

# Janus Henderson Horizon Global Technology Leaders Fund

August 2020

For promotional purposes  
For professional investors only

## Fund Managers Names

Graeme Clark, Alison Porter, Richard Clode, CFA

## Fund performance and activity

The fund returned 9.7%, versus a benchmark return of 8.4%.

August saw continued broader market recovery, combined with relatively less overall activity due to the summer holiday season for many investors.

Salesforce.com was a positive contributor to performance as the stock rose strongly after its second quarter results (quarter to end of July) came in well ahead of expectations with business trends accelerating through the quarter as COVID-19 headwinds eased. It also delivered a 20% operating margin which enabled its management to raise guidance for the full-year. Alibaba was another positive contributor as earnings results confirmed a strong ecommerce rebound from COVID-19 while anticipation began to build around the Ant Group initial public offering (IPO) later this year. Facebook also performed well as investors started to appreciate the opportunity in ecommerce and became more comfortable with the regulatory backdrop. Lastly, Yandex search and ride hailing has performed better than expected through the crisis, while the company has restructured its relationship with Sberbank giving it ecommerce optionality while preparing an IPO of the ride hailing and food delivery business to unlock value.

Apple was a detractor to performance. While Apple's outperformance continues to drive its weighting in the index, the fund remains compliant to UCITS rules which oblige us to hold no more than 10% in the stock. Apple is one of our largest holdings and was already close to this maximum during the period but as Apple outperformed strongly in August, due to hopes for the new iPhone 12 launch and retail interest in a stock split, our enforced underweight position impacted relative performance. Samsung was another detractor. Despite better than expected results and a recovery in its smartphone, TV and display businesses as lockdowns eased and the new iPhone ramped up, Samsung continued to underperform given concerns around a weaker memory outlook as hyperscalers digest inventory, enterprise weakens and concerns about Huawei-related inventory remained. Lumentum and Ciena also contributed negatively to performance, giving up some share price gains in the previous months and lagging behind the broader market performance. Both companies continued to be favourably exposed to the optical market while Lumentum is also exposed to the growing 3D sensing market and adoption in smartphones. We initiated new positions in Microchip, a diversified semiconductor provider with a focus on Microcontroller products, and Universal Display, a company with dominant intellectual property (IP) in OLED technology. OLED is the future of displays set to replace LCD in the new iPhone this year, while Samsung also continued to develop foldable OLED display smartphones. We also initiated a new position in Kingdee, one of the two leading Chinese enterprise resource planning (ERP) software providers, where we liked its pivot towards cloud delivered solutions and enterprise customers through its new Cosmic platform. We exited our position in Comcast, which we added to the fund following a sharp sell-off in March through to April, and which subsequently recovered rapidly.

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## Outlook/strategy

Entering this year we fully expected that the strong secular growth themes that we have long championed would continue to gain traction but before COVID-19 we would not have predicted the accelerated pace at which this would occur in 2020. The digital transformation of our lives, across all demographics and all geographies, was mandated by the measures put in place to tackle the pandemic, at the same time as central banks and governments unleashed levels of new liquidity and fiscal support unseen since the financial crisis.

Payment digitisation has been accelerated as coins and notes have been displaced, and as ecommerce and business transactions from business to consumer, government to consumer, and business to business all moved online. Consumer related experiences have moved rapidly to a virtual setting with a broadening of our internet transformation theme to areas such as education, e-sports, primary health care, grocery shopping and social meetings which were in the early stages of adoption. As society has moved to work at home and away from offices, workplace automation has become increasingly necessary. All of these transitions require new devices, and the benefits of next generation infrastructure and connectivity.

As technology fund managers we are excited by the step change that has occurred in the levels of technology adoption and the digital transformation that many more industries are now undergoing. However, we are cognisant of the economic headwinds that lie ahead and the rapid acceleration in valuations in some segments of the sector. We believe it is important from here, to distinguish between short-term gains and where growth rates will ultimately sustain over the longer term. We continue to see a bifurcation in valuations within the sector that is extreme by historic standards. This reflects the increasing diversity of the sector but also some short-term hype that warrants select caution.

We remain focused on finding the long-term winners within our mega themes of internet transformation, payment digitisation, next-generation infrastructure, process automation and artificial intelligence, all at a reasonable price. We believe the fund remains well positioned to benefit from these secular trends while our valuation discipline and focus on identifying underappreciated earnings power could help the fund benefit from an improvement in economic conditions in the long term. Our investment process gravitates to high quality technology companies with strong cash flows and balance sheets while maintaining the highest standard of liquidity controls. We remain consistent in applying our unique approach of navigating the hype cycle, applying valuation discipline and identifying attractive growth/valuation combinations.

Source: Janus Henderson Investors, as at 31 August 2020

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## Fund information

Index	MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index
Morningstar sector	Europe OE Sector Equity Technology
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.

## Performance in (USD)

Performance %	A2 (Net)	Index	Sector	Quartile ranking
1 month	9.7	8.4	6.2	1st
YTD	27.3	25.2	28.0	2nd
1 year	43.6	42.6	44.3	2nd
3 years (annualised)	22.0	21.6	19.0	2nd
5 years (annualised)	22.2	22.9	19.7	2nd
10 years (annualised)	17.3	18.6	15.4	2nd
Since inception (annualised)	11.7	10.3	8.6	-

Source: at 31 Aug 2020. © 2020 Morningstar. All rights reserved, performance is with gross income reinvested. Performance/performance target related data will display only where relevant to the share class inception date and annualised target time period.

Discrete year performance %	A2 (Net)	Index	Sector
30 Jun 2019 to 30 Jun 2020	22.9	23.7	25.3
30 Jun 2018 to 30 Jun 2019	6.3	7.2	1.9
30 Jun 2017 to 30 Jun 2018	26.4	26.1	22.4
30 Jun 2016 to 30 Jun 2017	36.3	35.5	31.9
30 Jun 2015 to 30 Jun 2016	-0.9	1.2	-2.7

Source: at 30 Jun 2020. © 2020 Morningstar. All rights reserved, performance is with gross income reinvested. Discrete performance data may change due to final dividend information being received after quarter end.

Source for target returns (where applicable) – Janus Henderson. Where quartiles are shown, 1st quartile means the share class is ranked in the top 25% of share classes in its sector.

Please note the performance target is to be achieved over a specific annualised time period. Refer to the performance target wording within the objective.

From 1 July 2020, the fund name changed from Janus Henderson Horizon Global Technology Fund to Janus Henderson Horizon Global Technology Leaders Fund.

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**Past performance is not a guide to future performance. 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.**

# Janus Henderson Horizon Global Technology Leaders Fund

For further information on the Luxembourg-domiciled Janus Henderson fund range please contact your local sales office or visit our website: [www.janushenderson.com](http://www.janushenderson.com).

## Benelux

Janus Henderson Investors  
Tel: +31 20 675 0146  
Fax: +31 20 675 7197  
Email: [info.nederlands@janushenderson.com](mailto:info.nederlands@janushenderson.com)

## France/Monaco

Janus Henderson Investors  
Tel: +33 1 53 05 41 30  
Fax: +33 1 44 51 94 22  
Email: [info.europe.francophone@janushenderson.com](mailto:info.europe.francophone@janushenderson.com)

## Germany/Austria

Janus Henderson Investors  
Tel: +49 69 86 003 0  
Fax: +49 69 86 003 355  
Email: [info.germany@janushenderson.com](mailto:info.germany@janushenderson.com)

## Dubai

Janus Henderson Investors  
Tel: +9714 401 9565  
Fax: +9714 401 9564  
Email: [JanusHenderson-MEACA@janushenderson.com](mailto:JanusHenderson-MEACA@janushenderson.com)

## Hong Kong

Janus Henderson Investors  
Tel: +852 2905 5188  
Fax: +852 2905 5138  
Email: [marketing.asia@janushenderson.com](mailto:marketing.asia@janushenderson.com)

## Italy

Janus Henderson Investors  
Tel: +39 02 72 14 731  
Fax: +39 02 72 14 7350  
Email: [info.italy@janushenderson.com](mailto:info.italy@janushenderson.com)

## Latin America

Janus Henderson Investors  
Tel: +44 20 7818 6458  
Fax: +44 20 7818 7458  
Email: [sales.support@janushenderson.com](mailto:sales.support@janushenderson.com)

## Nordics

Janus Henderson Investors  
United Kingdom  
Tel: +44 20 7818 4397  
Fax: +44 20 7818 1819  
Email: [sales.support@janushenderson.com](mailto:sales.support@janushenderson.com)

## Singapore

Janus Henderson Investors  
Tel: +65 6836 3900  
Fax: +65 6221 0039  
Email: [marketing.asia@janushenderson.com](mailto:marketing.asia@janushenderson.com)

## Spain/Portugal/Andorra

Janus Henderson Investors  
Tel: +34 91 562 6172  
Fax: +34 91 564 6225  
Email: [info.iberia@janushenderson.com](mailto:info.iberia@janushenderson.com)

## Switzerland

Janus Henderson Investors  
Tel: +41 43 888 62 62 (Zurich office)  
Tel: +41 22 810 82 89 (Geneva office)  
Email: [info.switzerland@janushenderson.com](mailto:info.switzerland@janushenderson.com)

## United Kingdom

Janus Henderson Investors  
Tel: +44 20 7818 1818  
Fax: +44 20 7818 1819  
Email: [sales.support@janushenderson.com](mailto:sales.support@janushenderson.com)

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A copy of the Fund's prospectus, key investor information document, articles of incorporation, annual and semi-annual reports can be obtained free of cost from the local offices of Janus Henderson Investors: 201 Bishopsgate, London, EC2M 3AE for UK, Swedish and Scandinavian investors; Via Dante 14, 20121 Milan, Italy, for Italian investors and Roemer Visscherstraat 43-45, 1054 EW Amsterdam, the Netherlands. for Dutch investors; and the Fund's: Austrian Paying Agent Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Vienna; French Paying Agent BNP Paribas Securities Services, 3, rue d'Antin, F-75002 Paris; German Information Agent Marcard, Stein & Co, Ballindamm 36, 20095 Hamburg; Belgian Financial Service Provider CACEIS Belgium S.A., Avenue du Port 86 C b320, B-1000 Brussels; Spanish Representative Allfunds Bank S.A. Estafeta, 6 Complejo Plaza de la Fuente, La Moraleja, Alcobendas 28109 Madrid (Registered in Spain under CNMV 353. The Custodian in Spain is BNP PARIBAS SECURITIES SERVICES S.C.A.); Singapore: Singapore Representative Janus Henderson Investors (Singapore) Limited, 138 Market Street, #34-03/04 CapitaGreen, Singapore 048946; or Swiss Representative BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich who are also the Swiss Paying Agent. RBC Investor Services Trust Hong Kong Limited, a subsidiary of the joint venture UK holding company RBC Investor Services Limited, 51/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, Tel: +852 2978 5656 is the Fund's Representative in Hong Kong. [Janus Henderson, Janus, Henderson, Perkins, Intech, Alphagen, VelocityShares, Knowledge Shared, Knowledge. Shared and Knowledge Labs] are trademarks of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc.