

EUROPEAN SELECTED OPPORTUNITIES FUND

John Bennett
Director of European Equities

Negotiating pandemic and Ukraine war



**Summer
2020**

Buy the Industrial
V shape

More Value
Banks & Autos



2021

Consumer V shape

Adidas
Amadeus
Carlsberg
Essilor Luxottica
Hugo Boss
Inditex
Kering
L'Oreal
Mowi
Pandora



Into 2022

Refine consumer
exposure as cost of
living rises

Reduce mass market
exposure

Focus on travel and
leisure



Q2 2022

Ukraine invasion =
Western world finally
wakes up

Chinese “Zero COVID”
delusion

Reduce Cyclicalit
Sell Banks

June '22
Use correction to buy
more oil



H2 2022

Market prices severe
recession

CPI approaches
tough comps

Add beaten-up
cyclicals

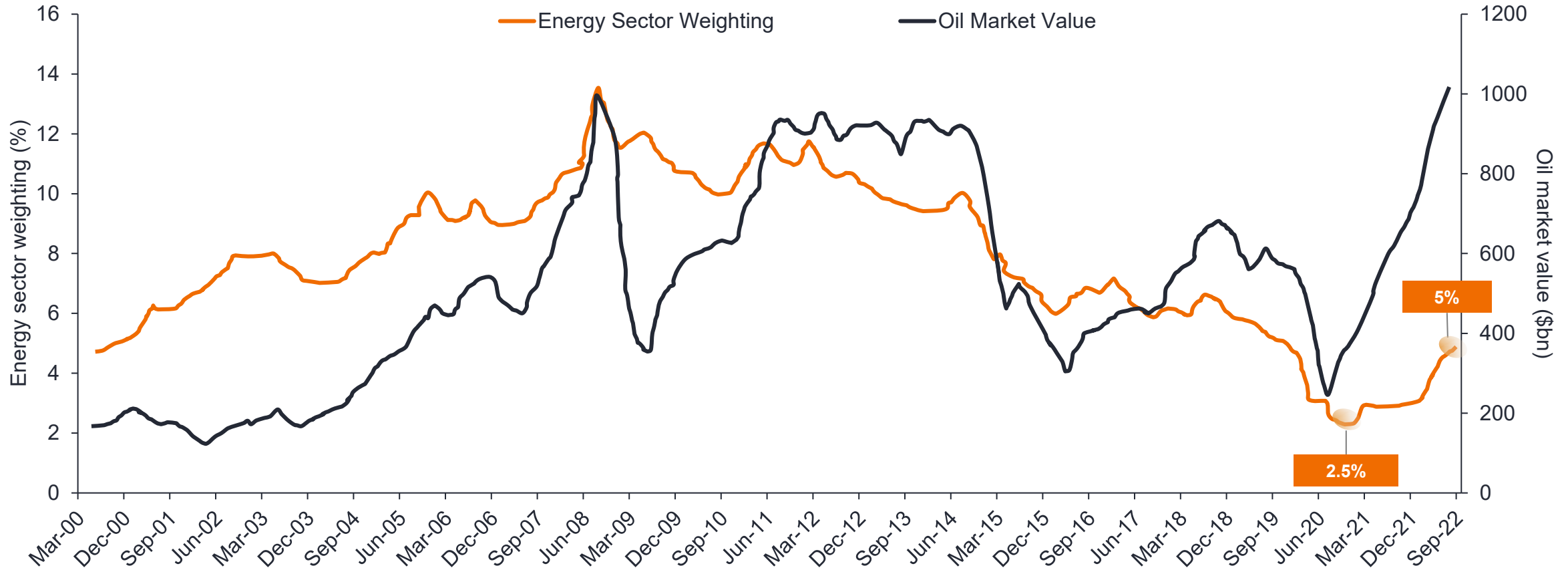
Buy back our favourite
semiconductors

Source: Janus Henderson Investors, as at 31 March 2023.

Note: 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.

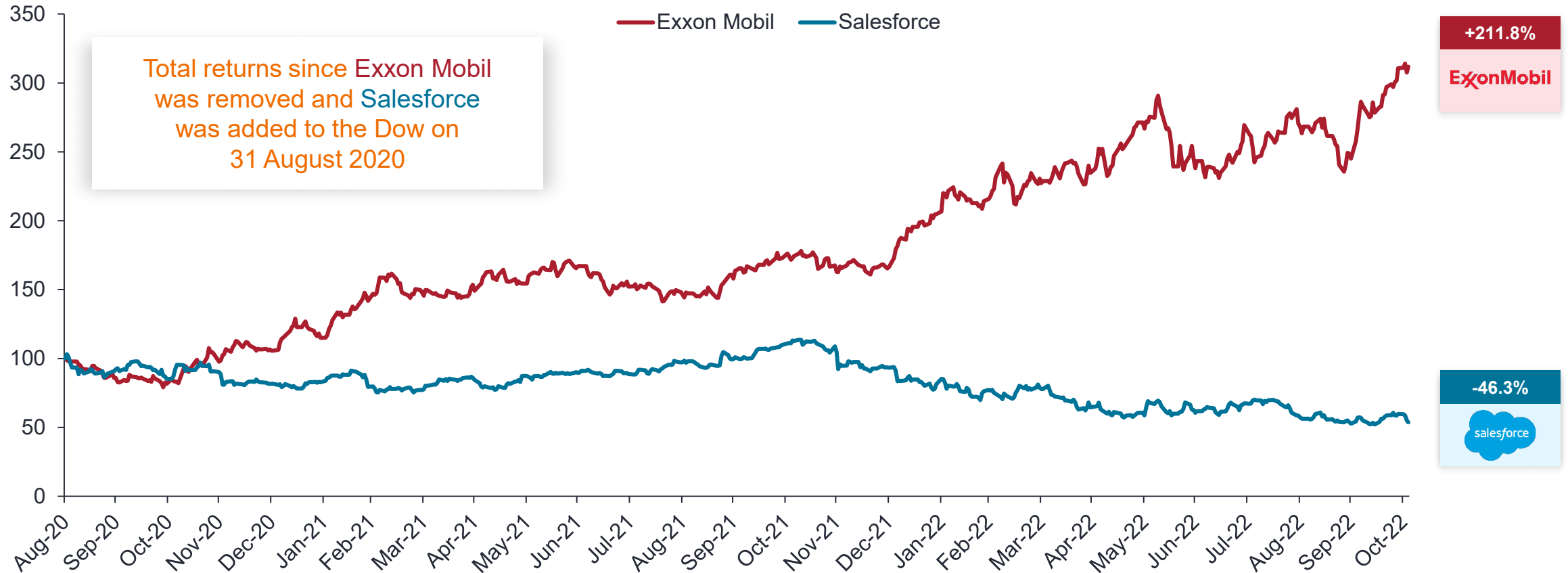
Energy sector positioning remains low

MSCI world – energy sector weighting vs oil market value



Source: Alliance Bernstein, Janus Henderson Investors Analysis, as at 24 August 2022.

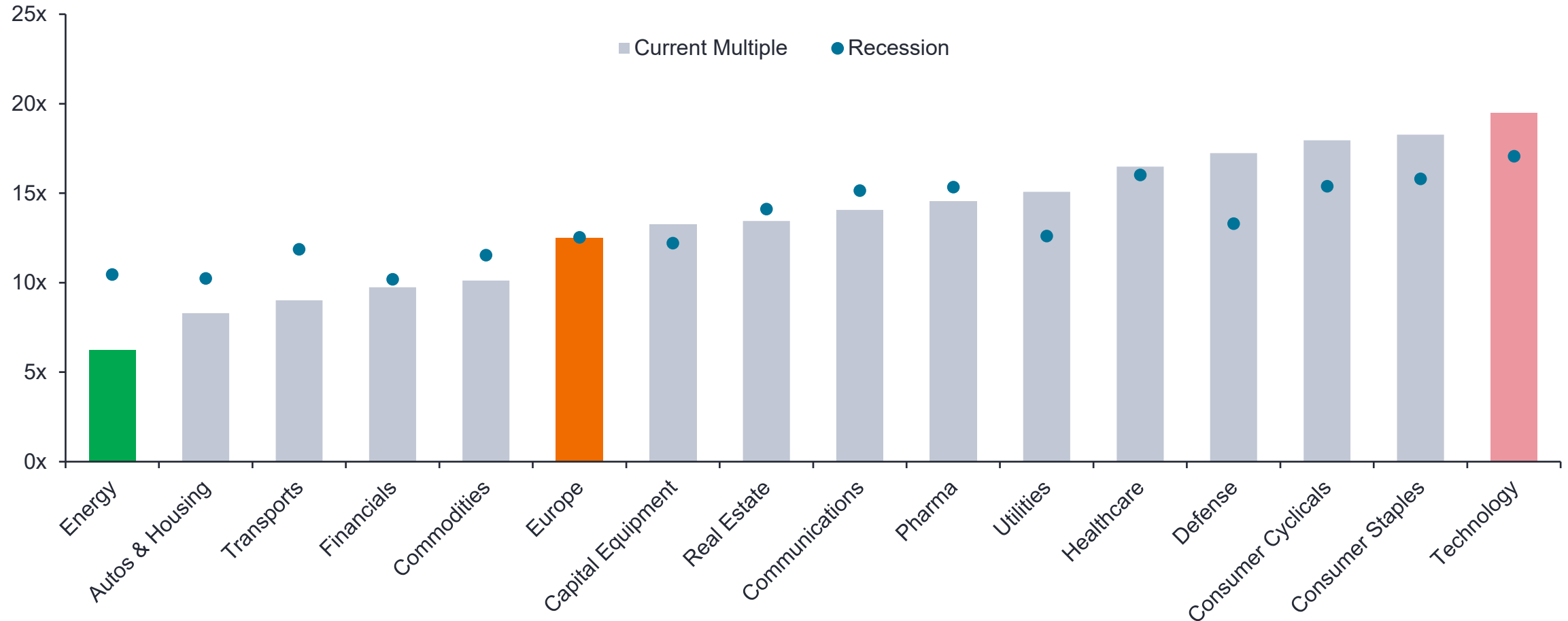
“Mean reversion is dead”



Source: Refinitiv Datastream, Janus Henderson Investors Analysis, as at 3 November 2022.

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Comparing today's valuations with previous recessions



Source: Bernstein, as at 14 September 2022.

Note: Current multiple is a current 12 months forward price to earnings multiple. Periods of the economic cycles are defined by the normalised seasonally adjusted composite European leading indicator from the OECD.

Franchise stocks



Note: For illustrative purposes and not indicative of any actual investment.

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We are wary of extrapolation – we believe in change

UNDERACHIEVERS – ALL CHANGE



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Our approach to ESG

- The delta not the absolute
- Don't cancel the solutions
- Don't be surprised to see ESG 2.0
- ESG but not by broad exclusion
- We have owned decarbonisation leaders in high carbon sectors such as Cement, Steel and Energy

“It is a fool's errand to describe yourself as sustainably investing when you divest from all inappropriate stocks and simply invest in tech, for instance”

Guy Opperman, UK pensions and financial inclusion minister, June '21

“For the oil and gas industry we believe that ultimately, what comes now will be an era of redemption. That society and investors will recognise that hydrocarbons are not guns, not tobacco, not products that we can live without. Yes, we might like to. And given time our strong belief is that we will. But the operative word here is time. Society will transition. But the pace of that transition will not be in line with the fantasy that has all too commonly been presented. And much of the Oil & Gas industry by virtue of its reach, its incumbency, its technology, its cash flows and its ability to fund and take risk, will be central to the change. So we may be near a peak for pricing and cash flows. But from a valuation perspective the equity re-rate is yet to come”

Exane Research, 6 July 2022,

Source: Janus Henderson Investors, as at 30 September 2022.

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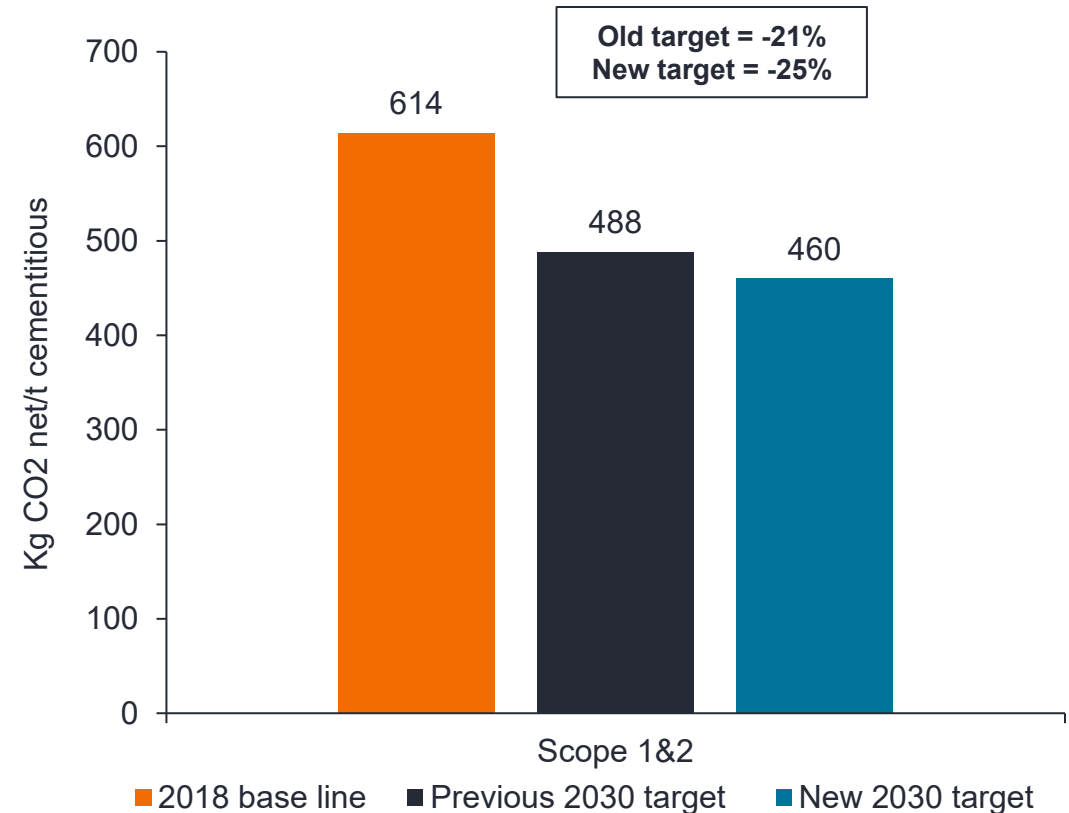
ESG = Environmental, Social and Governance. ESG integration is the practice of incorporating material environmental, social and governance (ESG) information or insights in a non-binding manner alongside traditional measures into the investment decision process to improve long term financial outcomes 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 Fund's investment process and in this document we seek to show why it is financially relevant.

ESG in action

Holcim – increasingly ambitious carbon targets

10 November 2022 update

- Holcim announces an upgrade of its medium-term decarbonisation ambition, aligning itself with the Science Based Targets initiative (SBTi) 1.5 degree framework for the cement sector
- Holcim targets a 25% reduction in scope 1 and 2 emissions per ton cementitious by 2030 vs. the 2018 base line, vs. a 21% reduction previously
- Holcim’s low-carbon concrete and cement offering, ECOPact and ECOPlanet, have delivered double digit sales growth 2022 YTD (to 30 September) while traditional products have flat or negative growth. **We think this talks to the commercial opportunity from decarbonisation (not just a risk to be mitigated), for those companies that have invested in this area**



Source: LafargeHolcim, Morgan Stanley as at November 2022.

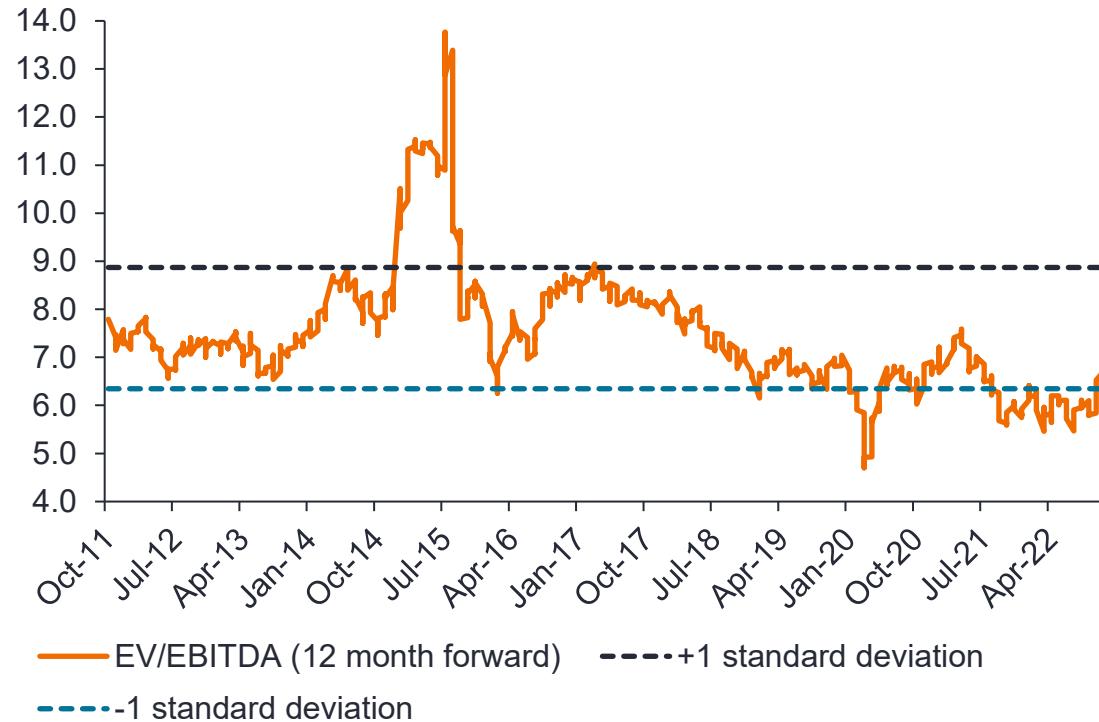
Note: SBTi : Science BasedTargets imitative.

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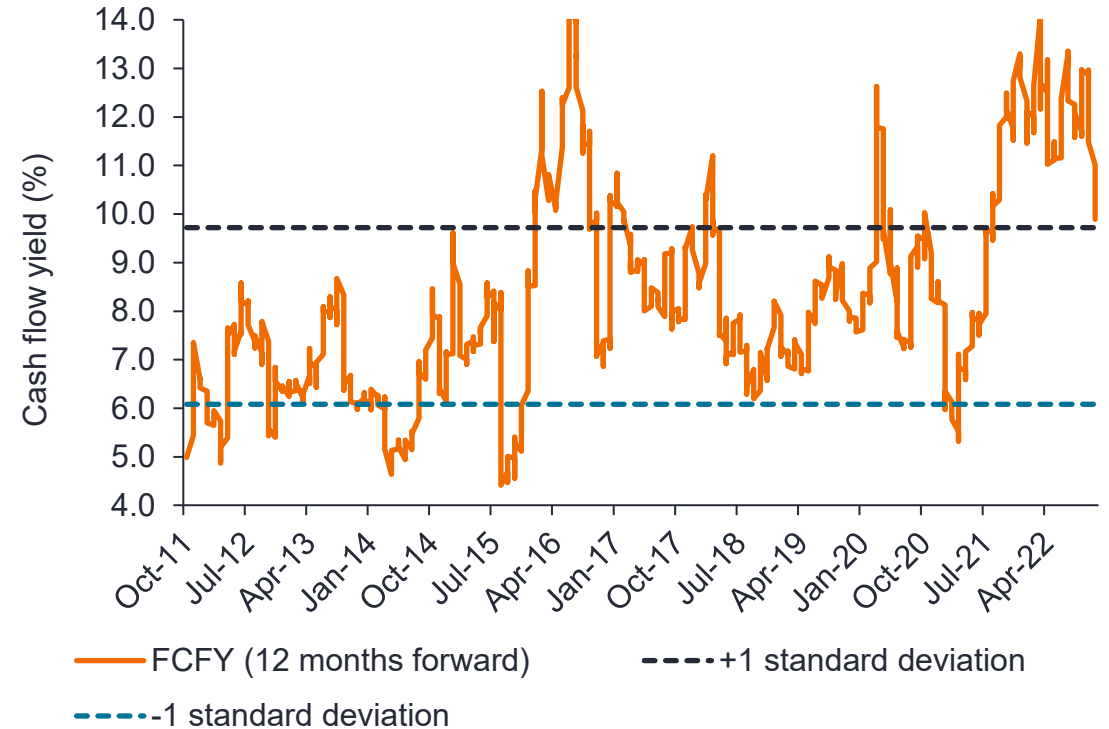
ESG in action

Holcim valuations – are we in danger of cancelling the solution?

Valuation at a ten year low (excluding Q1 2020)



Cash generation to help fund the transition



Source: Refinitiv DataStream consensus forecasts, Janus Henderson Investors Analysis, as at 11 November 2022.

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European Selected Opportunities Fund

Fund	Janus Henderson European Selected Opportunities Fund
Benchmark	FTSE World Europe ex UK Index
Peer Group	IA Europe ex UK Equity

European Selected Opportunities Fund

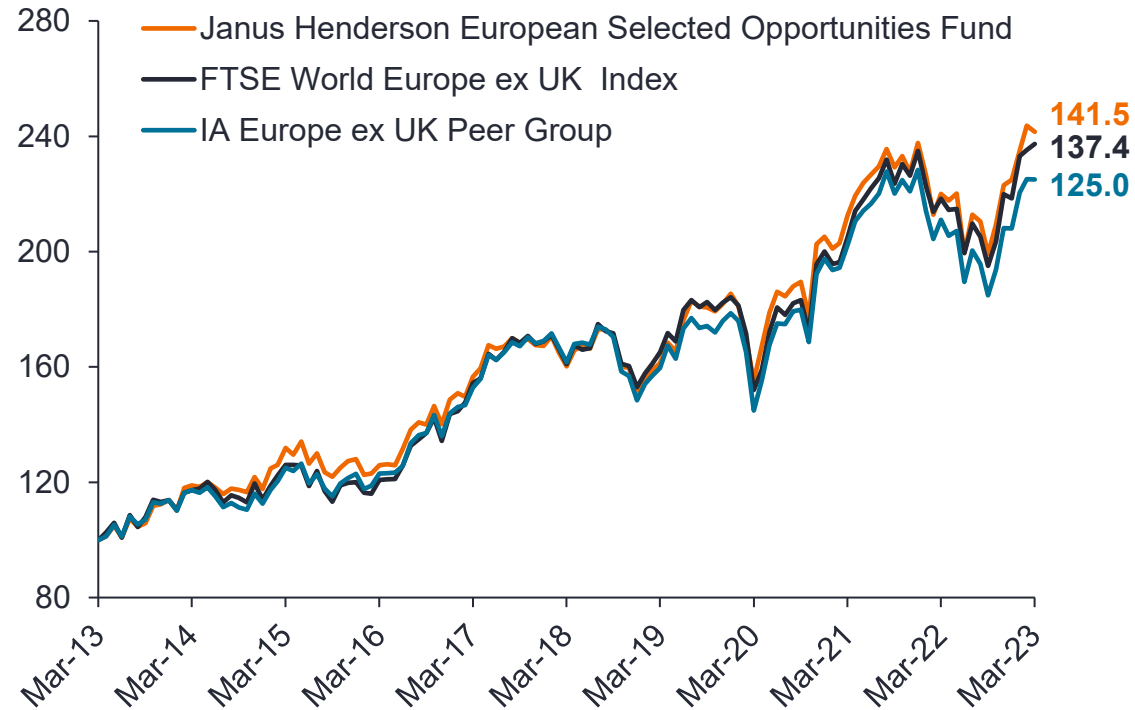
Characteristics

Fund Inception date:	01 September 1984
Managed since:	February 2010
Fund size:	£2.0bn
No. of holdings:	40-50
Position size:	1-4%
Maximum position size:	10%
Portfolio construction:	Blends sector themes with stock specifics
Morningstar Analyst Rating:	Silver

Source: Janus Henderson Investors, as at 31 March 2023.

Performance

10 year performance to end March 2023 (%)



Cumulative performance (%)

	1 year	3 year	5 year	7 year	10 year
European Selected Opportunities Fund	9.8	55.7	50.8	91.9	141.6
FTSE World Europe ex UK Index	8.7	56.2	47.4	96.6	137.4
IA Europe ex UK	6.6	55.2	39.2	82.9	125.0
Quartile ranking	1	2	1	2	2
Percentile ranking	24	43	14	36	26

Source: FactSet, Janus Henderson Investors Analysis, as at 31 March 2023.

Note: Fund: I Acc share class, net of fees, in GBP. Bid pricing, net income reinvested. The Fund performance is based on 17:00 (CET) valuation. Rebased to 100.

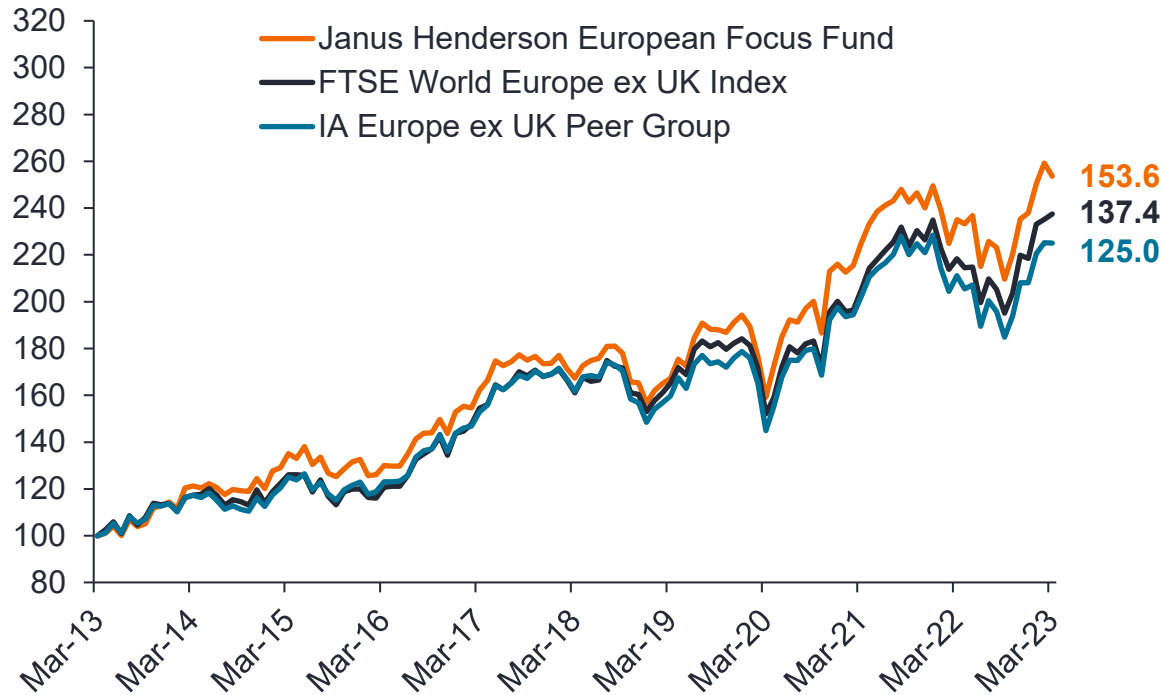
Peer Group average performance is based on valuation point of underlying funds in universe.

Availability of share classes shown may be limited by law in certain jurisdictions. Performance records are detailed on the specific KIID, fees and charges may vary and further information can be found in the fund's prospectus and KIID which must be reviewed before investing. Please consult your local sales representative if you have any further queries.

Past performance does not predict future returns.

Performance

10 year performance to end March 2023 (%)



Cumulative performance (%)	1 year	3 year	5 year	7 year	10 year
European Focus Fund	7.9	59.4	51.5	95.1	153.6
FTSE World Europe ex UK Index	8.7	56.2	47.4	96.6	137.4
Peer Group average	6.6	55.2	39.2	82.9	125.0
Quartile ranking	2	2	1	1	1
Percentile ranking	47	33	13	25	15

Source: FactSet, Janus Henderson Investors Analysis, as at 31 March 2023.

Note: Fund: I Acc share class, net of fees in GBP. Bid pricing, net income reinvested. The Fund performance is based on 17:00 (CET) valuation. Rebased to 100.

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Discrete performance

	European Selected Opportunities Fund Net (%)	FTSE World Europe ex UK Index (%)	IA Europe ex UK Peer Group (%)
March 2022 – March 2023	9.81	8.73	6.59
March 2021 – March 2022	3.56	6.51	4.36
March 2020 – March 2021	36.90	34.86	39.55
March 2019 – March 2020	-3.83	-7.96	-9.23
March 2018 – March 2019	0.75	2.57	-1.24

Benchmark

FTSE World Europe ex UK Index

Index usage: Comparator

The FTSE World Europe ex UK Index is a measure of the combined performance of large and medium sized companies from developed and advanced emerging European stock markets excluding the UK. It provides a useful comparison against which the Fund's performance can be assessed over time.

Peer Group Benchmark

IA Europe ex UK

Peer group benchmark usage: Comparator

The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

Source: Janus Henderson Investors, as at 31 March 2023.

Note: Fund: Janus Henderson European Selected Opportunities Fund, I Acc share class, net of fees in GBP.

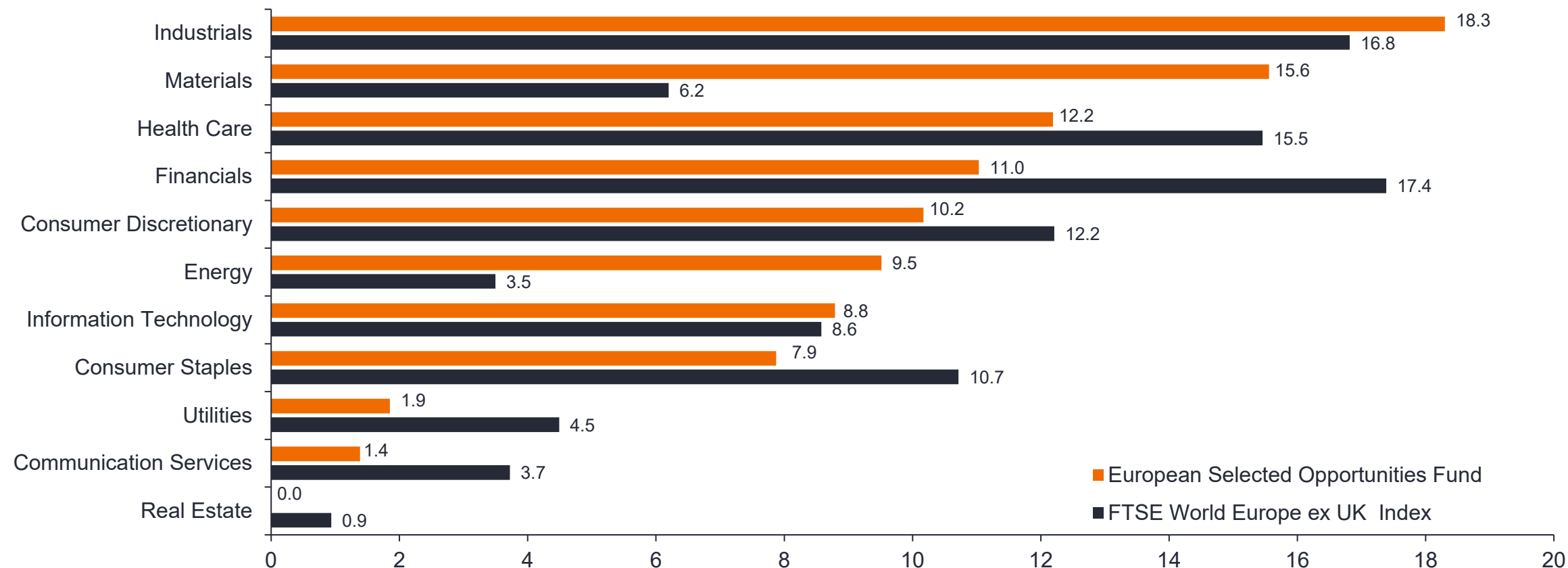
The Fund aims to provide a return, from a combination of capital growth and income over the long term (5 years or more).

Performance fees may be charged before the Fund's outperformance target is reached.

Past performance does not predict future returns.

Sector allocation

Portfolio weights (%)



Source: Janus Henderson Investors, as at 31 March 2023.

Note: Allocations are subject to change without notice.

Representative of Global Industry Classification Standard sector breakdown, excludes cash & unassigned.

Top 10 holdings

Stock name (%)	European Selected Opportunities Fund weight	FTSE World Europe ex UK Index	Relative
Novo Nordisk	5.6	3.1	2.5
LVMH	4.2	2.9	1.4
UPM-Kymmene	3.9	0.2	3.7
TotalEnergies	3.3	1.7	1.6
adidas	2.9	0.4	2.6
Holcim	2.9	0.4	2.5
STMicroelectronics	2.7	0.4	2.3
Airbus	2.7	0.9	1.8
Safran	2.7	0.7	2.1
Saint-Gobain	2.7	0.3	2.3
Total	33.7	11.1	

Source: FactSet, Janus Henderson Investors Analysis, as at 31 March 2023.

Note: Fund: Gross of fees, in GBP.

Portfolio holdings are subject to change without notice.

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Valuation snapshot

	European Selected Opportunities Fund	FTSE World Europe ex UK Index
Value		
Price to earnings (1yr forward)	12.7x	13.2x
Dividend yield (1yr forward)	3.1%	3.4%
Price to book	2.1x	2.0x
EV/EBIT (1yr trailing)	13.1x	14.1x
Growth		
Earnings growth (1yr forward)	6.6%	10.7%
Sales growth (1yr forward)	4.1%	5.3%

	European Selected Opportunities Fund	FTSE World Europe ex UK Index
Quality		
Return on equity (1yr trailing)	19.9%	19.4%
Dividend cover (1yr trailing)	2.1x	2.1x
Net debt/EBITDA (1yr trailing)	1.0x	1.2x
Risk		
Tracking error	3.3%	-
Beta	1.0	
Number of stocks	50	575

Source: Janus Henderson Investors, as at 31 March 2023.

Note: Historic PB is based on current (as at report date) price and last fully reported book value sourced from FactSet.

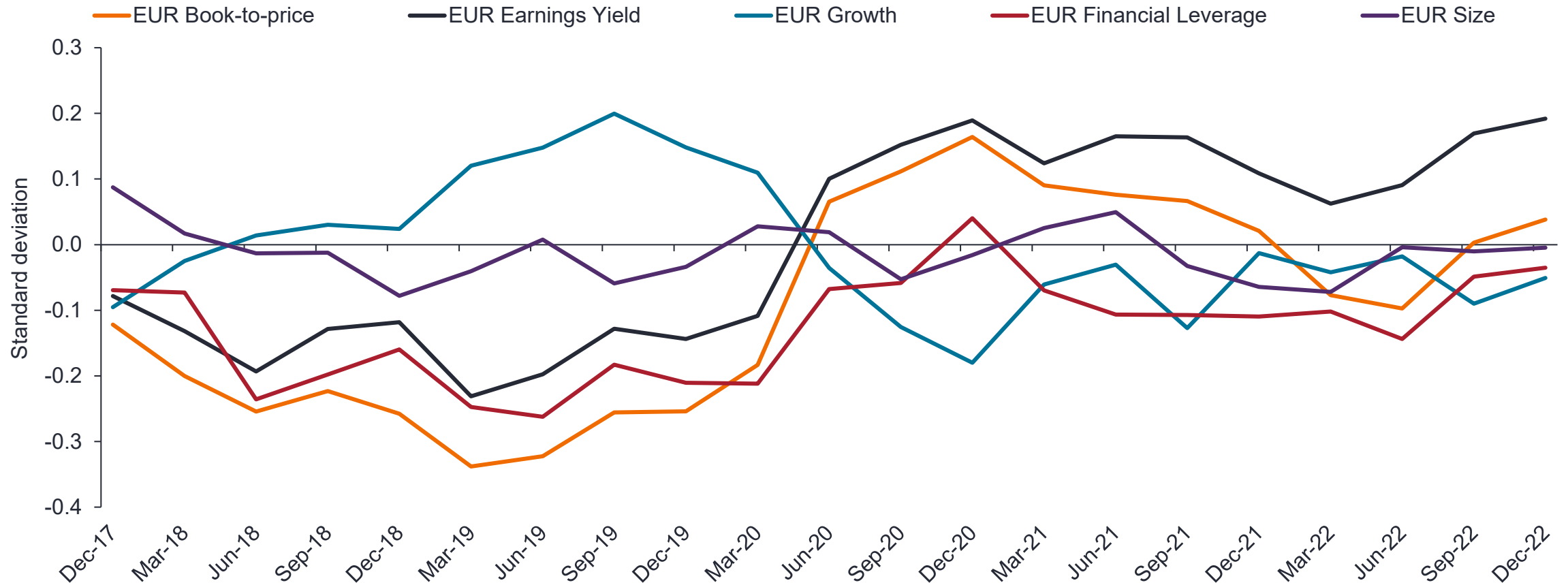
Historic return on equity is based on the last fully reported Net Income and Total Common Shareholders' Equity, sourced from FactSet.

Tracking error and beta are reported ex-ante based on a portfolio snapshot at month end.

Past performance does not predict future returns.

Strategy style factor exposure

Styles – active exposure (in standard deviation)



Source: Barra, Janus Henderson Investors Analysis, as at 31 December 2022.

1 year sector attribution

Sector (%)	Fund average weight	Benchmark average weight	Active average weight	Total effect
Materials	15.96	6.35	9.61	1.85
Health Care	14.56	16.28	-1.72	1.29
Information Technology	5.85	7.95	-2.10	1.26
Real Estate	--	1.28	-1.28	0.76
Energy	9.81	3.88	5.94	0.70
Communication Services	1.12	3.83	-2.71	0.11
Utilities	3.17	4.64	-1.48	0.09
Consumer Discretionary	10.48	11.25	-0.78	-0.16
Consumer Staples	11.89	10.90	0.98	-0.37
Industrials	14.46	16.19	-1.73	-0.71
Financials	11.11	17.45	-6.34	-1.04

Source: FactSet, Janus Henderson Investors Analysis, as at 31 March 2023.

Note: Fund: Janus Henderson European Selected Opportunities Fund, I Acc share class, gross of fees in GBP. Benchmark: FTSE World Europe ex UK Index. Representative of Global Industry Classification Standard sector breakdown, excludes cash & unassigned.

Past performance does not predict future returns.

3 year sector attribution

Sector (%)	Fund average weight	Benchmark average weight	Active average weight	Total effect
Information Technology	6.80	8.20	-1.40	4.88
Energy	5.63	3.25	2.38	2.00
Real Estate	--	1.59	-1.59	1.63
Materials	15.88	6.56	9.32	1.63
Health Care	15.08	15.95	-0.87	1.56
Communication Services	0.37	3.92	-3.55	1.03
Consumer Discretionary	13.06	11.38	1.69	0.68
Consumer Staples	11.43	11.13	0.31	0.32
Utilities	3.74	4.91	-1.18	-0.97
Industrials	15.01	16.10	-1.09	-1.92
Financials	11.14	17.01	-5.87	-4.96

Source: FactSet, Janus Henderson Investors Analysis, as at 31 March 2023.

Note: Fund: Janus Henderson European Selected Opportunities Fund, I Acc share class, gross of fees in GBP. Benchmark: FTSE World Europe ex UK Index. Representative of Global Industry Classification Standard sector breakdown, excludes cash & unassigned.

Past performance does not predict future returns.

1 year stock contribution

Top ten contributors (%)	Contribution
Holcim	1.09
Novo Nordisk	0.91
TotalEnergies	0.84
adidas	0.50
BP	0.46
HUGO BOSS	0.36
CRH	0.34
ASM International	0.34
Solvay	0.30
LVMH	0.29

Top ten detractors (%)	Contribution
Mowi	-0.80
KION GROUP	-0.79
Aker BP	-0.55
BNP Paribas	-0.45
Euronext	-0.41
UniCredit	-0.40
Bayer	-0.36
Arkema	-0.32
Pandora	-0.32
ING	-0.28

Source: FactSet, Janus Henderson Investors Analysis, as at 31 March 2023.

Note: Fund: Janus Henderson European Selected Opportunities Fund, I Acc share class, gross of fees in GBP. Benchmark; FTSE World Europe ex UK Index.

Portfolio holdings are subject to change without notice.

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3 year stock contribution

Top ten contributors (%)	Contribution
TotalEnergies	2.86
Novo Nordisk	2.14
Infineon Technologies	1.51
Holcim	1.49
Mercedes-Benz Group	1.10
ASML Holding	0.97
Ahold Delhaize	0.88
Nordea Bank	0.84
Volvo	0.80
HUGO BOSS	0.69

Top ten detractors (%)	Contribution
Grifols	-1.50
Nokian Tyres	-1.27
Pandora	-1.00
Euronext	-0.97
Mowi	-0.97
Siemens	-0.93
Richemont	-0.84
Aker BP	-0.83
BNP Paribas	-0.81
UniCredit	-0.80

Source: FactSet, Janus Henderson Investors Analysis, as at 31 March 2023.

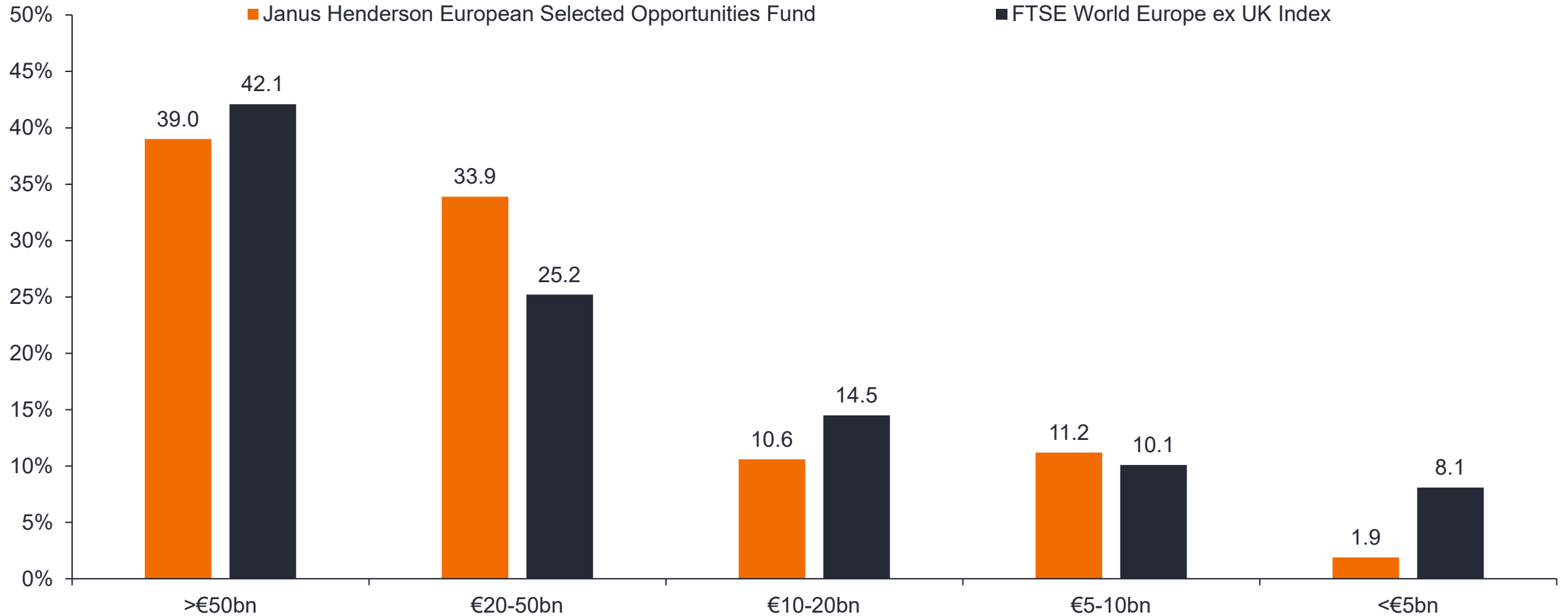
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Market cap distribution

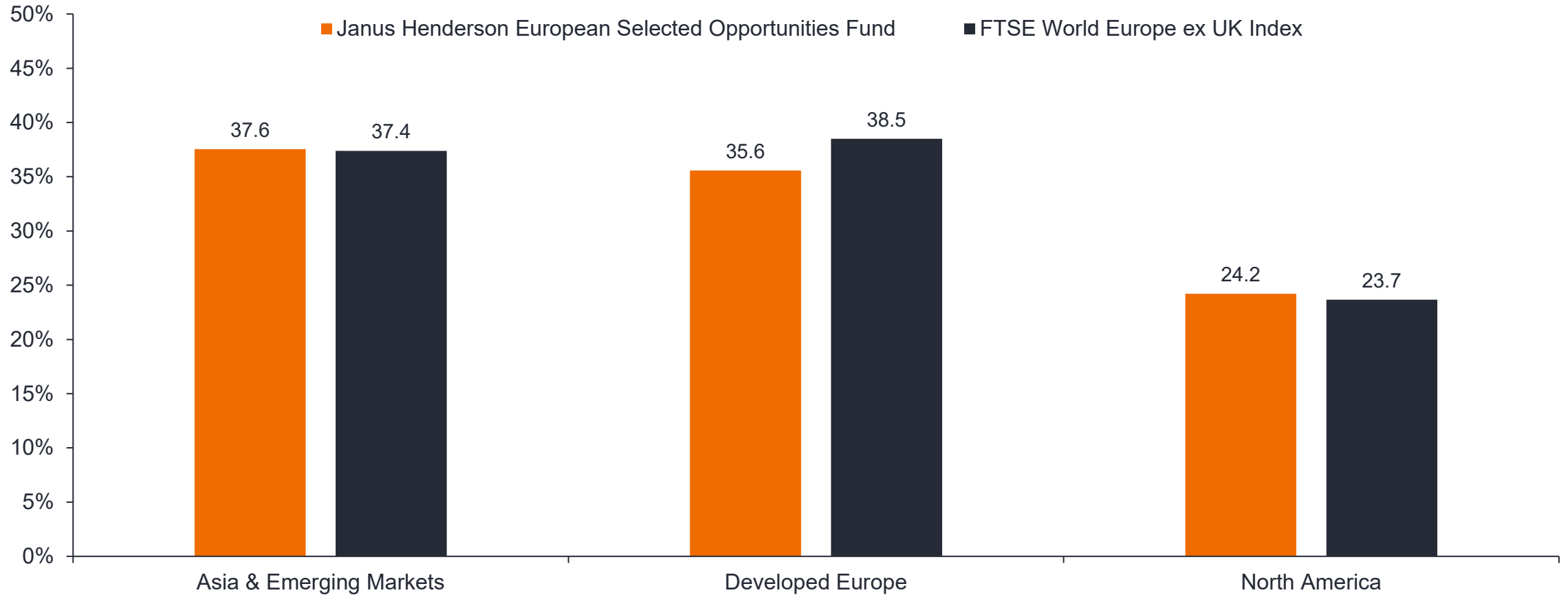


Source: Janus Henderson Investors, as at 31 March 2023.

Note: Exposures are subject to change without notice.

Excludes cash. Market cap based on free float.

International exposure – revenue breakdown



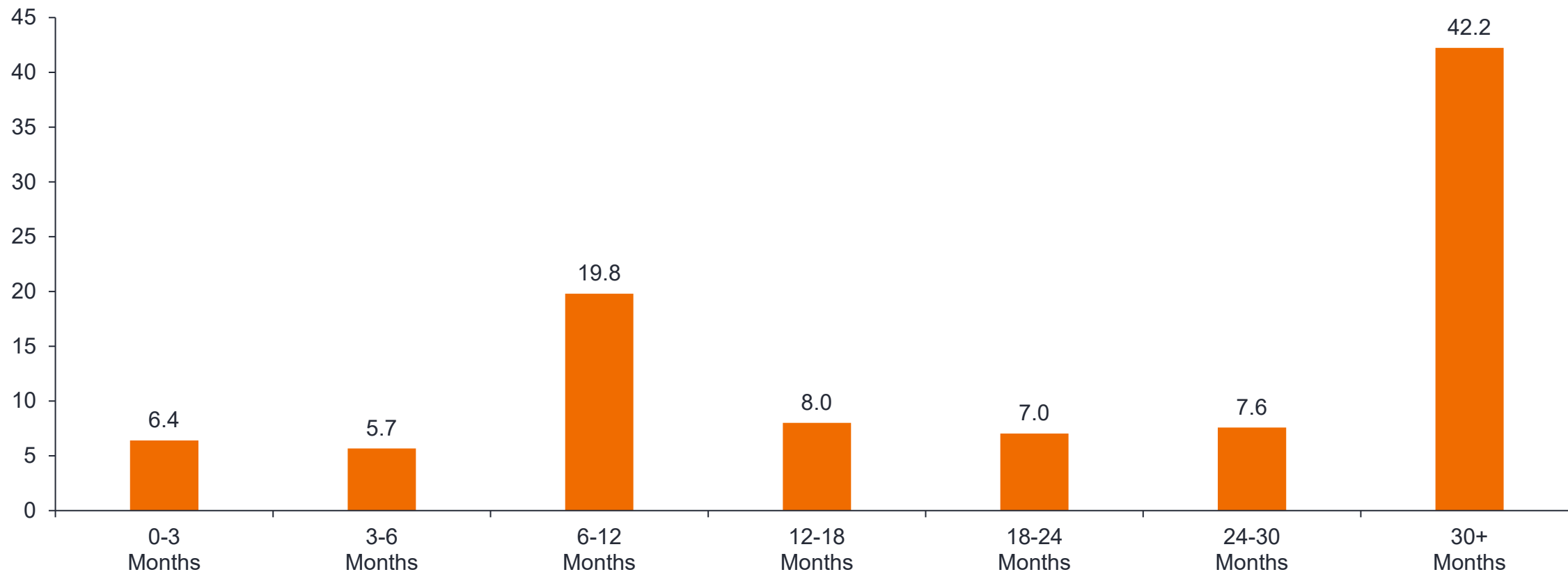
Source: Janus Henderson Investors, as at 31 March 2023.

Note: Exposures are subject to change without notice.

Totals may not add up to 100 due to rounding.

Portfolio vintage

Portfolio age profile (%)



Source: Janus Henderson Investors, as at 31 March 2023.

Note: The chart shows the portfolio activity and the holding period of current positions, based on when the stock first entered the fund.

Investment philosophy



Macroeconomic and sector trends travel globally

Early insights into the behaviour of European companies can be gained from understanding global market and industry dynamics.



Stock prices are mean reverting

Excess returns can be competed away over time.

Conversely, badly managed companies (as opposed to bad businesses) may be neglected by investors but often present opportunities.



Invest in change

Investment opportunities can be captured through correctly anticipating change and inflection points in companies and industries – either for the better or for the worse.

Patience and long-term commitment to these investments are essential to capturing gains from being on the right side of surprise.



Capital investment drives value creation

Cash flow return on capital is the ultimate master of value creation; it either creates or destroys corporate value. Nevertheless, companies must be evaluated in the context of a range of fundamental metrics and qualitative factors.

Our investment DNA



Source: Janus Henderson Investors, as at 31 March 2023.

Investment process overview

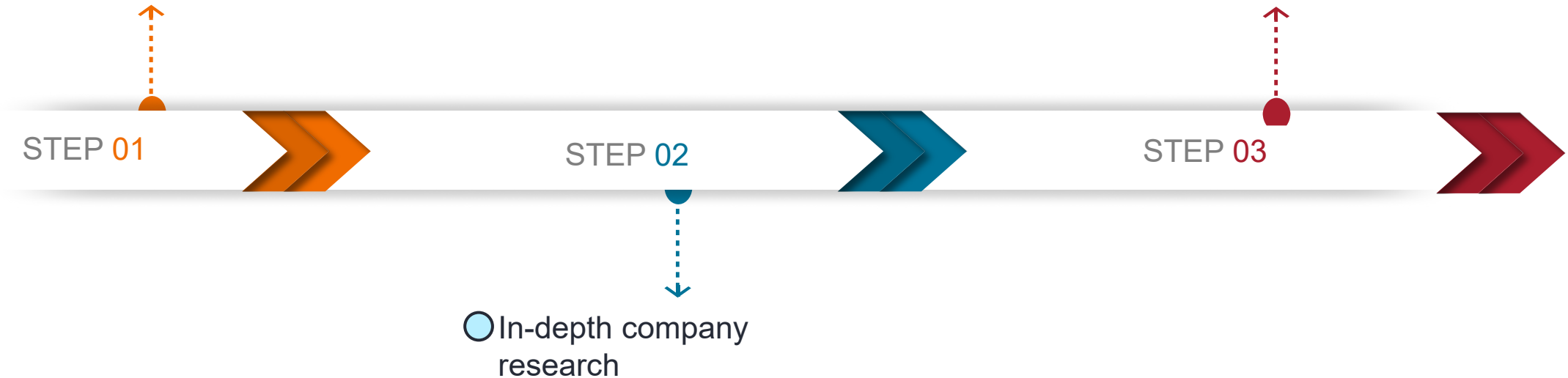
○ Filter the universe of listed European Stocks

- Identify stock and sector themes
- Fundamental screening
- Company meetings
- Research focus: ~ 600 stocks



Portfolio of Stocks

- Stock and sector themes set framework
- Weightings according to conviction and liquidity
- Ongoing monitoring:
 - Industry trends
 - Fundamentals
 - Portfolio vs. benchmark



Source: Janus Henderson Investors, as at 31 March 2023.

Biographies

Biographies



John Bennett

Director of European Equities | Portfolio Manager

John Bennett is Director of European Equities at Janus Henderson Investors and Portfolio Manager on the Janus Henderson Continental European and Pan-European long-only and long/short strategies. John has held these roles since 2011 when his previous company, Gartmore, was acquired by Henderson. Prior to Gartmore, he served as fund manager at Global Asset Management for 17 years. During this time, he managed their flagship European long-only and European equity long/short hedge funds. Before this, he was a fund manager at Ivory & Sime.

John has 36 years of financial industry experience.

Source: Janus Henderson Investors, as at 31 March 2023.

Biographies



Tom O'Hara
Portfolio Manager

Tom O'Hara is a Portfolio Manager at Janus Henderson Investors, a position he has held since 2020. He co-manages the Concentrated Pan Europe Equity, the Continental Europe Equity, Pan Europe Equity, and Concentrated Continental Europe Equity strategies. Before joining the firm as a research analyst in 2018, Tom was an equity research analyst specialising in metals and mining with Exane BNP Paribas from 2016. He held similar mining and steel sector positions with Redburn (Europe) Limited from 2013 and with Citigroup Global Markets from 2010. Before Citigroup, Tom was a metals analyst with Metal Bulletin Research from 2008. He began his career in 2006 in the treasury of Northern Rock plc.

Tom received his BA degree (Hons) in economics from Newcastle University. He has 17 years of financial industry experience.

Source: Janus Henderson Investors, as at 31 March 2023.

Biographies



Tom Lemaigre, CFA
Portfolio Manager

Tom Lemaigre is a Portfolio Manager at Janus Henderson Investors, a position he has held since 2022. He co-manages the Continental Europe Equity, Concentrated Pan Europe Equity, European Concentrated Equity, Global Equity Market Neutral, and Pan Europe Equity strategies. Before joining the firm in 2018 as a research analyst, he was with Pensato Capital LLP from 2016, working as an analyst covering the consumer sector. Tom began his career as an equity sales and research analyst with Redburn (Europe) Limited in 2014.

Tom earned an MEng from Imperial College London. He holds the Chartered Financial Analyst designation and has 9 years of financial industry experience.

Source: Janus Henderson Investors, as at 31 March 2023.

Investment team

PORTFOLIO MANAGERS



John Bennett

Lead
36 yrs experience
12 yrs firm tenure



Tom O'Hara

Co-Portfolio Manager
17 yrs experience
5 yrs firm tenure



Tom Lemaigre, CFA

Co-Portfolio Manager
9 yrs experience
5 yrs firm tenure

KEY INVESTMENT SUPPORT

Richard Brown, CFA
Client Portfolio Manager

ESG & Governance and
Stewardship (15)

United Kingdom
Equities (7)

Portfolio Risk &
Analytics (7)

Central Research
Team (36)

Sector Specialist
Investment Teams

PAN EUROPEAN EQUITIES PLATFORM

Style	Blend		Blend long/short	Value	Growth	Blend
Market Cap	Large	Large – Mid	Large	Large	Large	Small
Lead Managers (AUM)	John Bennett (€6.9bn)	Marc Schartz (€1.3bn)	Robert Schramm-Fuchs (€0.8bn)	Nick Sheridan (€0.9bn)	Jamie Ross (€0.9bn)	Ollie Beckett (€2.1bn)
Idea generators	David Barker	Federico Borin				Rory Stokes Julia Scheufler

Source: Janus Henderson Investors, as at 31 March 2023. AUM shown is, as at 31 December 2022.

Note: Years of experience refers to industry experience. Professionals includes count of full investment personnel.

Contact us

janushenderson.com



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