JANUS HENDERSON HORIZON FUND - GLOBAL TECHNOLOGY LEADERS FUND

A2 USD ISIN LU0070992663

At a glance

Performance
The Fund returned −10.31%, the Index returned −8.77% and the Sector returned −9.65%.

Contributors/detractors
Spotify Technology was the largest contributor, supported by strong subscriber growth and improving profitability. Alphabet was the largest detractor as artificial intelligence (AI) search monetisation fell short of elevated expectations.

Outlook
We remain positive on AI as a new wave of innovation, but mindful of the hype cycle and associated risks. We focus on technology leaders with potentially underappreciated earnings power.

Portfolio management


Graeme Clark


Alison Porter


Richard Clode, CFA

Investment environment

- Global technology equities declined during October as volatility returned across stocks exposed to artificial intelligence (AI). Investors questioned the financing, monetisation and sustainability of elevated AI capital expenditure (capex). Weakness was most pronounced across semiconductors, memory and more leveraged areas of AI infrastructure following strong performance.
- The macroeconomic backdrop also challenged investor sentiment. Higher financing costs, elevated energy prices and continued concerns about rising inflation weighed on technology shares, adding to the volatility across the sector.
- From our perspective, the recent volatility did not necessarily indicate weakening AI demand. Demand for compute and cloud capacity remained strong, but we did see greater differentiation across the AI value chain as the market became more discerning.
- Semiconductor and memory stocks experienced particularly sharp volatility as the market speculated on the outlook for AI infrastructure spending. Nevertheless, demand for advanced compute, manufacturing capacity and memory appeared to remain ahead of supply, suggesting that the weakness reflected elevated expectations as much as any deterioration in industry fundamentals.
- Hyperscaler results towards the end of the month brought the debate over AI investment into sharper focus. Microsoft and Alphabet continued to report strong demand across cloud and AI services, but the market response suggested that investors were focusing increasingly on returns from capex, rather than questioning the existence of demand itself. Financing also came under greater scrutiny. The scale of AI investment meant that established hyperscalers announced further plans to raise external capital, while concerns around neoclouds centred on their greater dependence on contracted revenues and continued access to financing. This reinforced the importance of balance sheet strength and visibility over future cash flows.

Portfolio review

Spotify Technology was the largest contributor during October after reporting another quarter of strong subscriber growth and improving profitability. Premium subscribers reached 306 million, which was ahead of expectations, while gross margin was also slightly better than forecast. Importantly, the company continued to improve its margins despite investing in audiobooks and

Marketing communication
Past performance does not predict future returns.
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. There is no guarantee that past trends will continue, or forecasts will be realised.

AI-enabled products, supporting our confidence that it can combine sustained user growth with rising profitability.

Marvell Technology also contributed to fund performance, despite its shares declining over the month. We exited our position early in the month as the shares approached our target price following a strong period of performance. The shares subsequently weakened after reports that the company was considering an acquisition of optical-networking specialist Lumentum, which prompted investors to question the potential cost and returns from the transaction.

Mastercard contributed after reporting revenue and earnings ahead of expectations. Consumer spending and payments volumes remained resilient, while the company has continued to invest in the infrastructure needed to support new forms of digital and agentic commerce. Texas Instruments also contributed as results and guidance (forecasts) came in ahead of expectations, helped by a recovery across its industrial and automotive markets.

On the negative side, Alphabet was the largest detractor during October. Search-query growth reached its highest level in five years, and cloud demand remained strong. However, its search revenue fell modestly short of high expectations as monetisation of AI-related searches continued to develop. The sharp market reaction therefore reflected concerns about the timing of returns from higher capex and the pace of AI search monetisation, rather than evidence that users were moving away from search. We remain positive about Alphabet's differentiated full-stack AI position across Gemini, tensor processing units (TPUs) and Cloud, which may provide multiple avenues to monetise AI investment.

NVIDIA, SK hynix, Taiwan Semiconductor Manufacturing Company, Micron Technology and AMD detracted as semiconductor and memory stocks came under pressure during the broader AI-related sell-off. This weakness contrasted with continued evidence of strong demand across advanced compute, memory and leading-edge manufacturing. SK hynix reported higher DRAM pricing and longer-term customer agreements, while its capacity outlook suggested that supply would remain constrained for several years. The outlook for these companies remains attractive in our view, particularly among companies with critical positions in the AI supply chain and strong earnings visibility, while we expect dispersion to increase.

Meta Platforms also detracted despite continued strength in its core advertising business. Investors instead focused on the scale of its AI investment, the resulting pressure on free cash flow and the launch of a significant equity financing programme. This marked a reversal from September, when attention had shifted towards the potential returns from its new consumer and enterprise AI products. The financing helps address near-term funding concerns in our view, shifting the focus towards monetisation and returns.

Regarding portfolio activity, we initiated a position in Take-Two Interactive, where we believe the market underestimates the opportunity for Grand Theft Auto VI to support a larger and more durable live-services business. The position also provides a differentiated source of potential returns beyond AI infrastructure.

In semiconductor equipment stocks, we switched from Applied Materials into Lam Research following the latter's share-price weakness. Lam Research's near-term outlook was affected by supply constraints, but we think its longer-term opportunity remains supported by investment in advanced memory and logic manufacturing. We also switched from SanDisk into Western Digital, where we saw a more attractive balance of valuation, earnings potential and improving profitability.

We exited the position in CATL after weaker unit profitability and reduced visibility over the recovery of higher tax-related costs reduced our earnings expectations.

Manager outlook

Overall, we continue to see evidence that the addressable market for AI is broadening well beyond traditional IT budgets, capturing increasing parts of the broader economy and creating more opportunities across the technology supply chain. We are cognisant of the effect higher interest rates may have on the broader economy. We are also mindful that rising interest rates driven by a strong economy has typically been positive for the sector, particularly as technology spending is increasingly associated with driving productivity gains.

We remain positive about the outlook for the technology sector as investment in AI infrastructure continues to scale, platforms emerge and applications develop. Hyperscaler capex continues to expand to meet strong token demand. AI monetisation appears to be progressing faster than in previous technology cycles, and demand visibility across the physical AI infrastructure layer now appears to extend into 2028 and beyond. In our view, this remains an earnings-driven cycle rather than one reliant on multiple expansion.

The AI opportunity continues to broaden, with the rapid adoption of agentic AI placing sustained pressure across the full compute stack. That said, we are mindful that investor positioning can become crowded in some segments. Periods of volatility are not unusual during major technology investment cycles, particularly following strong performance. While investor expectations can reset sharply, we remain positive about the long-term opportunity, supported by broadening AI adoption, strong demand and continued earnings growth. In our view, this heightens the importance of applying valuation discipline and taking profits where we think share prices may have moved ahead of fundamentals. We believe our experience of past waves and deep technology sector specialism can help us to navigate hype cycles and focus on emerging leadership and on companies with potentially underappreciated earnings power within the sector.

Performance (%)

	Cumulative				Annualised		
Returns	**1 Month**	**3 Month**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
A2 USD (Net) with sales charge	-14.79	-9.15	10.25	5.51	28.91	12.35	18.30
Index	-8.77	-0.70	15.79	12.76	31.62	14.98	20.95
Sector	-9.65	-2.60	16.00	11.25	28.59	8.67	15.59
A2 USD (Net)	-10.31	-4.36	16.05	11.06	31.12	13.51	18.91

Calendar year	**YTD at Q3 2026**	**2025**	**2024**	**2023**	**2022**	**2021**
A2 USD (Net)	29.39	22.82	32.70	50.64	-35.24	17.84
Index	26.93	27.89	31.59	47.67	-32.28	22.38
Sector	28.39	26.42	19.54	37.26	-36.40	12.13

Performance is on a net of fees basis, with gross income reinvested. Source: at 31/10/26. © 2026 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. 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.**

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.

Past performance does not predict future returns.

Fund details

Inception date	16 October 1996
Total net assets	$7.74bn
Asset class	Equities
Domicile	Luxembourg
Structure	SICAV
Base currency	USD
Index	MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index
Morningstar sector	Sector Equity Technology
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.

Investment objective

The Fund aims to provide capital growth over the long term. The Fund invests at least 90% of its assets in a concentrated portfolio of shares (equities) and equity-related securities of companies, of any size, which are technology-related or derive the main part of profits from technology, in any country.

Fund specific risks

Shares 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. High exposure to a particular country or geographical region carries a higher level of risk than a more broadly diversified portfolio. 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. When a portfolio is concentrated (has a significant portion of its assets invested in a limited number of holdings), an adverse event impacting even a small number of holdings could create significant volatility or losses. Derivatives may be used 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. seeks to mitigate exchange rate movements between the share/unit class currency and the base currency of the Fund), the value of your investment may be impacted by changes in exchange rates. 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. Securities 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. Losses could be incurred if a counterparty became 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. The sustainability approach applied may exclude potential investments which do not meet certain criteria (e.g. non-financial criteria such as ESG screens). This may cause differences in performance compared to similar products that are permitted to invest in those investments.

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

Janus Henderson
INVESTORS

Source: Janus Henderson Investors, as at 31 October 2026, unless otherwise noted.

Issued in Singapore by Janus Henderson Investors (Singapore) Limited, licensed and regulated by the Monetary Authority of Singapore, Company Registration No. 199700782N. **This advertisement has not been reviewed by the Monetary Authority of Singapore.** The content herein is produced for information purposes only and does not constitute investment advice or as an offer to sell, buy or a recommendation for any security. Janus Henderson Investors is not responsible for any unlawful distribution of this document to any third parties, in whole or in part, and do not make any warranties with regards to the results obtained from its use. In preparing this document, Janus Henderson Investors has reasonable belief to rely upon the accuracy and completeness of all information available from public sources. **Past performance does not predict future returns. Investing involves risk, including the possible loss of principal and fluctuation of value.** The Fund may employ investment techniques and instruments for investment purposes, such as trading in futures, options and swaps and other financial derivative instruments. This document has been prepared by Janus Henderson Investors (Singapore) Limited, the Singapore Representative of the Fund. The Fund is distributed by authorised distributors. The prospectus and Product Highlights Sheet ("PHS") of the Fund are available and may be obtained from the Singapore Representative's office and the authorized distributors' offices. Investors should read the prospectus and PHS before deciding whether to invest in the shares of the Fund. Investors are warned that they should only make their investments based on the most recent offering documents which contains information about fees, expenses and risks, which is available from appointed intermediaries, and which should be read carefully. An investment in the Fund may not be suitable for all investors and is not available to all investors in all jurisdictions; it is not available to US persons. The rate of return may vary and the principal value of an investment will fluctuate due to market and foreign exchange movements. Shares, if redeemed, may be worth more or less than their original cost. Investors are advised to consult your intermediary who will give you advice on the product suitability and help you determine how your investment would be consistent with your own investment objectives. The investment decisions are yours and an investment in the Fund may not be suitable for everyone. If in doubt, please contact your intermediary for clarification. Portfolio holdings are subject to change without notice. © 2026 Morningstar. All Rights Reserved. CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute. Janus Henderson® and any other trademarks used herein are trademarks of Janus Henderson Group Ltd. or one of its subsidiaries. © Janus Henderson Group Ltd.