

## US VENTURE FUND

### At a glance

#### Performance\*

The Fund returned 11.74%, the Index returned 12.75% and the Sector returned 12.45%.

#### Contributors/detractors

Stock selection in the health care sector detracted from relative performance. An underweight position in the energy sector contributed positively.

#### Outlook

We believe the portfolio is positioned to navigate an uncertain economic environment, supported by our focus on well-managed, profitable growth companies with strong balance sheets.

### Portfolio management



Jonathan Coleman, CFA



Scott Stutzman, CFA



Aaron Schaechterle

### Investment environment

- Equities fell in October but rallied strongly in November and December as investor expectations shifted from fears of additional interest rate hikes to hopes that moderating inflation might persuade the US Federal Reserve (Fed) to reduce rates in 2024. As a result, the 10-year Treasury yield fell below 4% by quarter-end, after reaching nearly 5% in mid-October.
- Economic data released during the quarter indicated slower growth, which helped to alleviate inflation concerns. However, corporate earnings remained relatively strong, aided by reduced input prices.

### Portfolio review

ON Semiconductor was a relative detractor from performance in the information technology sector, as the stock gave back some of its strong performance over the rest of the year. ON Semiconductor supplies analog and power semiconductors to the electric vehicle and other end markets. While it reported strong third-quarter results, it lowered fourth-quarter guidance after one of its large electric vehicle customers reduced orders for silicon carbide chips.

Despite near-term uncertainty for the electric vehicle market, we remain excited about the company's

opportunities in silicon carbide chips, which are gaining traction in the electric vehicle market due to their ability to extend battery life. ON Semiconductor is one of a handful of trusted suppliers of silicon carbide, leveraging a manufacturing advantage that is difficult for other companies to replicate. We have also appreciated the company's efforts to improve its operational efficiencies and widen its profit margins.

Rentokil Initial, another relative detractor, became the leading global pest control company through its recent acquisition of Terminix. Rentokil disappointed investors by reporting slightly weaker revenue growth in its US operations. While it attributed these results to macroeconomic headwinds, investors worried they reflected issues with the Terminix integration. We believe these concerns were overstated. We have continued to see compelling risk/reward for Rentokil, given its track record of strong revenue growth in an attractive industry that historically has been less sensitive to economic pressures.

Core & Main was a positive contributor to relative performance. This industrials company distributes products used in storm drainage and other large water-related infrastructure projects. It has benefited from higher infrastructure spending, which helped it report better-than-expected results. The company also indicated some stabilisation in input prices, leading it to raise guidance on operating margins. We continue to like Core & Main for its

#### Marketing communication

For professional investors only

Past performance does not predict future returns.

\*For benchmark and sector, if applicable, refer to Fund details on page 3. For relevant descriptions, risks and the Fund's investment policy statement, refer to Additional fund information on page 4.

advantaged competitive positioning and the earnings visibility provided by long-term infrastructure projects.

ImmunoGen, another relative contributor, engages in the discovery and development of antibody-drug conjugates to improve outcomes for cancer patients. The company reported strong third-quarter results that were fuelled by robust sales trends of Elahere, its treatment for ovarian and fallopian tube cancers. In late November, pharmaceutical company AbbVie announced it was acquiring ImmunoGen for a substantial premium. This news affirmed our investment thesis and led to a strong rally in its share price.

## Manager outlook

While we have welcomed signs of continued economic growth and moderating inflation, we acknowledge macroeconomic risks for 2024. Manufacturing activity has remained relatively soft, and consumers are facing increased pressure with the end of federal stimulus payments. Geopolitical events could also have unforeseen ramifications for economic growth and inflation.

While we cannot rule out a potential recession in 2024, we are not expecting the kind of sharp economic dislocation we saw in 2020, nor a wider financial crisis like in 2008. Rather, we predict a relatively short-lived business

downturn that we believe well-managed and well-funded companies will be able to successfully navigate. We also continue to see opportunities for small-cap stocks, which have historically performed well coming out of a recession. Small caps also look particularly attractive as they are trading at historically low valuations relative to large caps.

This environment is likely to result in divergent performance within small caps, giving us an opportunity to put our active stock selection to work. We continue to focus on well-managed, profitable growth companies with strong balance sheets, healthy free cash flows, and historical high returns on capital. We will also seek out opportunities to capitalise on unique or improving business models, as well as on innovation.

In 2023, innovations in artificial intelligence (AI) and weight loss drugs prompted broad market rotations that were potentially driven more by fear and euphoria than by individual company fundamentals. We believe investors may be more discerning in 2024, as they start to evaluate implications of these developments on a company-by-company basis. We believe this will give us a further opportunity to put our stock selection to work, as we look to capitalise on these exciting opportunities.

## Performance (%)

Returns	Cumulative				Annualised			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since inception (31/12/99)
A2 USD (Net)	10.31	11.74	13.68	13.68	-4.26	7.96	6.34	5.41
Index	11.97	12.75	18.66	18.66	-3.50	9.22	7.16	5.46
Sector	11.00	12.45	17.11	17.11	1.71	10.73	7.28	7.02
A2 USD (Gross)	—	—	—	—	—	10.60	8.96	8.18
Target	—	—	—	—	—	11.41	9.30	7.56

## 12 month rolling

	Dec 2022- Dec 2023	Dec 2021- Dec 2022	Dec 2020- Dec 2021	Dec 2019- Dec 2020	Dec 2018- Dec 2019
A2 USD (Net)	13.68	-25.92	4.21	30.84	27.75
Index	18.66	-26.36	2.83	34.63	28.48
Sector	17.11	-23.03	16.72	25.89	25.64

Performance is on a net of fees basis, with gross income reinvested. Source: at 31/12/23. © 2024 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance does not predict future returns.**

Performance/performance target related data will display only where relevant to the share class inception date and annualised target time period. **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.** Source for target returns (where applicable) - Janus Henderson Investors.

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).

## Investment objective

The Fund aims to provide capital growth over the long term. Performance target: To outperform the Russell 2000 Growth Index by 2% per annum, before the deduction of charges, over any 5 year period.

For the fund's investment policy, refer to the Additional fund information on page 4.

**Past performance does not predict future returns.**

## Fund details

Inception date	31 December 1999
Total net assets	119.64m
Asset class	Equities
Domicile	Ireland
Structure	Irish Investment Company
Base currency	USD
Index	Russell 2000® Growth Index
Morningstar sector	US Small-Cap Equity

## Additional fund information

Tax assumptions and reliefs depend upon an investor's particular circumstances and may be subject to change. Please note the performance target is to be achieved over a specific annualised time period. Refer to the performance target wording within the objective. 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. From 01 September 2023, Aaron Schaechlerle also co-manages this fund. 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. Investment into the fund will acquire units/shares of the fund itself and not the underlying assets owned by the fund. References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned.

### Investment policy

The Fund invests at least 80% of its assets in a concentrated portfolio of shares (also known as equities) of companies, in any industry, in the United States. Companies will be incorporated, headquartered, listed on an exchange in, or deriving significant revenue from, the United States. The Fund will invest at least 50% in smaller US companies. The Fund may also invest in other assets including companies outside the United States, 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 Russell 2000 Growth 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.

### Investment strategy

The investment manager follows a fundamental, research-driven strategy, seeking to identify innovative companies with distinct advantages over their competitors, which allow them to protect market share and/or profitability. Commonly referred to as stock picking or "bottom-up" investing, portfolios of fundamental-based investments are built one security at a time following intensive in-house research into each company. Areas of research focus can include the company's management, financials, competitive strengths and weaknesses, earnings growth prospects and numerous other metrics.

### Fund specific risks

When the Fund, or a share/unit class, seeks to mitigate exchange rate movements of a currency relative to the base currency (hedge), the hedging strategy itself may positively or negatively impact the value of the Fund due to differences in short-term interest rates between the currencies. 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. 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 may use derivatives to help achieve its investment objective. This can result in leverage (higher levels of debt), which can magnify an investment outcome. Gains or losses to the Fund may therefore 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, i.e. mitigated by taking an offsetting position in a related security), 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.

**Janus Henderson**  
INVESTORS

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

Source: Janus Henderson Investors, as at 31 December 2023, unless otherwise noted.

**ESG integration** is the practice of incorporating material environmental, social and governance (ESG) information or insights in a non-binding manner alongside traditional measures into the investment decision process to improve long term financial outcomes of portfolios. This product does not pursue a sustainable investment strategy or have a sustainable investment objective or otherwise take ESG factors into account in a binding manner. ESG related research is one of many factors considered within the investment process and in this material we seek to show why it is financially relevant. **For institutional / sophisticated investors / accredited investors qualified distributors use only. Not for onward distribution. All content in this document is for information or general use only and is not specific to any individual client requirements. Janus Henderson Capital Funds Plc is a UCITS established under Irish law, with segregated liability between funds. This is a marketing communication. Please refer to the prospectus of the UCITS and to the KID before making any final investment decisions. Investors are warned that they should only make their investments based on the most recent Prospectus which contains information about fees, expenses and risks, which is available from all distributors and Paying/Facilities agents, it should be read carefully. An investment in the fund may not be suitable for all investors and is not available to all investors in all jurisdictions; it is not available to US persons. Past performance does not predict future returns. The rate of return may vary and the principal value of an investment will fluctuate due to market and foreign exchange movements. Shares, if redeemed, may be worth more or less than their original cost. This is not a solicitation for the sale of shares and nothing herein is intended to amount to investment advice. For sustainability related aspects please access [Janushenderson.com](http://Janushenderson.com). This document does not constitute investment advice or an offer to sell, buy or a recommendation, nor should it be taken as a basis to take (or stop taking) any decision, for securities, other than pursuant to an agreement in compliance with applicable laws, rules and regulations. Janus Henderson Group plc and its subsidiaries are not responsible for any unlawful distribution of this document to any third parties, in whole or in part, or for information reconstructed from this document and do not guarantee that the information supplied is accurate, complete, or timely, or make any warranties with regards to the results obtained from its use. As with all investments, there are inherent risks that each individual should address. The distribution of this document or the information contained in it may be restricted by law and may not be used in any jurisdiction or any circumstances in which its use would be unlawful. This presentation is strictly private and confidential and may not be reproduced or used for any purpose other than evaluation of a potential investment in Janus Henderson Investors International Limited products or the**

**procurement of its services by the recipient of this presentation or provided to any person or entity other than the recipient of this presentation. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes. 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.**

Issued in Europe by Janus Henderson Investors. Janus Henderson Investors is the name under which investment products and services are provided by Janus Henderson Investors International Limited (reg no. 3594615), Janus Henderson Investors UK Limited (reg. no. 906355), Janus Henderson Fund Management UK Limited (reg. no. 2678531), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Janus Henderson Investors Europe S.A. (reg no. B22848 at 2 Rue de Bitbourg, L-1273, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier).

The Extract Prospectus, the key information documents, the Company's Articles as well as the annual and semi-annual reports may be obtained free of charge from the Swiss Representative. The Swiss Representative is FIRST INDEPENDENT FUND SERVICES LTD., Feldeggstrasse 12, CH-8008 Zurich. The Paying Agent in Switzerland is Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva. In respect of the units offered in Switzerland, the place of performance is the registered office of the representative. The place of jurisdiction is at the registered office of the representative or at the registered office or place of residence of the investor. The last share prices can be found on [www.fundinfo.com](http://www.fundinfo.com) For Qualified investors, institutional, wholesale client use only. Copies of the Fund's prospectus, Key Information Document, articles of incorporation, annual and semi-annual reports are available in English and other local languages as required from [www.janushenderson.com](http://www.janushenderson.com). These documents can also be obtained free of charge from the Registered Office of the Company at 2 Rue de Bitbourg, L-1273, Luxembourg. They can also be obtained free of charge from the local Facilities Agents and the Swiss representative and paying agent. Janus Henderson Investors Europe S.A. ("JHIESA"), 2 rue de Bitbourg, L-1273 Luxembourg, is the Facilities Agent in Austria, Belgium Germany, Portugal, Sweden, Liechtenstein and Luxembourg. JHIESA is also the Facilities Agent for France (Sub – TA is CACEIS). FE fundinfo (Luxembourg) S.à.r.l., 6 Boulevard des Lumières, Belvaux, 4369 Luxembourg, is the Facilities Agent in Denmark, Finland, Netherlands, Norway, and Greece. State Street Bank International GmbH – Succursale Italia, Société Générale Securities Services S.p.A (SGSS S.p.A), Allfunds Bank S.A.U filiale di Milano, Caceis Bank Italy Branch, and Banca Sella Holding S.p.A. are the Sub Transfer Agents for Italy. Allfunds Bank S.A., Estafeta 6, La Moraleja, Complejo Plaza de la Fuente, Alcobendas 28109, Madrid, Spain is the Facilities Agent in Spain. Janus Henderson Capital Funds Plc is an Irish collective investment scheme (IIC) registered in the National Securities Market Commission's (CNMV) registry with registration number 265. The Hong Kong Representative is Janus Henderson Investors Hong Kong Limited of Suites 706-707, Chater House, 8 Connaught Road Central, Central, Hong Kong. Janus Henderson Investors (Singapore) Limited (Company Registration No. 199700782N), whose principal place of business is at 138, Market Street #34-03/04, CapitaGreen, Singapore 048946, Singapore (Tel: 65 6813 1000). Any further dissemination of this document to other persons who do not qualify as professional investors is not permitted nor is authorised by Janus Henderson Investors. The summary of Investors Rights is available in English from <https://www.janushenderson.com/summary-of-investors-rights-english>. Janus Henderson Investors Europe S.A. may decide to terminate the marketing arrangements of this Collective Investment Scheme in accordance with the appropriate regulation.

Janus Henderson is a trademark of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc. For more information or to locate your country's Janus Henderson Investors representative contact information, please visit [www.janushenderson.com](http://www.janushenderson.com)

D10059