Janus Henderson INVESTORS

PAN EUROPEAN FUND

At a glance

Performance*

The Fund returned 2.50%, the Index returned 3.94% and the Sector returned 3.49%.

Contributors/detractors

Positive contributors included Airbus, Safran, Holcim and Adidas. Detractors included BESI, UPM-Kymmene and Infineon.

Outlook

Continued uncertainty around the path of inflation and interest rates will likely cause some near-term volatility. We see attractive global secular themes within our investment universe over the longer-term.

Portfolio management

Tom O'Hara

Tom Lemaigre, CFA

John Bennett

Investment environment

- Equity markets continued their advance with European indices up on average over 3%, driven by increasing macroeconomic optimism.
- A 'goldilocks' scenario has seized the narrative, with investors expecting interest rate cuts within the coming months and a 'soft landing' outcome (versus a recession) in the real economy.
- This led to the outperformance of some more cyclical, and attractively priced areas of the market - notably banks - while signs of a market 'rotation' continued into April.

Portfolio review

Top positive contributors included Airbus and Safran (civil aerospace), Adidas, and Holcim (building materials).

Top detractors included BESI, which saw a sharp share price decline of over 20% after trade media in South Korea reported potential delays to the adoption of its next-generation 'hybrid bonding' technology by key semiconductor manufacturers. The stock remains a top longer-term contributor for us, having risen 100% over 12 months, and we maintain our fundamental conviction in the company's prospects.

UPM Kymmene was again a detractor on the back of a senior management exit and tension with a prominent labour union. While trading momentum in pulp markets appears to be improving, we reduced the position size in response to the company-specific news. UPM is no longer our biggest active weight in the fund.

Infineon continued to detract from fund performance too, as the market moved to price in a “shift to the right” of orders troughing in key end markets. We are of the view that a 'profit warning' is increasingly expected and priced in by the market, and thus we have been building the position size on the back of the share price weakness.

We opened a position in BNP Paribas in order to reduce the fund's underweight position to banks. We also opened a new position in London Stock Exchange Group, attracted by its defensive earnings growth profile and its partnership with Microsoft, which offers the potential of an enhanced competitive position in data services for the financial services industry.

Elsewhere, we exited the position in Amadeus, preferring to focus the fund's air travel exposure on existing holdings including Airbus, Safran and Ryanair.

Manager outlook

We continue to believe in the likelihood of structurally

*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.

higher inflation and higher interest rates in the years ahead, at least relative to the decade prior to the Covid pandemic. This is not to argue against the potential for near-term disinflation of a more cyclical nature, as supply shocks from both Covid and the Ukraine war are lapsed.

That said, even given the shifting rhetoric from central banks, we continue to lean much more towards a central bank 'plateau' rather than a 'pivot' on interest rates. This is, unless we witness a sharp economic contraction. However, given the fiscal bazooka being deployed under 'Bidenomics' and the need for Europe to follow suit, we may not see the economic 'hard landing' the market intermittently panics over, even if consumers do moderate their appetite to spend.

Longer term, we expect a clear shift towards a multipolar world, of which deglobalisation - and the capital intensive likes of 'Bidenomics' - is an outcome. We could also see a political shift in favour of populist/pro-labour policies, from both traditional 'left' and 'right' ends of the political spectrum. This could mean stronger wage inflation and greater labour market friction. It also leads us to believe equity investors will need to be more sensitive to valuation when making stock purchasing decisions.

The real economy implications will also present opportunities for stock-pickers. Enablers of deglobalisation (think industrial automation, digitalisation, electrification and construction materials firms) could thrive, while large incumbents across many industries (such as brewing, food catering and enterprise software) could see their already dominant positions enhanced as the end of virtually 'free' money tempers the threat of disruption by unprofitable start-ups. Europe offers plentiful opportunities to access these themes, being home to large global champions at what we see as reasonable valuations.

Performance (%)

Returns	Cumulative 1 Month	3 Month	YTD	1 Year	Annualised 3 Year	5 Year	10 Year	Since inception (24/03/05)
A2 EUR (Net)	2.50	7.47	7.47	19.20	9.34	11.04	7.72	6.37
Index	3.94	7.63	7.63	14.79	9.22	8.80	7.12	6.58
Sector	3.49	7.12	7.12	12.94	6.63	7.48	5.90	5.52

12 month rolling	Mar 2023-Mar 2024	Mar 2022-Mar 2023	Mar 2021-Mar 2022	Mar 2020-Mar 2021	Mar 2019-Mar 2020
A2 EUR (Net)	19.20	5.60	3.85	45.43	-11.17
Index	14.79	3.82	9.34	35.32	-13.53
Sector	12.94	1.09	6.20	37.16	-13.74

Performance is on a net of fees basis, with gross income reinvested. Source: at 31/03/24. **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.

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 objective

The Fund aims to provide a return, from a combination of capital growth and income over the long term (5 years or more).

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	29 September 2000
Total net assets	1.45bn
Asset class	Equities
Domicile	Luxembourg
Structure	SICAV
Base currency	EUR
Index	MSCI Europe Index^{SM}
Morningstar sector	Europe Large-Cap Blend Equity
SFDR category	Article 8

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.

Additional fund information

Tax assumptions and reliefs depend upon an investor's particular circumstances and may be subject to change. 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. This is a Luxembourg SICAV Fund, regulated by the Commission de Surveillance du Secteur Financier (CSSF). These are the views of the author at the time of publication and may differ from the views of other individuals/teams at Janus Henderson Investors. Any securities, funds, sectors or indices mentioned within this article do not constitute or form part of any offer or solicitation to buy or sell them. The information in this commentary does not qualify as an investment recommendation. Investment into the fund will acquire units/shares of the fund itself and not the underlying assets owned by the fund. Cash balances and exposures are based on settled and unsettled trades as at the reporting date.

Investment policy

The Fund invests at least two-thirds of its assets in shares (equities) and equity-related securities of companies, of any size, in any industry, in Europe (including UK). Companies will have their registered office in or do most of their business (directly or through subsidiaries) in this region. 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 or to manage the Fund more efficiently. The Fund is actively managed with reference to the MSCI Europe Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the Fund's performance. The Investment Manager has discretion to choose investments for the Fund with weightings different to the index or not in the index. Depending on prevailing market conditions the Fund's portfolio may shift between 'high conviction' (whereby the manager will take significant risk relative to the index) and a more cautious stance. This means the performance of the Fund may at times differ significantly from the index, while at other times it may be more closely aligned.

Investment strategy

The Investment Manager looks to anticipate catalysts for change in companies and industries based on fundamental research and thought leadership, in order to construct a portfolio of large companies complemented by mid-size company opportunities with the potential to enhance the Fund's overall returns. Smaller companies are not normally a significant focus of the portfolio.

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 with the aim of reducing risk or managing the portfolio more efficiently. However this introduces 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.

FOR MORE INFORMATION PLEASE VISIT **JANUSHENDERSON.COM**

Janus Henderson INVESTORS

Source: Janus Henderson Investors, as at 31 March 2024, unless otherwise noted.

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 Luxemburg, is the Facilities Agent in Austria, Belgium Germany, Ireland, Malta, Portugal, Sweden and Liechtenstein. 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, Iceland, Netherlands and Norway. 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 Fund is registered with the CNMV under number 259) . 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'Ile, 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 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.

D10002