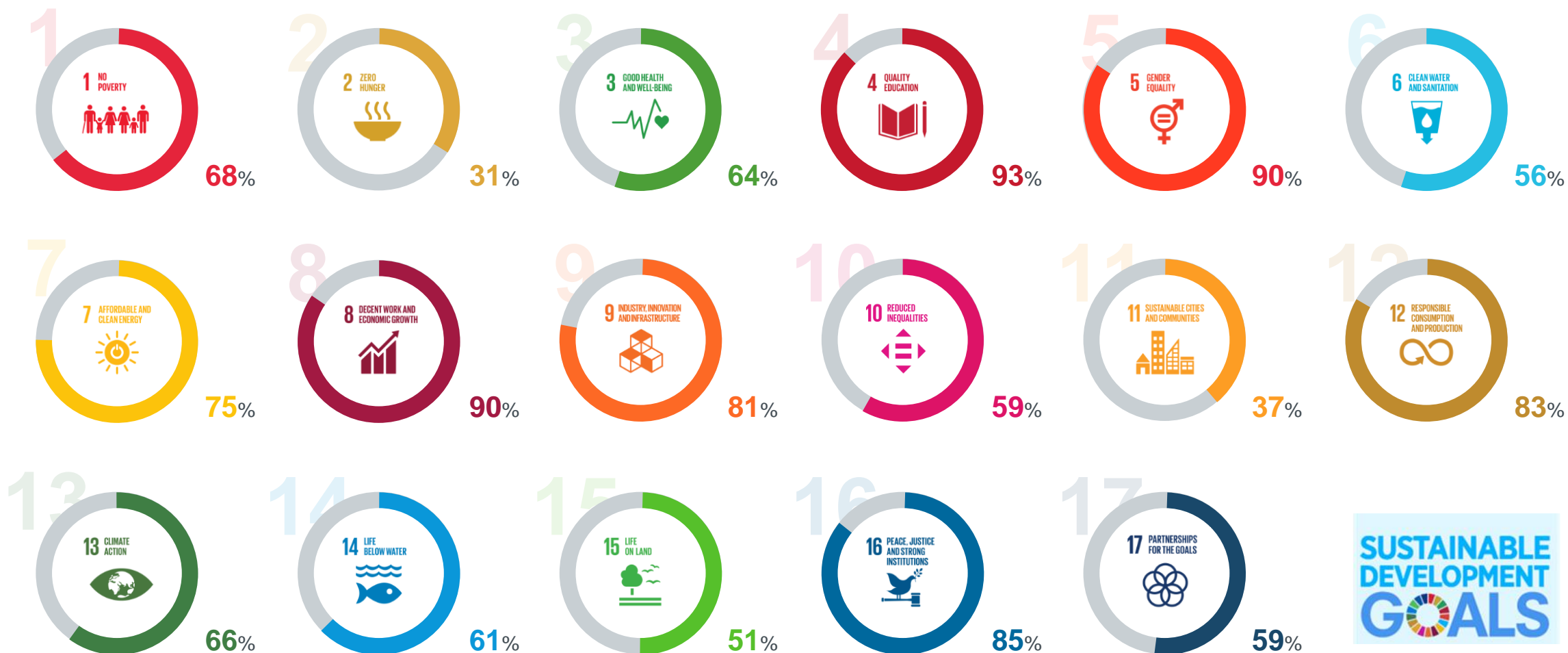
Index: MSCI World – Index usage: Comparator For a full description of the benchmark usage please refer to the appendix.

*Hamish Chamberlayne became PM December 2013.

Past performance is not a guide to future performance.

INTENTIONALITY. RESULTS.

Portfolio contribution to each UN SDG



Source: Janus Henderson Investors

APPENDIX

BIOGRAPHY



Hamish Chamberlayne, CFA

Head of Global Sustainable Equity | Portfolio Manager

Hamish Chamberlayne is Head of Global Sustainable Equities at Janus Henderson Investors. He is also Portfolio Manager of the Janus Henderson Global Sustainable Equity and Institutional Global Responsible Managed strategies, a role he has had since 2013. He was an investment manager with the firm from 2012. Hamish 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 he 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 18 years of financial industry experience.

Source: Janus Henderson, as at 31 December 2020

GLOBAL SUSTAINABLE EQUITY FUND

Annualised Performance (%)	5 Year	10 Year	Since Inception (31 July 1991)
Fund – I Acc GBP (Net)	17.88	14.04	9.14
MSCI World Index	14.19	12.53	9.00
IA Global Equity	12.67	9.92	7.75

Discrete Performance (%)	I Acc GBP (Net)	Index	Peer Group Benchmark
30 Sep 2019 – 30 Sep 2020	24.33	5.79	6.79
30 Sep 2018 – 30 Sep 2019	10.45	8.38	5.87
30 Sep 2017 – 30 Sep 2018	15.43	15.07	11.70
30 Sep 2016 – 30 Sep 2017	17.12	15.05	14.79
30 Sep 2015 – 30 Sep 2016	26.94	30.63	26.78

Index Description

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 Description

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 30 November 2020. Discrete performance as at 30 September 2020.

Note: Investment objective: The Fund aims to provide capital growth over the long term (5 years or more).

Index: MSCI World Index, usage: comparator. Peer group benchmark: The Investment Association (IA) usage: comparator

Past performance is not a guide to future performance.

Contact us

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