

SUSTAINABLE AND RESPONSIBLE INVESTMENT











Janus Henderson
INVESTORS

Janus Henderson Global Sustainable Equity Fund
Positive impact stocks, 31 December 2017



For promotional purposes

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Janus Henderson Global Sustainable Equity Fund

Hamish Chamberlayne, manager of Janus Henderson's Global Sustainable Equity Fund, introduces his team's approach to stock selection.

Our investment principles lead us to invest in businesses that have a positive impact on society and the environment by virtue of the products or services they sell, and by the way in which they manage their operations, thereby supporting the United Nations Sustainable Development Goals (UN SDGs). We use a thematic framework (see diagram below) to identify those businesses that are strategically aligned with the four megatrends of climate change, resource constraints, population growth, and an ageing population and, by virtue of this, offer the potential for sustainable revenue growth.

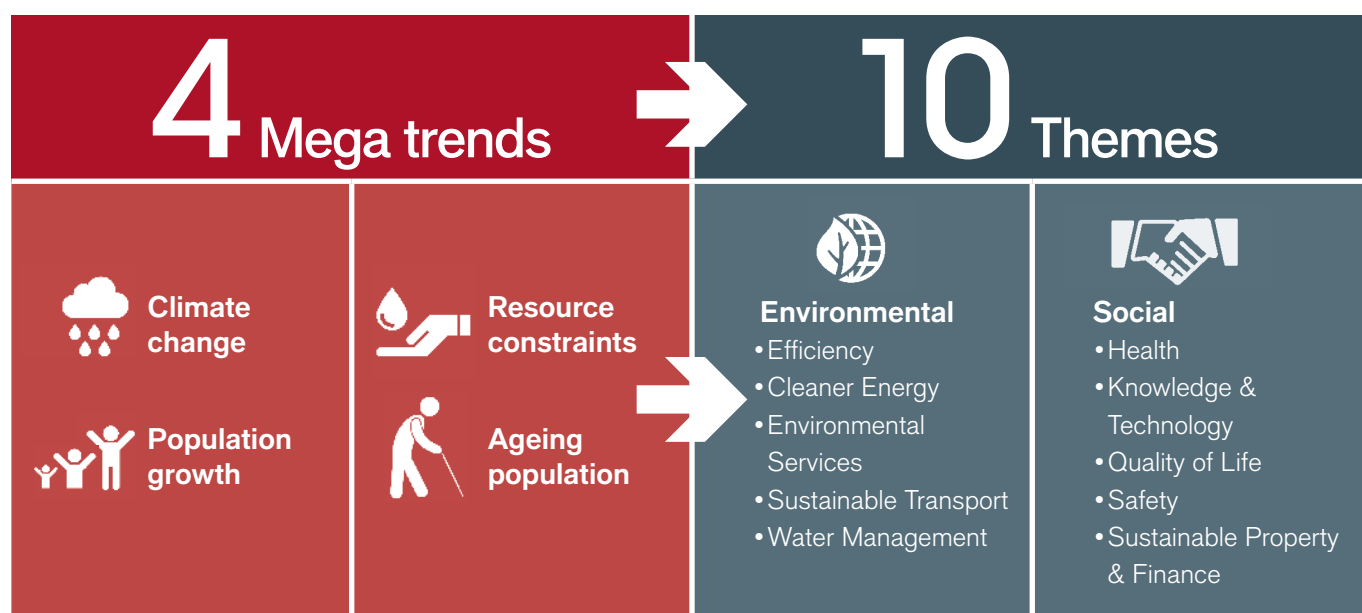
There are two sides to sustainable investing, however. We believe it is equally important to avoid investing in companies whose products or services negatively impact the environment or society and which are contrary to the UN SDGs. For this reason, we have made a conscious decision to avoid direct investments in fossil fuels, tobacco, weapons, alcohol, meat and dairy production, fast food and sugary drinks, toxic chemicals, and fur. It is a sad fact that many of the world's largest companies have products that are contrary to the development of a sustainable economy. Many consumer brands manufacture food and drink products that contribute to poor human health and environmental destruction: sugary snacks and drinks contribute to rising rates of obesity and heart disease; snacks and cosmetics often contain palm oil from unsustainable sources; while beef farming has an extremely high negative environmental impact (with cattle feed production contributing to deforestation, excessive pesticide and fertiliser application, and unsustainable fresh water use). Many global

cosmetic companies test their products on animals even though it is no longer necessary, and companies such as Amazon and eBay support the fur trade. Most global chemical companies produce chemicals that are banned in certain jurisdictions or that are on non-governmental organisations' (NGOs) lists of concern.

Yet there are plenty of companies that have come to recognise that a sustainable approach to delivering goods and services and providing solutions to social and environmental problems can be a profitable enterprise.

The following pages introduce stocks favoured by Janus Henderson's Global Sustainable Equity Fund, grouped by theme, together with an explanation of the positive environmental and/or social impact that the manager has identified for each company.


Positive impact stocks = 1. These are stocks that the manager has identified as providing products or services that contribute in a beneficial way to the environment and/or society. **2.** The manager believes this type of investing promotes a responsible economy, supports sustainable industry, and they believe it makes good investment sense. **3.** The manager's view is that these types of company will thrive as the world confronts the challenges posed by key megatrends: climate change, resource constraints, population growth and ageing populations.




Source: Janus Henderson Investors, as at 31 December 2017.


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Positive impact stocks

THEME	STOCK	POSITIVE IMPACT
 Cleaner Energy	Boralex	Boralex develops and operates renewable power facilities in Canada, France, and the US. It specialises in wind and run-of-river hydroelectric projects. It is committed to minimising the environmental impact of its projects, avoiding encroachment on farmland and threats to biodiversity.
	Panasonic	Panasonic is a world renowned consumer electronics manufacturer, headquartered in Japan. It has one of the leading global franchises in lithium ion battery technology and, partnered with Tesla in the construction of the Gigafactory (the world's largest battery factory), it stands to play a central role in both the mass adoption of electric vehicles and power storage solutions that will enable increased penetration of renewable energy generation. Panasonic also has strong capabilities in smart technologies associated with improving building efficiency.
	SolarEdge Technologies	SolarEdge is a leading global provider of inverters for solar photovoltaic (PV) systems, and is headquartered in Israel. Inverters convert the direct current produced by sunlight into the alternating current used in building electrics. SolarEdge has invented an intelligent inverter solution that maximises power generation at the individual PV module-level while lowering the cost of energy produced by the solar PV system.

THEME	STOCK	POSITIVE IMPACT
 Efficiency	Acuity Brands	Acuity Brands is a North American lighting company that supplies a full range of indoor and outdoor lighting solutions. It specialises in light-emitting diode (LED) technology and building controls. LED lighting is often called digital lighting: in addition to energy savings of up to 80%, LED lighting is a key enabler of the 'Internet of Things' (IoT) due to its ability to sense and transmit data.
	Hubbell	Hubbell is a North American manufacturer of electrical, lighting and power components. Its products are designed to increase electrical efficiency, reliability and safety, and include low voltage systems, wiring devices, LED lights, and smart controls and power components used in electrical grids. The increasing electrification of the economy is a necessary requirement for a successful transition to a low carbon world. Hubbell supplies the infrastructure that will enable this.
	IPG Photonics	IPG Photonics is the leading global manufacturer of high-performance fibre lasers, and is headquartered in North America. Fibre lasers are up to 20 times more energy efficient than traditional industrial lasers and their use leads to material energy savings and a reduction in carbon emissions. They also have low running costs, requiring no consumables or scheduled maintenance, such as lamps or bars to replace, meaning less waste is produced. Fibre lasers have a large number of applications and they are transforming industrial manufacturing processes, medical technology, and consumer entertainment.
	Kingspan Group	Kingspan Group , headquartered in Ireland, is the global leader in high performance insulation, building fabric and solar-integrated building envelopes. Buildings account for more than one third of primary energy consumption and therefore it is imperative to increase their efficiency in order to meet carbon reduction targets. Kingspan calculates that its existing installed base of insulation systems are contributing to an annual saving of 27 million tonnes of CO ₂ . That is equivalent to the annual output of 47 power stations, 14 million cars or roughly three times the annual electricity consumption of Greater London.
	Kone	Kone is a global leader in the elevator and escalator industry. It is exposed to the mega trends of population growth, ageing populations, and urbanisation, providing solutions to improve the flow of urban life. Today, cities account for approximately 2% of the world's land mass but 75% of global energy consumption and about 70% of man-made carbon emissions (source: UN-Habitat). Reducing the environmental impact of urban areas is, therefore, essential for a sustainable future. Kone is a leader and pioneer in developing eco-efficient solutions in the elevator and escalator industry, with some of their current elevators being up to 90% more energy efficient than models from the 1990s.
	Microchip	Microchip designs and manufactures microcontrollers and analog semiconductors. Its embedded control solutions are the foundational building blocks of the IoT. Microcontrollers are small, low cost, computing devices that are embedded into products to help control and manage their operations. They are being used in a wide variety of applications from household appliances, such as air conditioning, fridges and cookers, to cars and industrial machinery. In all cases, they are improving the efficiency with which energy and power are generated and consumed.

Positive impact stocks

THEME	STOCK	POSITIVE IMPACT
 Efficiency	National Instruments	National Instruments designs, manufactures and sells systems to engineers and scientists that accelerate productivity, innovation, and discovery. The company's software-centric platform provides integrated software and modular hardware that speeds the development of systems requiring measurement and control. The company appears well placed to benefit from electrification-led innovation in the auto industry, the movement to 5G (fifth generation wireless systems) in the communications industry, and growth in the IoT.
	Nidec	Nidec is the world's leading manufacturer of high efficiency brushless DC (direct current) motors and has a global market share of more than 50%. These types of motors can reduce power consumption by 20-30% and are used in many different applications including data centre memory storage, household appliances, electric vehicles, and robotics. By some estimates, motors account for approximately half of the world's power consumption and so increasing their efficiency will have a positive impact on reducing carbon dioxide emissions.
	Omron Corporation	Omron is a Japanese manufacturer of sensing and control technology. The company's core value is "working for the benefit of society" and a common aspect of its many different products is in their application towards solving environmental or social problems. Greater use of sensing and control technologies is necessary to harness the power of big data and the IoT. Omron is exposed to several favourable long-term trends, such as increased factory automation, workplace safety, renewable energy, healthcare diagnostics, and public transportation.
	Schneider Electric	Schneider is a world leading electrical goods and automation technology company, headquartered in France. It has a broad product offering including low voltage and building automation technology for residential and commercial buildings, medium voltage and grid automation equipment for utility and infrastructure customers, discrete and process automation services for industrial customers, and critical power and cooling technology for datacentre customers. All of its products and services are designed to increase efficiency and reduce the carbon intensity of its customers' operations.
	Trimble	Trimble is a global provider of global positioning systems- (GPS) based productivity tools, principally for the construction, engineering, agricultural and transportation industries. Its software solutions are designed to enable customers to realise a transformational change in productivity in their businesses. Applications include building construction site management, precision farming, crop planting analytics, water management, and efficient route planning in logistics. Customers benefit from reduced waste, improved safety, and lower environmental impact in their operations.

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Positive impact stocks


THEME	STOCK	POSITIVE IMPACT
 Environmental Services	Arcadis	Arcadis is an environmentally-focused engineering and consulting firm, headquartered in the Netherlands. It is one of the leading global natural and built asset design and consultancy firms. Key divisions are infrastructure, environment, water, and buildings. It performs a variety of services, from sustainable building design to environmental remediation to water infrastructure.
	Avery Dennison	Avery Dennison is a global provider of packaging and label solutions, headquartered in the US. Its products are designed to reduce waste and increase the recyclability of packaging. It also offers an environmental impact analysis tool which enables customers to perform lifecycle analysis on their label and packaging materials. 'Greenprint' allows customers to calculate their consumption of water, electricity, fossil material and bio-material necessary for a product, along with the amount of solid waste and greenhouse gas emissions that will result. Avery Dennison can then show customers how to reduce these impacts through more efficient design or the use of recycled materials.
	DS Smith	DS Smith is a leading manufacturer and recycler of corrugated packaging products in Europe. Its recycling and packaging operations are closely integrated, to the extent that it takes as little as 14 days for a cardboard box to be made, used, collected, recycled, pulped, pressed and made back into a cardboard box again. The company aims to create a completely circular supply chain, thereby achieving zero waste. This commitment to sustainable packaging solutions is enabling customers to reduce the environmental impact of their products.
	Tomra Systems	Tomra is a leading global provider of recycling systems, headquartered in Norway. It invented reverse vending machines, which are used to recycle beverage containers. It is also a leader in sensor-based technology used in waste recognition and sorting.

Positive impact stocks


THEME	STOCK	POSITIVE IMPACT
 Health	AIN Holdings	AIN Holdings is the largest dispensing pharmacy in Japan, which is the first country in the world to become a super-ageing society. Average annual drug expenditure is 2.5x greater for the age cohort over 65 years and 3x greater for the age cohort over 75 years. Both these segments of society will continue to grow until the 2040s. Government regulations are encouraging increased provision of community and home healthcare with dispensing pharmacies expected to play a key role.
	CVS Health	CVS Health combines one of the largest retail pharmacy chains in the US with one of the largest pharmacy benefit managers (PBM). It processes more than 1.9 billion prescriptions per year and operates more than 9,600 retail pharmacies. As much as two thirds of lifetime health expenditures occur past the age of 60, therefore with an ageing demographic in the US there is a critical need for cost effective healthcare. Thanks to scale benefits and its purchasing power, CVS Health plays a crucial role in slowing down the rising costs of healthcare and, as America ages, it should benefit from increasing prescription volumes.
	Encompass Health	Encompass Health is a leading provider of post-acute care in the US. It operates more than 120 inpatient rehabilitation centres across 29 States. It also offers home health and hospice services; it is the fourth largest provider of Medicare-certified skilled home health services in the US. With an ageing demographic pressuring healthcare costs in the US, Encompass Health is benefiting from its ability to offer more cost-effective solutions: inpatient rehabilitation centres and home care services offer a cost advantage over senior nursing facilities (where rehabilitation is not as much of a focus and patients often spend extended periods of time).
	Henry Schein	Henry Schein is the world's largest provider of healthcare products and services to medical, dental, and veterinary practitioners. It connects over 3,000 supplier partners to more than one million health care providers, who care for approximately one billion patients in more than 190 countries. Widely recognised for its excellent customer service, highly competitive prices, and innovative value-added solutions, Henry Schein helps its customers succeed by offering the products and services integral to helping individual practitioners not only improve the health and wellbeing of their patients, but also collectively address some of the world's most pressing health issues. And as the health of a country's population improves, so does its potential for economic development and societal stability.
	Humana	Humana is a health insurance company with a primary focus on providing Medicare Advantage plans (a type of health plan) to senior citizens in the US. It is a pioneer in integrated care, aiming to lower costs for its members through better prevention of health problems and programmes to encourage healthier lifestyles. It has a range of clinical capabilities and resources such as in-home care, behavioural health, pharmacy services, data analytics, and wellness solutions. Ageing demographics are driving growth in demand for retirees' health care and Humana is catering to this by offering affordable products with a service that is consistent with private health insurance.
	Mednax	Mednax is the largest provider of neonatal, paediatric, anaesthesia, and tele-radiology physician services in the US. Its clinical model allows physicians to concentrate on patient care, while Mednax provides the practice administration such as recruiting, risk management, legal, compliance, managed care contracting, marketing, billing, collections, and credentialing. It also helps hospitals to manage variable admission rates, operating costs, and reimbursement systems. Mednax helps improve patient care outcomes by relieving physicians of complex administrative burdens.
	Physicians Realty Trust	Physicians Realty Trust is a US-based real estate investment trust that owns buildings used by medical practices and healthcare providers. These properties play a crucial role in delivering essential health care services. Physicians Realty Trust brings best practices and more efficient systems to the properties that it acquires.

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Positive impact stocks


THEME	STOCK	POSITIVE IMPACT
 Knowledge & Technology	Adobe Systems	Adobe is a North American technology company that develops and sells software and services for content creation and measurement of digital advertising and marketing. Adobe inventions are helping to drive the creation of ideas and exchange of information – presenting new ways of solving social and environmental problems. One of Adobe's largest end markets is education. The shift to digital media also enables customers to reduce waste and save natural resources. Adobe is benefiting as it transforms its business to a cloud-based subscription model. This shift to cloud computing has a beneficial environmental impact due to Adobe's policy of using renewable energy to power its datacentres, thereby enabling customers to reduce the energy intensity of their operations and therefore their carbon emissions.
	AMS	AMS is an analog semiconductor manufacturer, headquartered in Austria. Analog semiconductors provide the bridge between the physical and digital worlds and are a key enabler of the IoT. AMS is a specialist in lighting and proximity sensors and its products serve a wide variety of end markets such as consumer, industrial, automotive and medical. Its technologies enable customers to create products that are smarter, safer, easier to use and more eco-friendly.
	Analog Devices	Analog Devices is a North American designer and manufacturer of analog semiconductors. Analog semiconductors have a plethora of applications and are fundamental building blocks of a more connected world. Examples of the wide variety of end customer applications include renewable energy technology, healthcare diagnostics equipment, factory automation, smart meters, security systems, battery management systems, autonomous driving, and smart irrigation.
	ASML	ASML is a global manufacturer of semiconductor microchip-making equipment and is headquartered in the Netherlands. Its mission is to invent advanced technology for high-tech lithography (transferring patterns or shapes to silicon wafers), metrology (measurement) and software solutions for the semiconductor industry. This enables the advancement of 'Moore's law' towards ever smaller, cheaper, more powerful and energy efficient semiconductors: this, in turn, results in increasingly powerful and capable electronics that enable the world to progress within a multitude of fields, including healthcare, technology, communications, energy, mobility, and entertainment. ASML is the leader in 'extreme ultraviolet lithography', which is expected to propel the semiconductor industry to the next generation of chips.
	Autodesk	Autodesk is the global leader in design software used by architects and engineers worldwide, and is a provider of software to product designers. Autodesk's solutions aim to empower customers to optimise the environmental and social impacts of their designs. This can encompass producing designs that dramatically reduce energy needs, provide resilient and environmentally sustainable infrastructure, or allow new approaches to product development and manufacturing. Customised goods that are created locally with less materials waste are of benefit to a sustainable economy.
	Cadence Design Systems	Cadence Design Systems is a provider of system design tools, software, internet protocol solutions, and services. It is the only company to offer the full suite of products required for the entire electronics design chain, from chip design to chip packaging to boards and to systems. It provides the resources semiconductor companies need to develop highly differentiated products within the automotive, cloud datacentre, consumer, industrial, internet of things (IoT), and mobile industries. Its solutions help speed the design of innovative electronic products that transform the way people live and work.
	Cognizant Technology Solutions	Cognizant is a global IT consultant headquartered in North America. It specialises in helping its clients transition their business models to capture the benefits of the digital economy. It provides technology strategy consulting services, complex system development, data warehousing, and business intelligence. Its franchise is particularly strong in healthcare, banking, insurance and retail, where it is helping clients improve end customer service offerings via intelligent use of big data analytics and implementation of mobile and digital technologies. It also helps clients manage cyber security risks and helps ensure their operations comply with tightening regulations.
	Informa	Informa is a leading global business intelligence, academic publishing, knowledge, and events business, headquartered in the UK. Its products and services provide knowledge, insight, analysis, and connections and networking, helping businesses and professionals drive progress across multiple industries all around the world. Informa has a positive impact on both the environment and society, principally through the information it produces, which informs debate, aids decision-makers, and encourages research and development.


Positive impact stocks

THEME	STOCK	POSITIVE IMPACT
 Knowledge & Technology	Microsoft	Microsoft is a global provider of software and technology services, headquartered in North America. Its strategy is to “build best-in-class platforms and productivity services for a mobile-first, cloud first world”. It is one of the world's leading cloud computing providers and its Azure cloud platform, which is hosted on carbon neutral datacentres, can be used in many different ways for the benefit of the environment and society. With its partners, Microsoft has developed solutions spanning energy, water, buildings, infrastructure, and transportation to help modernise cities in sustainable ways that will minimise their resource use and environmental impact. Azure is also being used for open source artificial intelligence (AI) and big data applications. The other beneficial impact arising from Microsoft's carbon neutral datacentres is it enables businesses to shift their energy consumption to low carbon sources.
	Orange	Orange is one of the largest operators of mobile and internet services in Europe and Africa, and is headquartered in France. Telecom network providers stand to play a pivotal role in the upcoming era of ubiquitous connectivity through the IoT, via the roll-out of 5G networks. Digital connectivity is a powerful tool for economic and social development. In developed economies 5G networks will enable societies to capture productivity gains from smart cities, mobile working and autonomous driving. In developing countries, 4G networks are already transforming the lives of people with mobile banking services, education, and health services and e-commerce opportunities.
	RELX	RELX is a world-leading provider of information and analytics for professional and business customers. RELX's services facilitate the exchange of information that drives forward science and better health, reduces risk and fraud for industry, governments and civil society, and promotes the rule of law and justice. It has a positive impact on both the environment and society, principally through the information it produces, which informs debate, aids decision-makers and encourages research and development.
	SAP	SAP , headquartered in Germany, is a leading global software company, providing solutions for enterprise resource planning, database management and business intelligence. Its services help businesses to adapt to digital transformation and to run their operations more efficiently, thereby increasing efficient use of resources. SAP is also transitioning its customers to cloud computing infrastructure and its datacentres are powered by renewable energy. This has a beneficial environmental impact because it enables businesses to shift their energy consumption to low carbon sources. Datacentres are amongst the heaviest users of energy in the economy.
	Texas Instruments	Texas Instruments is one of the world's largest semiconductor design and manufacturing companies. Its primary area of focus is on developing analog chips and embedded processors, which are fundamental building blocks of a more connected world. Examples of the wide variety of end customer applications include renewable energy technology, healthcare diagnostics equipment, factory automation, smart meters, security systems, battery management systems, autonomous driving, and smart irrigation.
	Vodafone	Vodafone is one of the largest operators of mobile and internet services in the world, and is headquartered in the UK. It operates in 26 countries across four continents and has more than 440 million customers. Telecom network providers stand to play a pivotal role in the upcoming era of ubiquitous connectivity through the IoT, via roll-out of 5G networks. Digital connectivity is a powerful tool for economic and social development. In developed economies 5G networks will enable societies to capture productivity gains from smart cities, mobile working and autonomous driving. In developing countries, 4G networks are already transforming the lives of people with mobile banking services, education and health services and e-commerce opportunities.


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Positive impact stocks


THEME	STOCK	POSITIVE IMPACT
 Quality of Life	Amer Sports	Amer Sports is a global sporting goods company headquartered in Finland. It has strong global brands such as Salomon, Arc'teryx, Wilson and Mavic, which have a reputation for excellence in their fields. Its focus is on outdoor sports, team sports, and fitness and its mission is to inspire people of all ages to discover the fun of exercise, helping them stay healthy and active throughout their lives. Sports and exercise are one of the most effective ways to prevent diseases, such as cardiovascular diseases and Type 2 diabetes. It has leading environmental and social policies.
	Gildan Activewear	Gildan is a North American textile manufacturer, headquartered in Canada. It is renowned for its high social and environmental standards. It has invested in advanced manufacturing facilities, which enable it to produce higher quality goods at a lower cost, while at the same time minimising the environmental impact of its operations and providing industry-leading working conditions. Customers are attracted by Gildan's ability to provide assurance about the ethical integrity of its supply chain.
	McCormick	McCormick is a leading global manufacturer of herbs and spices, headquartered in North America. In 2015 the US Dietary Guidelines Advisory Committee specifically recommended greater use of herbs and spices as part of a healthy diet and as a way to reduce sodium intake. Demographic trends are also resulting in higher demand for herbs and spices as millennials increasingly choose to cook at home. McCormick has a robust sourcing programme in place, working with producers from all over the world to improve the sustainability of farming practices.
	Nike	Nike is the world's largest supplier of shoes and clothing. It has the stated mission of bringing inspiration and innovation to every athlete in the world. Alongside the health benefits from the use of its products, Nike is a leader in sustainable manufacturing and is moving towards a low impact, closed loop model that uses reclaimed materials at the start of the manufacturing process. Additionally, Nike is targeting using 100% renewable energy in its owned and operated facilities by 2025.

THEME	STOCK	POSITIVE IMPACT
 Safety	F5 Networks	F5 Networks headquartered in North America, is a world-leading provider of application delivery networking (ADN) technology. ADN technology is a critical element in ensuring network security in a world where the internet touches everything that we do. As data becomes increasingly vulnerable due to the web-based nature of many applications, it is critical to protect that data. F5's products enable customers to perform functions such as encrypting and decrypting transmissions, and screening internet traffic for security threats, while maintaining open connections with servers. There are also efficiency benefits; by offloading functions from servers, F5's products can also reduce the number of servers needed to run specific applications, thereby maximising datacentre efficiency and driving down energy consumption.
	Legrand	Legrand is a global specialist in electrical and digital infrastructure for buildings, and is headquartered in France. From smart meters to cable management, power distribution and voice-data-image (VDI) systems distribution, Legrand provides a host of solutions designed to manage lighting, energy, networks and building access. Its products improve building efficiency and enhance electrical safety. Legrand also designs assisted living systems to help people live longer and better in their own home.
	Progressive	Progressive is one of the largest car insurance companies in the US and is also expanding into home insurance. Progressive considers itself a data science company focused on the insurance industry. The company uses data analysis, including tracking driving habits, to identify and attract lower risk drivers which in turn allows it to offer lower insurance rates. This encourages safer driving practices amongst its policy holders.
	Shimadzu	Shimadzu is a Japanese manufacturer of analytical and measuring instruments. It specialises in liquid chromatographs and mass spectrometers, where improved instrument performance is resulting in a growing number of applications related to food and environment safety testing, healthcare services, and drug discovery. It has a strong franchise in China and India, where drug quality control and environmental analysis are key demand drivers.

Positive impact stocks


THEME	STOCK	POSITIVE IMPACT
 Sustainable Property & Finance	AIA Group	AIA is a pan-Asian insurance provider headquartered in Hong Kong. It has a presence in 18 different countries and provides a wide range of products, including retirement savings plans, life insurance, and accident and health insurance. Protection products in developing and emerging Asia are relatively under-penetrated, especially in Thailand, Malaysia, India, China, and Indonesia. At the same time, the lack of a social safety net for the population in emerging and developing markets also underpins the need for health and pension products. Conversely, in developed markets, the ageing population is driving life insurance penetration as individuals spend larger proportions of their wealth on protection and health.
	Aon	Aon is a global provider of risk management, insurance, reinsurance brokerage, and human resource consulting. As one of the leading repositories of risk and insurance placement data, Aon uses big data analytics to help clients manage complex risks. There is growing demand for insurance given the emergence of new risks such as the environmental consequences of climate change, cyber risk, and the risks associated with the provision of retirement and healthcare services to an ageing population.
	Charles Schwab	Charles Schwab is one of the premier North American investment services firms. It is renowned for its high quality customer service, low commissions, and low minimum investment requirement. This has been made possible by its low cost internet-based platform, and this has resulted in a customer base drawn from a broad socioeconomic demographic. Schwab offers individual retirement planning services and its full service investing platform is also favoured by independent registered investment advisers. Given an ageing demographic in the US, Charles Schwab continues to see growth in financial assets due to the growing need for effective retirement planning.
	Invitation Homes	Invitation Homes is a US-based real estate investment trust focused on single family rental properties. Over the last decade the US home ownership rate has declined, driving higher demand for rented accommodation. Invitation Homes is improving standards in an industry dominated by small independent landlords and substandard accommodation. It provides high quality homes and it is embracing technology to offer its customers superior levels of service. It supports tenants with dedicated repair teams and internet connected technology, such as the management of utility services and the mobile control of electronic door locks.
	Leopalace21	Leopalace21 is a Japanese real estate company that builds and leases low cost housing and residential care homes. It has a policy to minimise the environmental impact of its buildings by installing rooftop solar and energy efficient LED lighting. It also offers many lifestyle services and its apartments are favoured by corporate tenants and students.
	Marsh & McLennan	Marsh & McLennan is a global provider of risk management, risk consulting, and insurance programme management services to businesses, governments and individuals around the world. Marsh & McLennan utilises data to help clients understand and manage complex risks. There is growing demand for insurance given the emergence of new risks such as the environmental consequences of climate change, cyber risk, and the risks associated with the provision of retirement and healthcare services to an ageing population.
	UniCredit	UniCredit is a leading European commercial bank, headquartered in Italy. It operates in 17 countries across Western, Central & Eastern Europe and has one of the simplest banking franchises in Europe, with a focus on financial services to businesses and home owners. Sustainability initiatives are well integrated into operations, with the group environmental and social council's work feeding directly into the executive management committee's strategic planning. There are numerous initiatives to support lending to business start-ups, research and development activities, public infrastructure and renewable energy generation. Carbon risk is also incorporated into lending risk management. UniCredit has mapped its activities to the UN SDGs and it is included in all of the most significant sustainability indices with a high ranking.
	Visa	Visa operates VisaNet, which is the largest retail electronic payments network in the world. There are many benefits to the electrification of payments: in addition to improved security and convenience for both consumers and businesses, independent studies show that the increased penetration of electronic payment technology has a positive impact on economic growth. This is often most visible in developing countries, where lower socioeconomic groups suffer from lack of financial access. Visa has numerous microfinance initiatives around the world. Other benefits of moving to a cashless society should be reduced rates of tax avoidance and the hindrance of illegal activities.

Positive impact stocks

THEME	STOCK	POSITIVE IMPACT
 Sustainable Transport	Aptiv	Aptiv , headquartered in North America, is a leader in the automotive technology industry. Aptiv is unique in being able to offer auto manufacturers complete solutions, comprising both hardware and software, to develop smart vehicle architectures. In addition to enhancing safety, Aptiv's technology is a key building block in enabling the development of driverless vehicles. The result should be fewer accidents and the creation of new transportation business models.
	Delphi Technologies	Delphi Technologies is one of the largest auto parts suppliers in the world with a focus on vehicle propulsion systems. Delphi's technology enables cars and trucks to achieve better fuel economy and reduce emissions of carbon dioxide and other pollutants. Its products are playing a key role in the transition to fully electric vehicles.
	Groupe Eurotunnel	Groupe Eurotunnel manages and operates the Channel Tunnel between Britain and France. This is the safest and most environmentally friendly way of crossing the English Channel: dug below the sea bed the tunnel avoids any interaction with the marine ecosystem, and the choice of trains and electric power represents a major factor in reducing the carbon footprint of moving people and goods between Britain and France. There is still scope for increased utilisation of this infrastructure asset.
	Shimano	Shimano is the leading global manufacturer of bicycle components, and is headquartered in Japan. It is renowned for its high quality craftsmanship, and its components can be found on a full range of bicycles, from daily users to those used by the world's top racing teams. As well as being an environmentally sustainable method of transport, cycling is also recognised for its health benefits and it enjoys government support in many regions of the world.
	TE Connectivity	TE Connectivity is the global leader in the connectors and sensors industry. It designs and manufactures devices that connect and protect the flow of power and data inside a wide variety of industrial and consumer products such as subsea communications networks, factory automation systems, electric cars, and wearable fitness trackers. Its sensors also play a critical role in improving healthcare, being incorporated into medical devices with applications from diagnostics and therapeutics, to imaging and surgery. TE Connectivity's technology enables customers to make products which are more reliable, safe, and energy efficient and which improve people's lives.
	Tesla Motors	Tesla Motors , headquartered in North America, is a world leading manufacturer of electric vehicles, lithium-ion batteries, and solar power systems. Its mission is to accelerate the world's transition to sustainable energy. It is also leading the race in the development of autonomous driving technology. Its electric cars have won numerous accolades for their high performance, best-in-class safety, and low running costs. By adopting a strategy that incorporates the entire clean technology value chain from solar energy generation to power storage to electric mobility, Tesla's potential impact reaches across many different industries. The advantage of solar and batteries is the ability to offer a truly distributed power system, avoiding the need to build power plants and electrical grids. This promises to have a transformational impact on the lives of poor communities in developing countries.
	Wabtec	Westinghouse Air Brake Technologies (Wabtec) , headquartered in North America, 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. Railroads are the most environmentally sound way to move freight over land, while public transit systems also have a positive environmental and social impact.

These are the manager's views as at 31 December 2017. The stocks listed are for illustrative purposes only and are not indicative of historical or future performance. This document does not qualify as an investment recommendation. References made to individual securities do not constitute or form part of any offer or solicitation to issue, sell, subscribe or purchase the security. Past performance is not a guide to future performance. The value of an investment and the income from it may fall as well as rise and you may not get back the amount originally invested.

Positive impact stocks

THEME	STOCK	POSITIVE IMPACT
 Water Management	AO Smith	AO Smith is a global leader in water technology, encompassing products from energy efficient water heaters to water purifiers and commercial water treatment solutions. AO Smith's patented technology can increase the output of fresh water from reverse osmosis residential water treatment products (which remove contaminants from water) by 50%. Climate change and environmental pollution are having a negative impact on the availability of clean water. AO Smith's products and solutions help to address this.
	Evoqua Water Technologies	Evoqua Water Technologies is a water technology company, with a sole focus on water treatment. Its core technologies are focused on purification; removing impurities from water, rather than neutralising them through the addition of chemicals. It serves municipal and industrial customers and its solutions span the entire water life cycle from extraction and purification to waste treatment and reuse. Evoqua's treatment systems and services enable customers to achieve lower costs from the more efficient use of water, as well as ensuring their ability to meet regulatory compliance requirements and environmental sustainability objectives.
	Tetra Tech	Tetra Tech is a global provider of consulting and engineering services for water, environmental, infrastructure, resource management, energy and international development. Operating across more than 100 countries, the company is renowned for its expertise in water-related and environmental services for both public and private sector clients. Other services include advising on environmental remediation, infrastructure design, environmental permitting, smart grid design, resource conservation programs, solid waste management, and pollution control.
	Xylem	Xylem is a global water infrastructure and technology company headquartered in North America. Its corporate mission statement is "let's solve water". 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.

Source: Janus Henderson Investors, information correct as at 31 December 2017.

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