Janus Henderson INVESTORS

GLOBAL TECHNOLOGY LEADERS FUND

At a glance

Performance*
The Fund returned -12.39%, the Index returned -12.09% and the Peer Group returned -11.26%.

Contributors/detractors
Chinese internet holdings were the largest positive contributors. US mega-cap firms NVIDIA and Alphabet were the largest detractors as cloud growth plateaued and scrutiny remained on AI Infrastructure build-outs.

Outlook
We remain excited by artificial intelligence (AI) as the new wave of innovation, but mindful of the hype cycle. We focus on technology leaders where we see underappreciated earnings power.

Portfolio management

Graeme Clark

Alison Porter

Richard Clode, CFA

Investment environment

- After a positive start to 2025 in January, the technology sector sold off in both February and March. This was in response to a combination of continued concerns over the US economy in light of tariff uncertainty, the threat of Department of Government Efficiency (DOGE) spending cuts, increasing inflationary pressures and softening consumer confidence. Ongoing scrutiny on the stability of artificial intelligence (AI) capital expenditure (capex) also weighed on investor sentiment.
- Increasing concerns over the economic growth outlook in February and March led to “risk-off” positioning across assets, with hedge-fund de-grossing exposures and long-only investors taking profits in sectors that have performed well recently - notably technology.
- There has been a continued focus on AI developments and signals around both the supply and demand sides. Investors are watching for news flow on AI infrastructure builds by the major hyperscalers and the “neo-clouds”, and monitoring demand signals from the leading AI players (including OpenAI) who consistently talked about surging demand despite ongoing supply constraints.
- We have long maintained that volatility in 2025 would be high. We continue to expect ongoing strong AI capex but continue to believe we need to be more selective when thinking about the key beneficiaries and when considering the next phases of AI investment opportunities.

Portfolio review

Chinese internet stocks contributed strongly in the first quarter as investors looked towards more localised AI opportunities. Tencent and Alibaba both performed strongly. We continue to look for other vehicles to invest in regionalised AI infrastructure build-outs, but we also took the opportunity to exit the position in Alibaba following a strong run in its shares and due to ongoing concerns about its management's execution.

In terms of detractors, we saw weakness in our larger positions in NVIDIA and Alphabet. AI infrastructure semiconductor stocks remained under pressure. After DeepSeek and the Stargate announcement in January, scrutiny has continued on AI infrastructure builds globally. In March there was much focus on Microsoft's datacentre build plans in light of its updated agreement with OpenAI, and unconfirmed news it was optimising its datacentre build plans. On top of that, the Coreweave initial public offering (IPO) at the end of the month brought more focus

*For benchmark/usage and peer group, 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.

on AI infrastructure builds and the supply/demand dynamics for AI capacity.

NVIDIA hosted its GTC (GPU Technology Conference) Developer Conference in March. Generally, sentiment coming from the conference was positive given both the outlook for AI (underpinned by Agentic AI and not impacted by DeepSeek as AI compute needs expand exponentially with reasoning models) and also NVIDIA's position in that market. We continue to see NVIDIA as one of the best-positioned AI semiconductor firms and used the weakness in March as an opportunity to reduce the fund's underweight position.

Despite strength in its core search business, Alphabet's share price fell after its full-year 2024 results due to decelerating cloud growth. We view this as a timing issue and remain constructive on the opportunity for the new CFO to address operating costs.

New additions to the portfolio included Cisco, the leading global communications equipment company, and Amphenol, a leader in the global connector market with a diverse base of customers.

We exited a number of positions including Alibaba, ASML, Advance Micro Devices (AMD) and Synopsys. Alibaba is mentioned above, while we exited ASML and AMD due to our preference for other AI semiconductor holdings. We exited the position in Synopsys given headwinds relating to the company's Intel and China exposure, and given Synopsys' premium valuation, despite remaining positive on the long-term outlook for EDA (Electronic Design Automation).

Manager outlook

We remain enthused about AI as another great wave of technology innovation and continue to see a very favourable environment for active stock-pickers ahead. We believe the build-out of infrastructure and applications for generative AI will take place over a multi-year period, as has been the case for prior technology waves.

Prior waves, such as the internet and mobile compute, have also required significant investment to realise potential, but more disruption in more sectors across the broader economy has ensued. As the generative AI wave matures, disruption across many other sectors is likely to accelerate, just as it has in the past. Companies in the technology sector continue to leverage their balance sheet strength advantage to invest heavily in future research and development. We think this supports the sector's potential to generate returns.

As this AI wave matures into 2025, we believe that active fund management will be more important than ever. The cost of capital is likely to fluctuate further, but interest rates are unlikely to be returning to zero. Hence, in our view, valuation discipline will be an important feature of determining returns again. Typically, periods of technology inflection are notable for changes in market leadership, and therefore we believe that relying on indices that are heavily weighted to the winners of the last wave may prove challenging.

We have talked for some time about both geopolitical risks and degobalisation opportunities for the technology sector, but the US “Liberation Day” tariff announcement has clearly increased that geopolitical risk and added additional macroeconomic uncertainty.

Our focus remains on finding leaders across the sector by navigating the hype cycle, and we believe that a focus on stock fundamentals can help to drive consistent returns. As generative AI matures, we believe it will enhance the ability of the technology sector to take more share from the wider economy. We believe it is important to remain focused on the companies and sectors that are driving, rather than experiencing, disruption.

Performance (%)

Returns	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since inception (08/10/84)
	Cumulative				Annualised			
I Acc (Net)	-9.80	-12.39	-12.39	0.21	10.99	17.19	17.28	14.25
Index	-10.41	-12.09	-12.09	4.48	10.99	18.12	17.54	—
Peer Group	-10.37	-11.26	-11.26	-1.27	7.35	15.00	14.49	11.17

12 month rolling	Mar 2024-Mar 2025	Mar 2023-Mar 2024	Mar 2022-Mar 2023	Mar 2021-Mar 2022	Mar 2020-Mar 2021
I Acc (Net)	0.21	45.76	-6.39	7.99	49.64
Index	4.48	35.58	-3.47	11.68	50.56
Peer Group	-1.27	32.95	-5.76	4.05	56.27

Performance is on a net of fees basis, with gross income reinvested. Source: at 31/03/25. © 2025 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. This is a representative share class for the fund, other share classes are available and may be more suitable for your investment needs.

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 capital growth over the long term. Performance target: To outperform the MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index, after 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	08 October 1984
Total net assets	1.33bn
Asset class	Equities
Domicile	United Kingdom
Structure	OEIC
Base currency	GBP
Index	MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index
Peer group	IA Technology and Technology Innovations

For benchmark/usage description, refer to Additional fund information on page 4.

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 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. From 1 December 2018, the benchmark of the Fund changed from MSCI All Countries World Information Technology Index to MSCI All Countries World Information Technology Index + Communications Services index. In accordance to the UCITS Directive the fund will not invest more than 10% of its assets in shares of a single company. 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.
The MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index is a measure of the combined performance of large and medium sized information technology and communication services companies from developed and emerging stock markets around the world. It is the performance target for the Fund and provides a useful comparison against which the Fund's performance can be assessed over time.
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.

Investment policy

"The Fund invests at least 90% of its assets in a portfolio of shares (also known as equities) of companies, of any size, including smaller capitalization companies, which are technology-related or derive profits from technology, in any country. The portfolio may be concentrated in terms of its number of holdings and/or the size of its largest holdings. The Fund may also invest in other assets including cash. 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 ACWI Information Technology Index + MSCI ACWI Communication Services Index (together the \"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 (subject to applicable regulations) to choose investments for the Fund with weightings different to the index or not in the index, which may result in material differences in performance between the Fund and the Index. As an additional means of assessing the performance of the Fund, the IA Technology and Technology Innovations sector average, which is based on a peer group of broadly similar funds, may also provide a useful comparator. "

Investment strategy

The Investment Manager seeks to identify undervalued growth companies where the scale or persistence of earnings growth is underappreciated by the market. The strategy looks to invest pro-actively in the long term drivers of technology adoptions and disruptions - navigating the hype cycle (different stages in the development of a technology from conception to widespread adoption) by focusing on companies with high quality management and strong barriers to entry at a reasonable price.

Fund specific risks

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. 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 is focused towards particular industries or investment themes and may be heavily impacted by factors such as changes in government regulation, increased price competition, technological advancements and other adverse events. This Fund may have a particularly concentrated portfolio relative to its investment universe or other funds in its sector. An adverse event impacting even a small number of holdings could create significant volatility or losses for the Fund. 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. 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.

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

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Source: Janus Henderson Investors, as at 31 March 2025, unless otherwise noted.