



Janus Henderson Global Sustainable Equity

Global

Introduction

[sriServices SRI Style - Sustainability Select](#)

Originally launched in 1991 this is a global equity fund that is constructed on the basis that there is a strong link between sustainable development, innovation and long-term compounding growth. Companies held in the fund are classified within one of the ten primary environmental and social themes identified by the Global Sustainable Equity Team who manage the fund. In addition, the fund applies a high level of screening to the companies in which it invests as part of its avoidance criteria.

[Click here to read the Janus Henderson approach to ESG investing.](#)



Manager - Hamish Chamberlayne

Manager Since - 31/12/2013

Hamish Chamberlayne is Head of Global Sustainable Equities at Janus Henderson Investors. He is also Portfolio Manager of the Janus Henderson Global Sustainable Equity and Institutional Global Responsible Managed strategies, a role he has had since 2012. Hamish joined Henderson in 2011 from Gartmore, where he was an equity analyst with the global equity team. Prior to this, from 2004 to 2007 he worked as a senior auditor at PricewaterhouseCoopers, where he covered a variety of sectors, including energy, technology, and communications. He began his career at Burlington Consultants in 2003 performing commercial due diligence on businesses identified as acquisition targets by private equity houses.

Hamish graduated with a master's degree in chemistry from New College, Oxford University. He holds the Chartered Financial Analyst designation and is a qualified accountant.

Fund Objective

Please click on the 'Fund Data' button above.

Investment Process

The fund is bottom-up in composition with the sustainable investment process consisting of four pillars incorporating both positive and negative criteria. The first two pillars define the investment universe by firstly looking at the positive impact and then secondly the application of avoidance criteria (negative). These are expanded on within the responsible process section.

The third pillar focuses on the 'triple bottom line' of profits, people and planet in equal measure. Typically, the fund invests in companies that are able to generate and compound long-term free cash flows which is not currently being recognised by the market. At least 50% of the revenue derived from a company has to be linked to one of the positive impact themes in the fund. Financial resilience is assessed by looking for durable business models, predictable revenue, consistency of margins and cash flows as well as strong balance sheet.

The fourth pillar considers active portfolio construction and risk management with the portfolio exhibiting a high active share (>90%) with typically 50-70 names held. Holdings are allocated into three distinct groups dependant on the ability of the company to compound, substantial (position sizes >2%), standard (position sizes 1.5%-2.0%) and small (position sizes 0.25%-1.00%). The final portfolio consists of two areas, defensive secular growers and pro-cyclical secular growth names with regional exposure a by-product of stock selection.

Responsible Process

The initial positive impact pillar uses ten sustainable development investment themes to guide idea generation and identify long-term investment opportunities. Four overarching megatrends have been identified (resource constraints, climate change, populations growth and aging population) from which the ten environmental and social themes are developed. The environmental themes cover cleaner energy, sustainable transport, water management, environmental services and efficiency. For social, this covers Health, Sustainable Property & Finance, Knowledge & Technology and Quality of Life. All investments made must be able to demonstrate positive impact which is measured and reported on by measuring the proportion of revenue that is aligned to the ten sustainable development themes.

Within the second pillar of 'do no harm', strict avoidance criteria are applied as Janus Henderson will not invest in activities that contribute to environmental and social harm. This includes companies that produce and sell alcoholic drinks, the sale or manufacture of animal fur products, animal testing (both pharmaceutical and cosmetic purposes), the sale and production of tobacco products and companies with activity related to gambling. Janus Henderson publish an Investment Principles document that contains the full avoidance criteria of the fund. The Janus Henderson Ethical Oversight Committee has the role of developing, managing and implementing the avoidance criteria and meet four times a year.

An annual sustainability report as well as a quarterly positive impact report is produced for the fund.

Our Opinion

The fund is constructed to provide a highly differentiated global equity portfolio which has a style tilt towards growth and quality. Structural underweights will occur in the fund to the sectors that are avoided due the screen. Regional exposure is a by-product of stock selection with the team currently finding many ideas from the US, although there is exposure to other developed regions as well such as Europe, UK and Japan.

Although the fund's exposure to the theme of 'knowledge and technology' has grown steadily over time, it is an output from the ideas within the portfolio. The end markets of the companies held within this theme are different for each holding (e.g. healthcare, finance, manufacturing) with different business models so concentration in one area is avoided.

The fund is well resourced and is suitable for investors that are looking for exposure to a high conviction fund that invests in a combination of both social and environmental themes with the additional application of a negative screen.



Important Notice

This document is aimed at Investment Professionals only and should not be relied upon by Private Investors. Our comments and opinion are intended as general information only and do not constitute advice or recommendation. Information is sourced directly from fund managers and websites. Therefore, this information is as current as is available at the time of production.

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