

# Funds.

## Global Thematic Equity – Health Care

### Overview

Globally, the population size aged 65 and above is expected to surge to over 1.5b by 2050 – more than double the current pool. The ageing population and longer lifespan underpin a long-term need for sustained health care expenditures, and they also explain stable earnings witnessed in the health care sector throughout market cycles.

The advancement in technology and innovative remedies resulting from health care firms’ commitment to research and development, the size and the defensive characteristics of the sector are also factors supporting its growth over the long term. That said, the sector is subject to clinical trials and commercial risks from drug developments, while a change in health care policies may also induce volatility. Hence, we recommend using a diversified fund managed by sector experts to get access to this specialised sector. The Janus Henderson Global Life Sciences Fund is an option that investors can consider.

### Janus Henderson Global Life Sciences +++++

What are the key characteristics of this fund?

- Active, diversified portfolio of around 100 names across four subsectors: Pharmaceuticals, Biotech, Health care Services, and Medical Devices & Technology.
- Stock selection is categorised into three buckets, namely Core Growth, Emerging Growth, and Opportunistic. A value at risk approach is used to size the position of each holdings.
- Systematic sell discipline to remove emotional biases when selling out of stock ideas.

### Fund Selection Team

**Kenneth Teow, CFA**  
Analyst

**William Yu**  
Analyst

**Hock Kiat Ting, CFA**  
Analyst

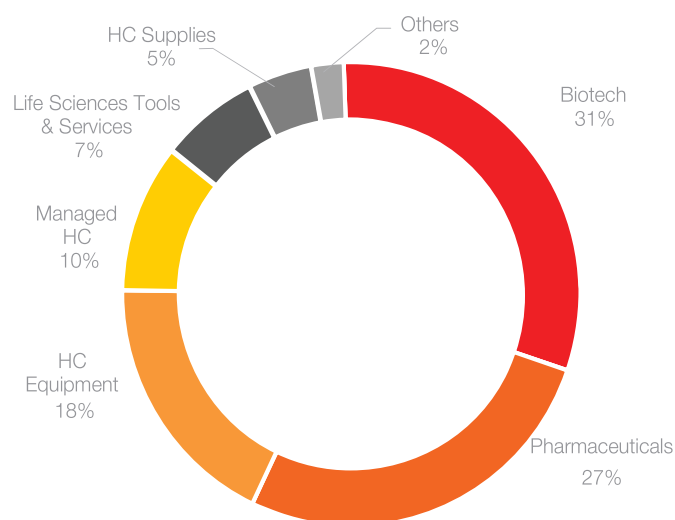
**John Ng**  
Team lead

**Dharit Shah, CFA**  
Analyst

### Why this fund?

1. The team: Portfolio manager (PM) Andy Acker has been managing the fund since 2007 and has gone through different market conditions. He is supported by a large team of six dedicated analysts who are dual trained in Finance and Health care to uncover best ideas.
2. Diversified access to health care: The fund takes a diversified approach, investing across sub-sectors, market cap, and business models.
3. Time-tested: Since the PM’s inception, the fund has consistently outperformed its peers and its benchmark by capturing the growth in Health care.

### Industry Exposure

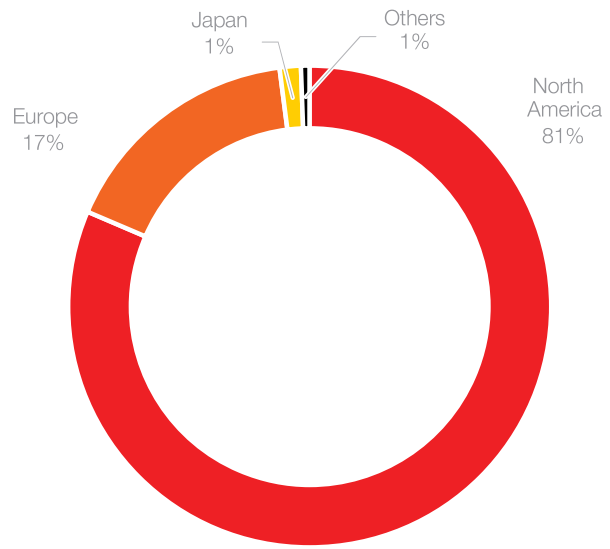


Source : Janus Henderson as of 31 October 2021

How is this fund positioned\*\*?

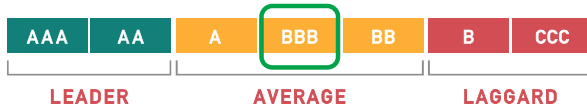
- The fund is highly diversified with majority of exposure in core large cap names and opportunistic exposure to mid-to-smaller cap, emerging growth names.
- In terms of geographical allocation, the fund is mainly invested in DM such as the US and Europe and has little exposure to Asia.
- There is a structural Overweight in Biotech as the investment team, with strong academic and industry credentials, sees more growth potential in small and midcap Biotech companies where the pace of innovation is accelerating.
- Neutral to small Underweight in health care Services, Devices and Medical Tech, but will opportunistically buy companies with good growth potential and attractive valuations.

### Geographical Exposure



Source : Janus Henderson as of 31 October 2021

### MSCI ESG Ratings



Source: MSCI as of 15 Nov 2021  
 MSCI ESG Ratings aim to measure a company's resilience to long-term, financially relevant Environment, Social and Governance (ESG) risks. Certain information ©2021 MSCI ESG Research LLC. Reproduced by permission

### Performance

Performance as of 31 October 2021 in USD	1M	3M	6M	1Y	3Y <sup>^</sup>	5Y <sup>^</sup>
Janus Henderson Global Life Sciences Fund	4.37	3.14	6.54	22.77	16.02	15.69
MSCI World/Health Care	4.22	1.50	10.66	29.97	16.21	15.11

<sup>^</sup>Annualised

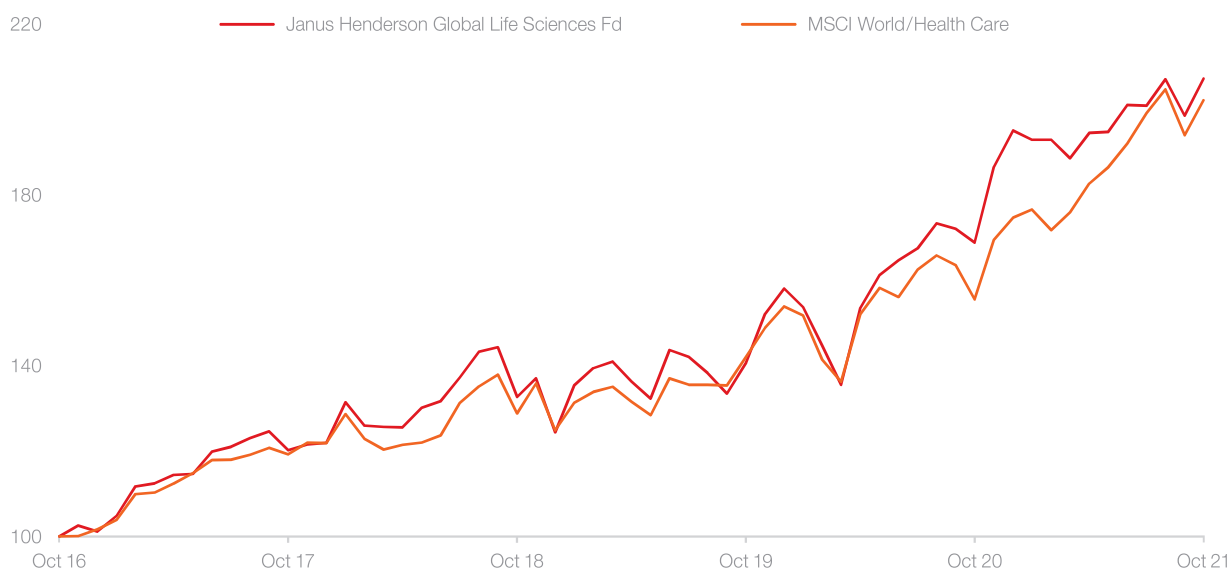
Source: Morningstar

\*\*Funds are actively managed, positions may change.

Important Notice and Disclaimer:

This document is for your information and for discussion purposes only. It does not constitute an offer, an invitation, or a recommendation to enter into any transaction and should not be viewed as such.

### Five year total returns (%)



Source: Morningstar, DBS

#### How has the fund performed?

- The fund has consistently delivered strong performance over the longer horizon.
- The recent 1Y and YTD performance has unfortunately lagged due to the Overweight in Biotechnology and bias towards mid-cap companies which have detracted, but we expect the performance to smoothen over a full cycle.

#### What are the key risks of this fund?

- Concentration risk: Investing in a single sector results in a relatively higher volatility of a fund. Smaller, single pipeline pharmaceutical and biotech companies can also be particularly volatile.

- Clinical trials risk: Unexpected outcomes affect price materially, therefore product development monitoring and close contact with management is crucial.
- The fund is risk rated 4 on a 5-point scale. Risk rating 1-5 indicates the relative rating of potential loss; “1” being the lowest and “5” being the highest.
- For a comprehensive list of the fund’s risks, please consult your relationship manager or refer to the fund’s prospectus.

**Notes:**

1. A qualitative approach is used to systematically analyse each fund's characteristics, risk and performance attributes to identify funds we believe could add value. Through interviews that we conduct with respective fund managers, 5 key areas are reviewed: People, Product, Process, Portfolio and Performance.
2. Fund performance are sourced from Morningstar Direct workstations and/or Bloomberg Terminals. 3-months, 6-months and 1-year performance returns are cumulative, while 3 and 5-years' performance returns are annualized. All data presented are as of 31st October 2021, or the closest available NAV date prior. Cumulative and annualized performance data are bid-to-bid, in USD terms, unless specified otherwise. The funds' relative performance against their appropriate benchmarks are provided, where applicable.
3. Standard deviation is a statistical measure of risk. The higher the standard deviation, the greater the volatility, therefore, the higher the potential risk. Approximately 68% of the annual total return of the fund is expected to range between +1 and -1 standard deviation from the annual average return, assuming a fund's return falls in a standard normal distribution.
4. Ratings assigned by DBS Fund Selection Team is on the basis of the team's assessment of the fund's competitive advantage and represents the level of conviction that the team has with respect to the fund performing well relative to its peers and its assigned asset class benchmark over the next 18 to 36 months. Investors should, however, note that the DBS FST Fund Rating is not a view on funds as an asset class nor is it a guarantee of a fund's future performance. A fund with high rating does not mean that it is suitable for all investors, and should not be considered as recommendations to buy or sell the relevant funds. Prospective investors should seek advice from a financial advisor regarding the suitability of the funds, taking into account their specific investment objectives, financial situation or particular needs before committing to invest in or purchase in any of the funds mentioned.

**Disclaimers and Important Notes**

This information herein is published by DBS Bank Ltd. ("DBS Bank") and is for information only. This publication is intended for DBS Bank and its subsidiaries or affiliates (collectively "DBS") and clients to whom it has been delivered and may not be reproduced, transmitted or communicated to any other person without the prior written permission of DBS Bank.

This publication is not and does not constitute or form part of any offer, recommendation, invitation or solicitation to you to subscribe to or to enter into any transaction as described, nor is it calculated to invite or permit the making of offers to the public to subscribe to or enter into any transaction for cash or other consideration and should not be viewed as such.

The information herein may be incomplete or condensed and it may not include a number of terms and provisions nor does it identify or define all or any of the risks associated to any actual transaction. Any terms, conditions and opinions contained herein may have been obtained from various sources and neither DBS nor any of their respective directors or employees (collectively the

"DBS Group") make any warranty, expressed or implied, as to its accuracy or completeness and thus assume no responsibility of it. The information herein may be subject to further revision, verification and updating and DBS Group undertakes no responsibility thereof.

All figures and amounts stated are for illustration purposes only and shall not bind DBS Group. DBS Group does not act as an adviser and assumes no fiduciary responsibility or liability for any consequences, financial or otherwise, arising from any arrangement or entrance into any transaction in reliance on the information contained herein. The information herein does not have regard to the investment objectives, financial situation and particular needs of any specific person. In order to build your own independent analysis of any transaction and its consequences, you should consult your own independent financial, accounting, tax, legal or other competent professional advisors as you deem appropriate to ensure that any assessment you make is suitable for you in light of your own financial, accounting, tax, and legal constraints and objectives without relying in any way on DBS Group or any position which DBS Group might have expressed in this document or orally to you in the discussion.

Companies within the DBS Group or the directors or employees of the DBS Group or persons/entities connected to them may have positions in and may affect transactions in the underlying product(s) mentioned. Companies within the DBS Group may have alliances or other contractual agreements with the provider(s) of the underlying product(s) to market or sell its product(s). Where companies within the DBS Group are the product provider, such company may be receiving fees from the investors. In addition, companies within the DBS Group may also perform or seek to perform broking, investment banking and other banking or financial services to the companies or affiliates mentioned herein. This publication may include quotation, comments or analysis. Any such quotation, comments or analysis have been prepared on assumptions and parameters that reflect our good faith, judgement or selection and therefore no warranty is given as to its accuracy, completeness or reasonableness. All information, estimates, forecasts and opinions included in this document or orally to you in the discussion constitute our judgement as of the date indicated and may be subject to change without notice. Changes in market conditions or in any assumptions may have material impact on any estimates or opinion stated.

Prices and availability of financial instruments are subject to change without notice. Any information relating to past performance, or any future forecast based on past performance or other assumptions, is not necessarily a reliable indicator of future results. Future results may not meet our/ your expectations due to a variety of economic, market and other factors.

This publication has not been reviewed or authorised by any regulatory authority in Singapore, Hong Kong, Dubai International Financial Centre, United Kingdom or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

If this publication has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any

errors or omissions in the contents of the Information, which may arise as a result of electronic transmission. If verification is required, please request for a hard-copy version.

The investment product(s) mentioned herein is/are not the only product(s) that is/are aligned with the views stated in the research report(s) and may not be the most preferred or suitable product for you. There are other investment product(s) available in the market which may better suit your investment profile, objectives and financial situation.

This publication is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

## REGULATORY DISCLOSURES

### Analyst Certification

1. The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst(s) primarily responsible for the content of this research report or his associate has financial interests in relation to an issuer or a new listing applicant that the analyst reviews.
2. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.

Compensation for investment banking services

DBS Bank Ltd., its subsidiaries and/or other affiliates have received compensation, within the past 12 months, and within the next 3 months may receive or intend to seek compensation for investment banking services from HSBC China and Temasek Holdings Pte Ltd as of 30th November 2021.

DBS Bank Ltd, their subsidiaries and/or other affiliates have managed or co-managed a public offering of securities for Temasek Holdings Pte Ltd in the past 12 months, as of 30th November 2021.

<sup>1</sup> Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

### Directorship / trustee interests

Ho Tian Yee, DBS Lead Independent Director, Chairman of the Nominating Committee, Board of Director, and member of the Board Risk Management Committee and Executive Committee is a Board member/trustee of Fullerton Fund Management Co. Ltd as of 10th December 2021.

### Disclosure of previous investment recommendation produced

DBS Bank Ltd may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the analyst listed to view previous investment recommendations published by DBS Bank Ltd in the preceding 12 months.

### Dubai International Financial Centre

This communication is provided to you as a Professional Client or Market Counterparty as defined in the DFSA Rulebook Conduct of Business Module (the "COB Module"), and should not be relied upon or acted on by any person which does not meet the criteria to be classified as a Professional Client or Market Counterparty under the DFSA rules.

This communication is from the branch of DBS Bank Ltd operating in the Dubai International Financial Centre (the "DIFC") under the trading name "DBS Bank Ltd. (DIFC Branch)" ("DBS DIFC"), registered with the DIFC Registrar of Companies under number 156 and having its registered office at units 608 - 610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates.

DBS DIFC is regulated by the Dubai Financial Services Authority (the "DFSA") with a DFSA reference number F000164. For more information on DBS DIFC and its affiliates, please see <http://www.dbs.com/ae/our-network/default.page>.

Where this communication contains a research report, this research report is prepared by the entity referred to therein, which may be DBS Bank Ltd or a third party, and is provided to you by DBS DIFC. The research report has not been reviewed or authorised by the DFSA. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBS DIFC.

Unless otherwise indicated, this communication does not constitute an "Offer of Securities to the Public" as defined under Article 12 of the Markets Law (DIFC Law No.1 of 2012) or an "Offer of a Unit of a Fund" as defined under Article 19(2) of the Collective Investment Law (DIFC Law No.2 of 2010).

The DFSA has no responsibility for reviewing or verifying this communication or any associated documents in connection with this investment and it is not subject to any form of regulation or approval by the DFSA. Accordingly, the DFSA has not approved this communication or any other associated documents in

connection with this investment nor taken any steps to verify the information set out in this communication or any associated documents, and has no responsibility for them. The DFSA has not assessed the suitability of any investments to which the communication relates and, in respect of any Islamic investments (or other investments identified to be Shari'a compliant), neither we nor the DFSA has determined whether they are Shari'a compliant in any way.

Any investments which this communication relates to may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on any investments. If you do not understand the contents of this document you should consult an authorised financial adviser.

### Hong Kong

This publication is distributed by DBS Bank (Hong Kong) Limited (CE Number: AAL664) ("DBSHK") which is regulated by the Hong Kong Monetary Authority (the "HKMA") and the Securities and Futures Commission. In Hong Kong, DBS Private Bank is the private banking division of DBS Bank (Hong Kong) Limited.

To the extent that DBSHK does not solicit the sale of or recommend any financial product to you or where any service is provided as a transactional execution service, DBSHK is not acting as your investment adviser or in a fiduciary capacity to you. In any case, DBSHK has not given and will not give any representation, guarantee or other assurance as to the outcome of any investment based on the information provided. "Financial product" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong). Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity. The Information has not been reviewed or authorised by the HKMA, or any regulatory authority elsewhere.

This publication is provided to you as a "Professional Investor" (defined under the Securities and Futures Ordinance of Hong Kong) for your private use only and may not be passed on or disclosed to any person nor copied or reproduced in any manner.

DBSHK is not the issuer of the research report unless otherwise stated therein. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBSHK.

### Singapore

This publication is distributed by DBS Bank Ltd (Company Regn. No. 196800306E) ("DBS") which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore (the "MAS").

This publication is provided to you as an "Accredited Investor" (defined under the Securities and Futures Act of Singapore and the Securities and Futures (Classes of Investors) Regulations 2018) or an "Institutional Investor" (defined under the Securities and Futures Act of Singapore and the Securities and Futures (Classes of Investors) Regulations 2018) for your private use only and may not be passed on or disclosed to any person nor copied or reproduced in any manner.

### Thailand

This publication is distributed by DBS Vickers Securities (Thailand) Co., Ltd. ("DBSVT").

The information contained in this publication is not intended to be either an offer, invitation or solicitation to buy or sell any securities, derivatives, or any other financial products or services, provide financial advice or investment advice, facilitate or take deposits, or provide any other financial products or financial services of any kind in any jurisdiction. This publication is provided for information purposes only and is not intended to provide, and should not be construed as, advice.

This publication has not been reviewed by any regulatory authority in Thailand and has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, any documents and materials, in connection with the offer or sale, or invitation for subscription or purchase of the securities, derivatives, or any other financial products or services, may only be circulated or distributed by an entity as permitted by applicable laws and regulations. DBS and DBSVT does not have any intention to solicit you for any investment or subscription in the securities, derivatives, or any other financial products or services, and any such solicitation will be made by an entity permitted by applicable laws and regulations.

### Additional Disclaimer if MSCI ESG Data is Used

MSCI ESG Research LLC and its affiliates make no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI ESG data contained herein. The MSCI ESG data may only be used for your internal use, may not be further redistributed or used as a basis for any financial products or indexes. None of the MSCI ESG data can in and of itself be used to determine which securities to buy or sell or when to buy or sell them.