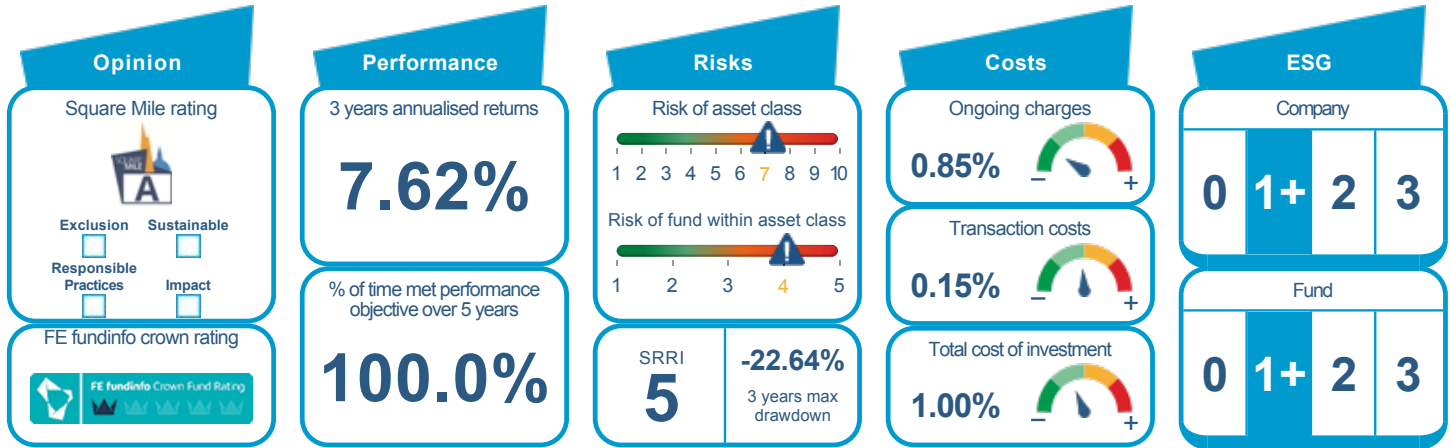


Janus Henderson Global Equity Income I Inc

November 2021
Investment Research



Overview

The managers are looking to generate a high dividend income that is expected to grow over time. The level of distributions is dependent upon market conditions and the level of income can fluctuate. Equity income funds are a suitable capital accumulation strategy, when income is reinvested. Historically, dividend growth focused funds tend to have lower volatility than growth orientated funds.

Capital Accumulation	Capital Preservation	Income	Inflation Protection
●		●	

Square Mile Expected Outcome

We believe an income (yield) of at least 110% of that of the MSCI World index, as well as outperformance on a total return basis, over rolling five year periods, is a reasonable expectation.

Active/Passive: Active	Domicile: United Kingdom
Asset Class: Equity	IA Sector: IA Global Equity Income
Launch Date: 01/02/2002	Fund Size (as at 12 Nov 2021): £763.8m
Yield: 3.14%	Distribution Pay Date: Mar 01, Jun 01, Sep 01 (Final), Dec 01
Fund Manager: Andrew Jones, Ben Lofthouse	Ongoing Charge Figure: 0.85%
	Transaction Cost ex Ante: 0.15%



Fund Opinion

This fund benefits from two co-managers that have fairly extensive experience and success of running income mandates. They have developed a solid investment philosophy and we believe that the idea of investing in well run companies, with robust balance sheets and a sensible attitude to paying dividends should be rewarding over the longer term. This fund is run with a rather conservative approach which does tend to lead to a more defensive return profile than its MSCI World benchmark. However, we would highlight that these characteristics mean that the fund is likely to underperform the benchmark during times of market exuberance. The focus on investing in attractively valued companies can also result in fairly sizeable positions away from the index at the country and industry levels. There has been some corporate change in recent years, though this has not materially impacted the strategy. In addition to drawing upon existing support from the legacy Henderson global equities team, the managers now have access to US-based colleagues who originally worked for Janus Capital. Overall, we feel the managers have a good understanding of where their edge is and they are committed to concentrating on managing an equity income growth proposition. For the long-term investor seeking steady income growth and exposure to a blue chip evergreen portfolio this could be viewed as a suitable vehicle.

Fund Description

Janus Henderson was formed in 2017 following the merger of US based, Janus Capital Group, which was founded in 1969, and Henderson Global Investors which was founded in the UK and has a history dating back to 1930s. The fund's co-managers, Ben Lofthouse and Andrew Jones, have run the strategy since May 2012 when, following a number of fund mergers, the mandate was changed into its current form. Both managers have good levels of experience and respectable histories of managing income mandates. Mr Lofthouse joined Janus Henderson in 2004 and has run global income funds at the firm since 2006, including the Henderson International Income Trust since its launch in April 2011. Mr Jones joined Janus Henderson in 2005 from Invesco Asset Management where he spent ten years as a UK equities fund manager and co-managed the Invesco Perpetual Income and Growth fund. The two managers work within a global equity team of approximately ten members and as such they are able to draw upon the expertise of a number of regional managers investing across the UK, US, European and Asian markets.

The fund managers operate under the philosophy that a portfolio of above average yielding companies, with the ability to grow their dividends, will outperform the wider market over the long term; especially due to the compounding benefits of reinvesting income on total returns. Potential investment ideas can emanate from a number of sources, including quantitative screens, interaction with colleagues from across the broader business and the managers' contacts within the broking community. The managers have strict criteria of investing in companies with sustainable dividends secured by strong cash flows and do not tend to invest in anything yielding less than 2%. The company should also have the ability to grow its dividend in real terms over time, as supported by its payout ratio, the strength of its balance sheet and growth in cash flow. Valuation is also a crucial component of the process and a stock must be attractively valued relative to the market and its own history.

The final portfolio is constructed with between 50 and 80 stocks, with the managers ultimately seeking to produce a growing and reliable income stream for investors. As such capital growth is less of a focus with this strategy. However, the managers do aim to maximise each stocks' potential by using a strict valuation process which aims to uncover turnaround situations and companies whose earnings are under appreciated by the market. The fund is run with a reasonably conservative mindset and as such has controls in place to ensure a sensible level of diversification. This includes maximum sector limits of 20% with individual stocks weights tending to range between 1% and 5%. New positions tend to be included gradually with managers increasing allocations as their conviction grows. Conversely, sales are affected if the stock has reached or is approaching its valuation target, a fundamental change to the business negatively impacts its valuation or if other investments are considered more attractive.

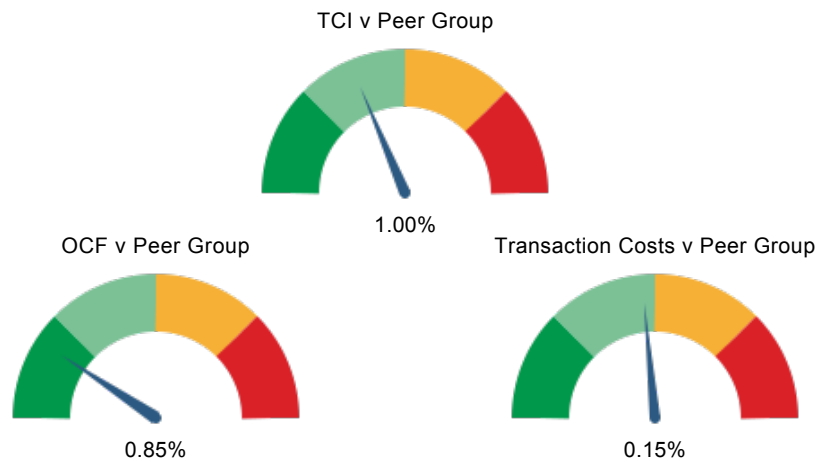
Risk Summary

The fund is invested in shares of companies based across the globe and is therefore exposed to equity and currency markets which can each move sharply. Volatility is typically heightened at times of economic stress.

Furthermore, the fund's strong focus on dividend producing companies can mean that the portfolio looks very different when compared to broader global equity indices, which may result in shorter term performance differentiation. Nevertheless, the managers investment philosophy and process should mean that it proves more defensive in risk off environments, though any investment should be held over the longer term.

Value for Money

The fund's ongoing charge figure (OCF) is attractively priced when compared to the active global equity income peer group. Its transaction costs (a further expense not represented in the OCF) are also below average. This results in a very reasonable and competitive total cost of investment (TCI). In line with the MiFID II regulations, asset management firms are required to disclose all of the costs and charges related to the running and administration of their funds, including items outside of the OCF, such as research costs. Janus Henderson absorb the costs associated with its research.



ESG Integration

Company Assessment	0	1+	2	3
The company has made ESG factors available to the investment teams as an input to their analysis, but they are not compelled to consider that as a factor when making investment decisions.				
UN PRI Strategy & Governance Rating	A			
Fund Assessment	0	1+	2	3
ESG factors are available to the fund managers as an input to their analysis, but they are not compelled to consider them as a factor when making investment decisions				

Responsible Investing Approach

Exclusion	Responsible Practices	Sustainability	Impact
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional Information

Annualised Return	7.62%
Annualised Volatility	15.50%
Max Drawdown	-22.64%
Max Gain	14.44%
Max Loss	-13.68%
Sharpe Ratio	0.45
Sortino Ratio	0.37

(3 years data to last month end unless otherwise stated)

Currency of Share Class

GBP

Fund Price (as at 12 Nov 2021)

146.1 pence

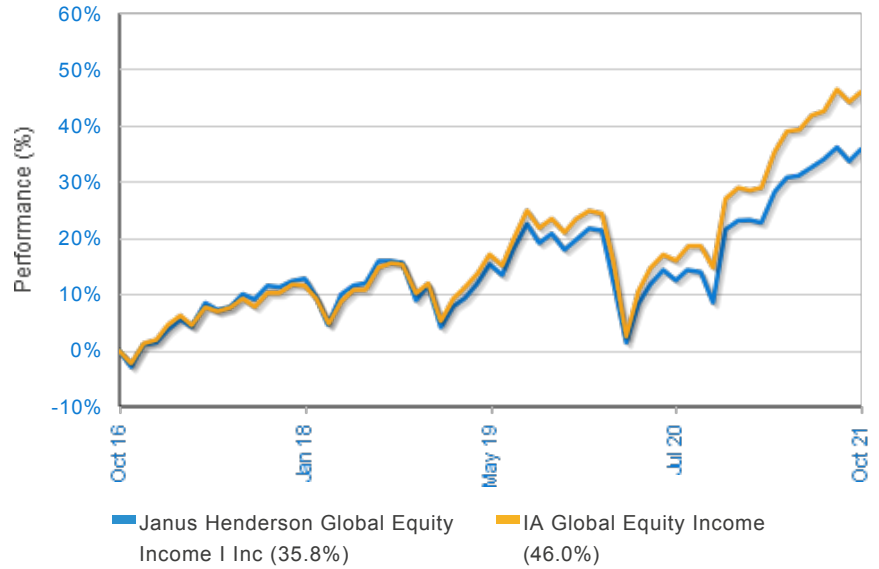
Benchmark

MSCI WORLD

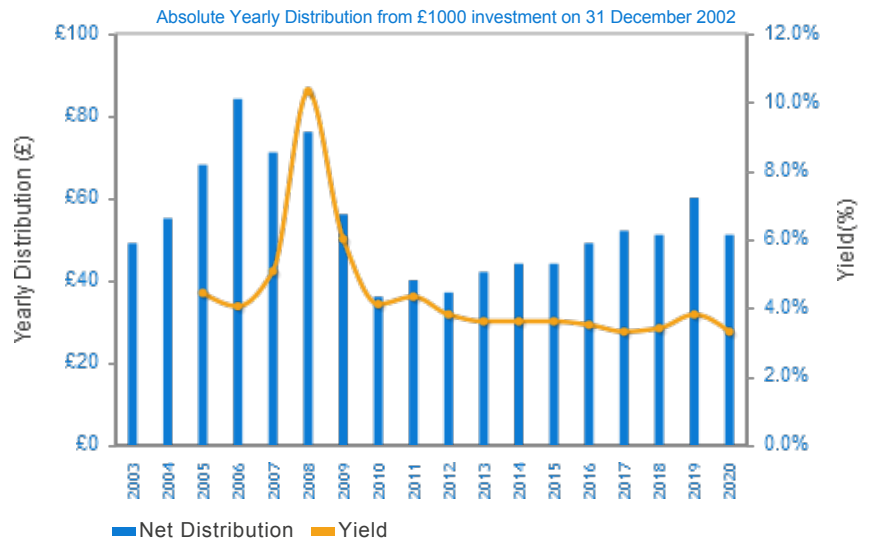
Discrete Annual Performance to Last Quarter End

Period	Fund (%)	Sector (%)	Quartile Ranking
0-12m	17.3	21.6	4
12-24m	-5.7	-3.9	3
24-36m	4.5	7.0	3
36-48m	6.0	7.0	3
48-60m	14.2	12.3	2

Capital Growth

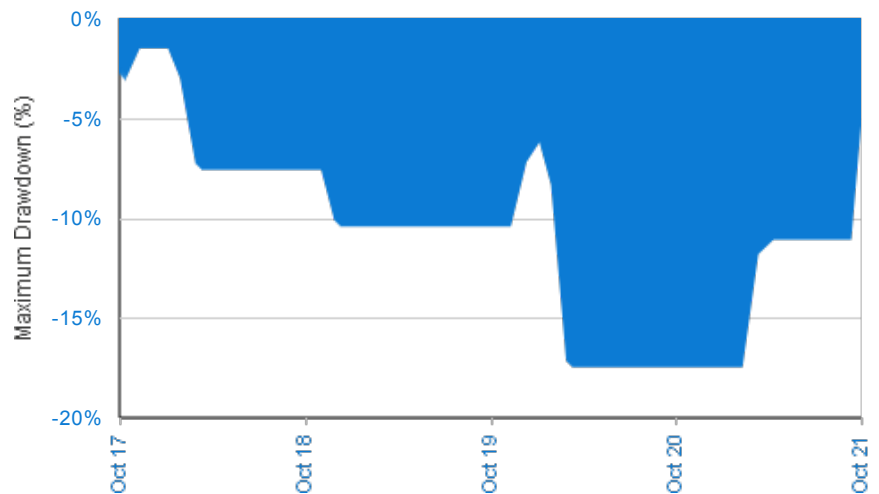


Income



This graph assumes that income is distributed to shareholders and not reinvested. Yield represents share price fluctuations.

Maximum Drawdown (Rolling 12 Months)



Top Ten Holdings

(Data as at 30 Sep 2021)

Company Name	%
MICROSOFT CORP	4.8
NESTLE SA	2.5
ASTRAZENECA PLC	2.4
ROYAL DUTCH SHELL PLC	2.2
AXA	2.2
CISCO SYSTEMS INC	2.2
TOTALENERGIES SE	2.2
ROCHE HLDG AG	2.1
MERCK SA	2.0
UNILEVER PLC	2.0

Sector Breakdown

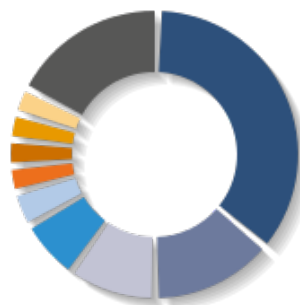
(Data as at 30 Sep 2021)



- Pharmaceuticals (13%)
- Banks (8%)
- Semi Conductors (7%)
- Insurance (6%)
- Software (5%)
- Beverages (5%)
- Oil & Gas (4%)
- Electronic & Electrical Equipment (4%)
- Luxury Goods (4%)
- Other (45.4%)

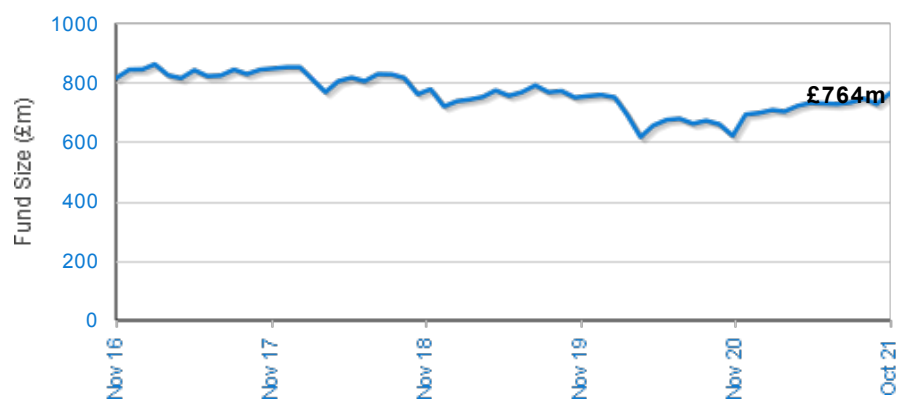
Geographic Breakdown

(Data as at 30 Sep 2021)



- USA (36%)
- UK (14%)
- Switzerland (10%)
- France (7%)
- Netherlands (4%)
- Sweden (3%)
- Canada (3%)
- Denmark (3%)
- Money Market (3%)
- Other (18.0%)

Assets Under Management



Qualitative Risk Assessment

	Significant	Potentially Significant	Not Significant
Equity Risk	●		
Interest Rate Risk		●	
Credit Risk			●
Exchange Rate Risk	●		
Liquidity Risk			●
Emerging Markets Risk		●	
Derivative Risk			●
Manager Risk	●		

Equity Risk

The fund is predominately invested in shares. Shares are volatile investments and this volatility is typically heightened at times of economic stress.

Interest Rate Risk

The fund is an equity fund. Higher interest rates may adversely affect valuations of shares.

Credit Risk

This fund does not have significant exposure to corporate debt.

Exchange Rate Risk

The fund predominately invests abroad and it is exposed to foreign currencies. Currency markets may move sharply.

Liquidity Risk

The fund invests in liquid assets and any sale should be possible at close to the prevailing market price.

Emerging Markets Risk

The fund predominantly invests in securities listed by organisations operating in developed markets. The fund may have some exposure to emerging markets though the exposure is unlikely to be large.

Derivative Risk

The portfolio is predominantly invested in underlying cash securities.

Manager Risk

The manager is seen as an important element in Square Mile's rating of the fund. Square Mile is likely to downgrade the fund if the manager were to leave.

FE Risk Rating: 77.00

SRRI: 5

Disclaimer

This factsheet is aimed at professional advisers only and should only be relied upon by such persons. It is published by, and remains the copyright of, Square Mile Investment Consulting and Research Ltd ("SM"). Unless agreed by SM, this commentary may only be used by the permitted recipients and shall not be provided to any third parties. SM makes no warranties or representations regarding the accuracy or completeness of the information contained herein. This information represents the views of SM at the date of publication but may be subject to change without reference or notification to you.

The value of investment in funds can fall as well as rise, as can any income payment received from an investment. Any information relating to past performance is not a guide to future performance. If you are unsure of an investment decision you should seek professional financial advice.

SM does not offer investment advice or make recommendations regarding investments and nothing in this factsheet shall be deemed to constitute financial or investment advice in any way and shall not constitute a regulated activity for the purposes of the Financial Services and Markets Act 2000.

This factsheet shall not constitute or be deemed to constitute an invitation or inducement to any person to engage in investment activity. Should you undertake any investment activity based on information contained herein, you do so entirely at your own risk and SM shall have no liability whatsoever for any loss, damage, costs or expenses incurred or suffered by you as a result. The fund's prospectus provides a complete description of the risk factors. Unless indicated, all figures are sourced from FE fundinfo. The information in this factsheet is believed to be reliable but its completeness and accuracy is not guaranteed. SM does not accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.