

Q4 2023

# GLOBAL LIFE SCIENCES FUND



Marketing communication | For professional and qualified investors only | Not for onward distribution

Past performance does not predict future returns.

The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.

# EXPERIENCED EXPERTS

The Janus Henderson Global Life Sciences Fund's management team comprises of sector specialists with scientific backgrounds. The team has more than 100 years of combined healthcare investment experience and manages US\$10.7bn\* in assets under management.

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\*AUM as at 30 September 2023.

All data sourced from Janus Henderson Investors (as at 31 December 2023), unless otherwise stated.

# KEY MESSAGES

## Case for the healthcare sector:

### INNOVATION

- ▶ Scientific advancements are leading to novel therapies addressing unmet medical needs
- ▶ Increasing pace of approvals of novel therapies
- ▶ Rapidly increasing sales



### DEMOGRAPHICS

- ▶ We are in the midst of a massive global demographic shift
- ▶ People are living longer due to increased access to healthcare
- ▶ As people age they spend more on healthcare

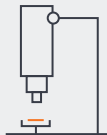


### GLOBALISATION

- ▶ Rising standards of living leading to higher healthcare spending globally
- ▶ As countries develop the demand for healthcare increases



## WHY JANUS HENDERSON FOR GLOBAL HEALTHCARE?



### Experts in science and healthcare business

Two primary concerns when investing in healthcare are clinical risks and commercial risks. We call this the **90/90 rule\***.



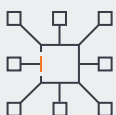
### Clinical risk

**90%** of drugs that enter human clinical trials never make it to market



### Commercial risk

In our experience, consensus estimates of revenues derived from new drug launches are wrong **90%** of the time



### Diversified approach

Across industries, geographies and market capitalisations:

- Biotechnology
- Pharmaceuticals
- Medical devices
- Healthcare services



### Value at risk

- Stock level VaR\*\* designed to mitigate downside risks

Past performance does not predict future returns.

\*90/90 rule is a concept created by the Janus Henderson team. \*\* It only applies to development stage companies.

# OUR APPROACH: WHAT ARE WE SEEKING?

## Innovation

Investing in companies that are addressing high unmet medical needs



### Acceleration of innovation

Many decades of advanced **Research & Development in biology, chemistry, genetics, and computer technology** have come together to deliver revolutionary new healthcare treatments.

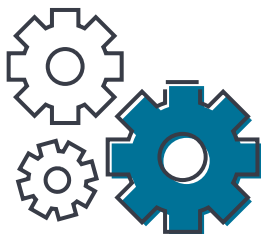
The result is an increasing pace of innovative novel therapies treating – and in some cases curing – previously high unmet medical needs.

### Commercial benefits of novel therapies

- Novel therapies are swiftly adopted and give companies pricing power
- Intellectual property often protected by durable patents

## Efficiency

Identifying companies that make the healthcare system more efficient and help to lower costs



### Healthcare systems under pressure

Long-term trends in demographics also means growing pressure on governments and society to support the additional healthcare costs of this aging population.

### Commercial benefits of improving system efficiency

**Companies that are able to make the healthcare system more efficient and are able to lower costs will stand** to benefit as a greater cost-consciousness permeates through the system.

# FUND AT A GLANCE

## Fund facts

Structure	Irish Investment Company (IIC)
SFDR categorisation	Article 8
Base currency	USD
Inception date	31 March 2000
Performance target	To outperform the MSCI World Health Care Index by at least 2% per annum, before the deduction of charges, over any 5 year period.
Sector	Morningstar Sector Equity Healthcare
Benchmark	MSCI World Health Care Index
Peer group benchmark usage	Target, Comparator
ISIN	IE0009355771

Portfolio managers  
**Andy Acker, CFA**  
**Daniel Lyons, PhD, CFA**

Fund assets  
**\$3.7bn**

Overall Morningstar Rating™



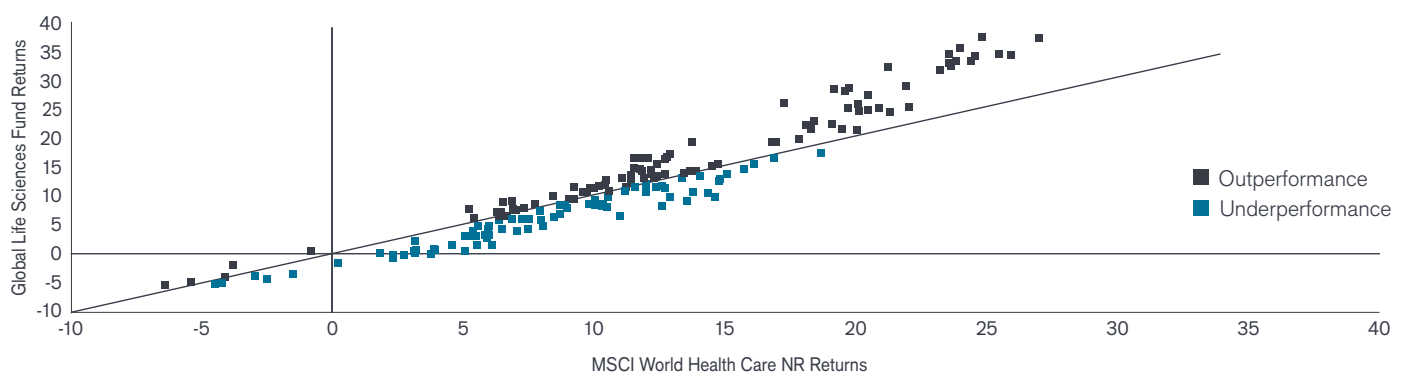
Morningstar rating refers to A2 USD share class.

Please note that these ranges are reflective of the portfolio managers' investment process and style at 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 strategy may operate. For a list of available share classes, please contact your local sales representative.

Full Investment Policy and Currency Warning can be found on page 9 of the document.

## Performance

Annualised monthly rolling 3 year performance\* – A2 USD (%)



\*Data shown is for the "Value at Risk" approach period from 01/04/07 - 31/12/23. **Past performance does not predict future returns.**

Benchmark: MSCI World Health Care Index. Please note index returns are net of tax.

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## Performance – USD (%)

	Q423	1 Year	3 Year	5 Year	10 Year
Global Life Sciences Fund A2 USD (net)	7.81	5.44	1.84	10.62	9.44
MSCI World Health Care NR	5.87	3.76	5.55	10.47	9.01
Morningstar Sector Equity Healthcare	7.16	2.68	-1.81	6.81	6.38
Global Life Sciences Fund A2 USD (gross)	–	–	–	13.26	12.08
MSCI World Health Care + 2.00%	–	–	–	12.68	11.19

## Calendar year

## returns – USD (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Global Life Sciences Fund A2 USD (net)	5.44	-4.35	4.72	23.41	27.06	2.01	20.55	-13.79	5.69	32.75
MSCI World Health Care NR	3.76	-5.41	19.80	13.52	23.24	2.51	19.80	-6.81	6.60	18.10
Morningstar Sector Equity Healthcare	2.68	-14.12	7.12	20.53	21.80	-3.40	21.68	-9.37	5.90	18.33
Global Life Sciences Fund A2 USD (gross)	7.96	-2.07	7.21	26.35	30.11	4.47	23.50	-11.68	8.27	36.04
MSCI World Health Care + 2.00%	5.83	-3.53	22.20	15.79	25.71	4.57	22.19	-4.95	8.73	20.46

Performance/performance target related data will display only where relevant to the share class inception date and annualised target time period. Please note the performance target is to be achieved over a specific annualised time period.

Performance target: To outperform the MSCI World Health Care Index by at least 2% per annum, before the deduction of charges, over any 5 year period.

**Past performance does not predict future returns.** Returns greater than one year are annualised. Performance fees may be charged before the fund's outperformance target is reached. Please note index returns are net of tax.

With effect from 1 January 2023, the Key Investor Information document (KIID) changed to the Key Information Document (KID), except in the UK where investors should continue to refer to the KIID. Availability of share classes shown may be limited by law in certain jurisdictions. Performance records/scenarios are detailed within the fund's specific KIID/KID; fees and charges, and the respective risk rating may vary. Further information can be found in the fund's prospectus and KIID/KID, which must be reviewed before investing. Please consult your local sales representative and / or financial adviser if you have any queries.

Fund charges will impact the value of your investment. In particular, the ongoing charges applicable to each fund will dilute investment performance, particularly over time. For further explanation of charges please visit our Fund Charges page at [www.janushenderson.com](http://www.janushenderson.com).

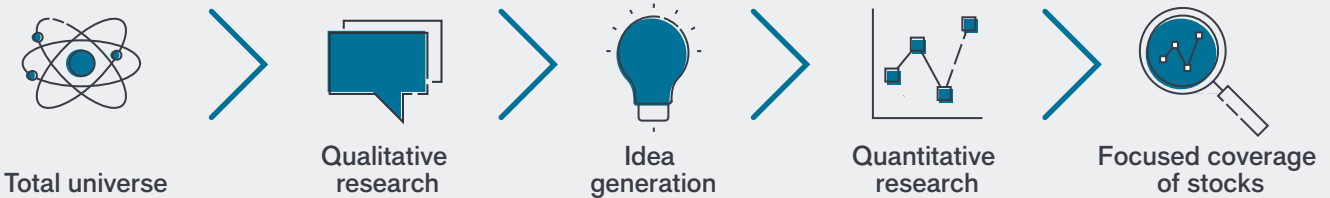
The ongoing charge is calculated using the PRIIP methodology. The PRIIP methodology differs to the UCITS ongoing charge methodology, as the PRIIP methodology captures additional recurring charges, including but not limited to: Interest paid on borrowing (e.g. bank interest); Any fees incurred in relation to stock-lending activity (i.e. the fee paid to the lending agent); Any costs associated with holding closed-ended vehicles.

Performance fees are charged separately as a way of rewarding the investment manager for superior returns or for outperforming specified targets. A Performance Fee is accrued where the NAV outperforms the relevant Hurdle NAV (subject to a High Water Mark). For further explanation of the performance fee calculation methodology please see the relevant prospectus, available at [www.janushenderson.com](http://www.janushenderson.com).

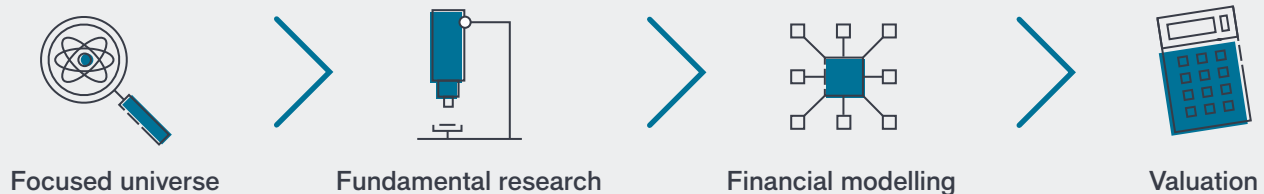
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# INVESTMENT PROCESS

## 1 CREATE AN INVESTABLE UNIVERSE

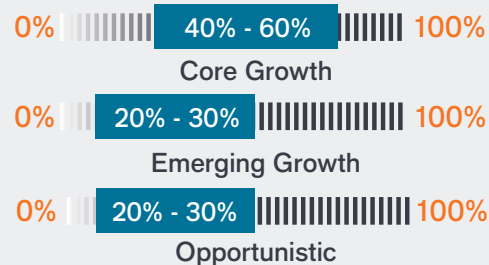


## 2 INTENSIVE FUNDAMENTAL ANALYSIS

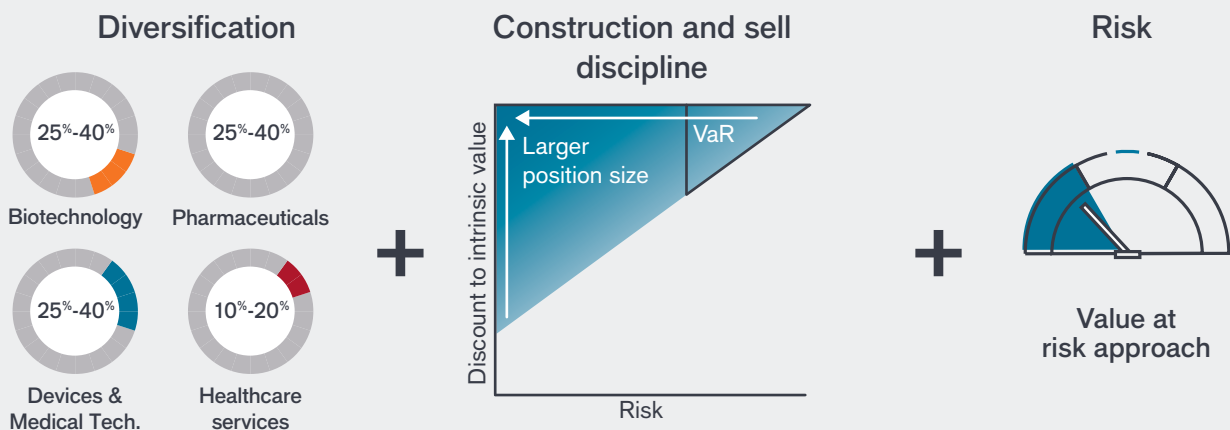


## 3 PORTFOLIO STOCK SELECTION

- 80-120 holdings
- 85%-90% of portfolio "Buy" or "Strong Buy" rated
- Non-U.S. holdings range from 20%-30%
- Diversified across subsectors and market cap



## 4 PORTFOLIO COMPOSITION AND CONSTRUCTION



# FUND AT A GLANCE



**Andy Acker, CFA**  
Portfolio Manager

- Joined Janus in 1999
- Bachelor's degree in biochemical sciences from Harvard University
- MBA with honours from Harvard Business School
- 28 years of financial industry experience
- **Also specialist in Biotech**



**Daniel Lyons, PhD, CFA**  
Portfolio Manager

- Joined Janus in 2000
- Bachelor's degree in biochemistry and chemistry from Rice University
- PhD in immunology from Stanford and postdoctoral research with a Nobel laureate
- 24 years of financial industry experience

## Sector specialists

### Biotechnology

**Agustin Mohedas, PhD**

10 years of financial industry experience

**Vish Sridharan, MD**

4 years of financial industry experience

### Healthcare IT Medical Technology

**Tim McCarty, CFA**

12 years of financial industry experience

**Adam Poussard, CFA**

18 years of financial industry experience

**Lauren Petite**

6 years of financial industry experience

### Pharmaceuticals

**Luyi Guo, PhD, CFA**

11 years of financial industry experience

## Did you know?

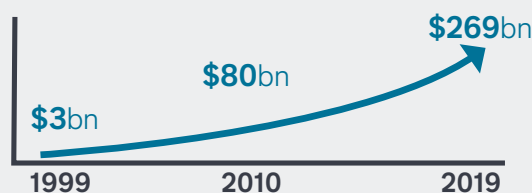
### FASTER INNOVATION:



**247<sup>1</sup> drugs approved in 2018 – 2022**

**up 101% compared to 2003 – 2022**

### x50 BIOTECH SALES SINCE 1999<sup>2</sup>



### AGEING DEMOGRAPHICS



By 2050, **one in six** people in the world will be over age 65 (16%).<sup>3</sup>

According to the UN, population ageing is poised to become one of the most significant social transformations of the 21st century.<sup>4</sup>

### GLOBALISATION



By 2030, those living in Asia Pacific could represent two-thirds of the global middle-class population.<sup>5</sup>

Sources: <sup>1</sup> FDA, as at 31 December 2022, <sup>2</sup> ISI Group and Janus Henderson Investors, as at 31 December 2021, <sup>3</sup> United Nations 2019 Revision of World Population Prospects, <sup>4</sup> Kaiser Family Foundation analysis of a 5 percent sample of Medicare claims from the Chronic Conditions Data Warehouse, as at 2011, <sup>5</sup> Kharas (2010), Global Economy & Development at Brookings, Working Paper 100, 2017.



## Additional fund information

### Investment objective & policy

The Fund aims to provide capital growth over the long term. Performance target: To outperform the MSCI World Health Care Index by at least 2% per annum, before the deduction of charges, over any 5 year period. The Fund invests at least 80% in shares (also known as equities) of companies, of any size, with a life sciences orientation, in any country. The Fund may also invest in other assets including cash and money market instruments. The investment manager may use derivatives (complex financial instruments) to reduce risk, to manage the Fund more efficiently, or to generate additional capital or income for the Fund. The Fund is actively managed with reference to the MSCI World Health Care Index, which is broadly representative of the companies in which it may invest, as this forms the basis of the Fund's performance target. The investment manager has discretion to choose individual investments for the Fund with weightings different to the index or not in the index, but at times the Fund may hold investments similar to the index. The investment manager looks to identify innovative healthcare companies addressing high unmet medical needs across fields including biotechnology, pharmaceuticals, healthcare services and medical technology. The team understands that success of drug development is binary in nature, creating wide disparities between winners and losers. The investment process leverages proprietary statistical models to analyse the probability of a company's success, focusing on products they believe can overcome the rigours of clinical development. Additional tools, such as physician surveys and prescription models, attempt to more accurately predict commercial viability.

### Currency warning

Note that any differences among portfolio securities currencies, share class currencies and costs to be paid or represented in currencies other than your home currency will expose you to currency risk. Costs and returns may increase or decrease as a result of currency and exchange rate fluctuations.

### Fund specific risks

Shares/Units can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result. Shares of small and mid-size companies can be more volatile than shares of larger companies, and at times it may be difficult to value or to sell shares at desired times and prices, increasing the risk of losses. If a Fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a Fund which is more broadly diversified. The Fund is focused towards particular industries or investment themes and may be heavily impacted by factors such as changes in government regulation, increased price competition, technological advancements and other adverse events. The Fund may use derivatives towards the aim of achieving its investment objective. This can result in 'leverage', which can magnify an investment outcome and gains or losses to the Fund may be greater than the cost of the derivative. Derivatives also introduce other risks, in particular, that a derivative counterparty may not meet its contractual obligations. If the Fund holds assets in currencies other than the base currency of the Fund or you invest in a share/unit class of a different currency to the Fund (unless 'hedged'), the value of your investment may be impacted by changes in exchange rates. Securities within the Fund could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses. The Fund could lose money if a counterparty with which the Fund trades becomes unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third-party provider. Some or all of the ongoing charges may be taken from capital, which may erode capital or reduce potential for capital growth.

### For Dutch investors only



### For EU investors

Lower Risk 1 2 3 4 5 6 7 Higher Risk

Janus Henderson Investors, as at 31 December 2023.

Risk indicators refer to A2 USD share class. Rating is latest available as at 31 December 2023.





FOR MORE INFORMATION, PLEASE VISIT [JANUSHENDERSON.COM](http://JANUSHENDERSON.COM)

### Important Information

In accordance with the Sustainable Finance Disclosure Regulation, the Fund is classified as Article 8 and promotes, among other characteristics, environmental and/or social characteristics, and invests in companies with good governance practices.

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