Janus Henderson INVESTORS

# JANUS HENDERSON HORIZON FUND - SUSTAINABLE FUTURE TECHNOLOGIES FUND

A2 USD ISIN LU2342242398

## At a glance

**Performance**
The Fund returned −4.54%, the Index returned 1.60% and the Sector returned −0.76%.

**Contributors/detractors**
Contributors included resource-efficient software, and cloud and networking holdings, supported by improving artificial intelligence (AI) monetisation. Detractors included semiconductor and physical infrastructure stocks amid the sharp early-quarter reversal.

**Outlook**
We believe AI beneficiaries delivering resource-efficient, responsible and durable growth may outperform. Our thematic framework is positioned across infrastructure, security, productivity, healthcare, transport and digital inclusion themes.

## Portfolio management


**Graeme Clark**


**Alison Porter**


**Richard Clode, CFA**

## Investment environment

- Global technology equities were volatile during the third quarter, following an exceptionally strong first half of the year.
- Early in the period, investors reduced exposure to some of the strongest-performing artificial intelligence (AI) beneficiaries, prompting a sharp correction across semiconductors, memory and other physical infrastructure holdings. Crowded positioning, profit-taking and the use of leveraged investment products amplified the reversal, despite limited evidence of deterioration in underlying demand.
- The macroeconomic background remained challenging. The continuing conflict in the Middle East kept geopolitical risk elevated and pushed oil prices higher, renewing concerns around inflation and interest rates. Government bond yields rose sharply, with the 10-year US Treasury yield reaching its highest level since 2007, creating an additional headwind for growth-oriented and rate-sensitive technology companies. Investors also continued to scrutinise the funding requirements, margin implications and near-term free cash flow impact of elevated AI-related capital expenditure (capex). This weighed on holdings in our Low Carbon Infrastructure and Clean Energy Technology themes.
- Investor sentiment improved later in the quarter as corporate results and spending commitments reinforced confidence in the scale and duration of the AI investment cycle. Hyperscaler updates showed accelerating cloud growth and improving monetisation, while NVIDIA's guidance (forecasts) indicated that demand for AI compute continued to exceed supply. New use cases and productivity benefits continued to emerge, and the successful launch of new agentic AI products suggested that agentic AI is now here, broadening AI adoption from infrastructure into consumer and enterprise applications.
- Performance across technology was highly differentiated. Credible monetisation of responsible AI, resource-efficient data, cloud and networking stocks outperformed, as reflected in our Resource & Productivity Optimisation, Data Security, Smart Cities and Digital Democratisation themes. Low Carbon Infrastructure performance remained mixed. Stocks in AI compute leaders performed well due to clarity around demand, while select semiconductor equipment holdings were weighed down by Chinese

**Marketing communication**
**Past performance does not predict future returns.**
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export control risk and a shift towards pure play AI stocks.

## Portfolio review

The fund's dual mandate is to deliver long-term capital growth while contributing to the development of what we see as a sustainable global economy. As such, portfolio construction remains benchmark agnostic and focused on identifying companies whose technologies can deliver positive environmental and social outcomes alongside attractive long-term earnings growth potential.

Microsoft was the fund's largest contributor following results that reinforced confidence in the returns from its low-carbon, resource-efficient and responsible AI investment. Azure growth accelerated and paid Microsoft 365 Copilot adoption increased materially, indicating that AI is supporting growth beyond the infrastructure layer, without an increase in capex expectations.

NVIDIA was the second-largest contributor, as strong results reinforced confidence in the scale and duration of energy-efficient AI infrastructure demand, and in AI potentially unlocking sustainable outcomes from advances in healthcare to productivity. The company guided to growth well ahead of market expectations, with demand still constrained by supply. Greater disclosure on its infrastructure financing and improved visibility over memory supply and pricing eased concerns around the funding of the AI investment cycle, while the agreed acquisition of Hugging Face and a record increase in its share repurchase authorisation sustained share price momentum.

Shares in Snowflake also performed well, as software companies with clear AI monetisation opportunities and differentiated data platforms were rewarded. As enterprises adopt AI applications, the safe, transparent and resource-efficient data infrastructure needed to support those workloads is becoming more important.

On the negative side, Flex, Sandisk and Infineon Technologies detracted during the sharp early-quarter reversal across semiconductor and AI infrastructure holdings. After strong prior performance, Flex was affected as investors shifted away from responsible AI build-out beneficiaries, despite continued demand for ESG operational leaders in cloud, power and optical infrastructure.

Sandisk also detracted after an exceptional run in its share price left it somewhat exposed, as crowded positioning and leveraged investment products amplified the correction in memory stocks. Results beat expectations but guidance (forecasts) suggested price growth was moderating, and the shares recovered only part of their July losses. However, demand continued to exceed supply as agentic and inference workloads increased the need for high-performance, energy- and resource-efficient memory and storage, while longer-term customer agreements improved visibility. NAND flash uses materially less power than hard disk drives, has no moving parts and generates less heat, helping reduce datacentre power use, cooling needs and physical footprint, which is especially important in areas where power is tight.

Infineon Technologies was affected by less supportive sentiment towards industrial and automotive end markets and a disappointing near-term margin outlook, reflecting temporary operational and inventory effects in its Green Industrial Power division.

Portfolio activity focused on resource-efficient, high-performance networking supporting our Smart Cities and Low Carbon Infrastructure themes. We initiated positions in Fabrinet and Credo and re-established positions in Ciena and Marvell, while selectively adding to software and data leaders such as MongoDB, where AI can enable optimisation and productivity gains. To fund these, we exited positions in Descartes and RELX due to weak sentiment towards software and areas of potential AI disruption, to fund higher-conviction ideas. We sold positions in TE Connectivity and Universal Display due to automotive and consumer weakness. We also exited Xylem as water capex and earnings momentum slowed.

## Manager outlook

We continue to believe performance may favour companies that are enabling AI in a resource-efficient, responsible, scalable and economically durable manner. We also believe our investment themes are well positioned to support the development of a sustainable, responsible AI ecosystem. The themes of Low Carbon Infrastructure, Clean Energy Technology, Smart Cities and Data Security play a critical role in enabling safe, energy-efficient AI deployment, while Sustainable Transport, Resource & Productivity Optimisation, Digital Democratisation and Health Technology themes represent important application areas where AI might deliver meaningful environmental and social benefits. We believe the fund is well positioned to capture opportunities across the AI value chain, from the power infrastructure, low-carbon digital infrastructure and cybersecurity needed to support AI growth, through to healthcare innovation, smarter transport systems, resource efficiency and increasingly accessible digital services.

The emergence of increasingly capable reasoning models is accelerating the pathway towards agentic and physical AI, with potential implications ranging from autonomous systems and industrial automation to improved productivity, safety and demographic resilience. Agentic AI is increasingly being deployed, and recent agentic AI incidents highlight the need for a more holistic approach to responsible AI, which we expect may drive additional spending across all parts of the ecosystem (including Data Security) as stakeholders navigate emerging risks. We are seeing evidence of the AI investment cycle broadening beyond compute into power, connectivity, semiconductor manufacturing, data infrastructure and resource-efficient digital infrastructure, areas where the portfolio remains positioned. AI is also exposing weaknesses in wider infrastructure, from water and power to cybersecurity, and we expect it may drive spending in each of these areas, supporting our Low Carbon Infrastructure, Clean Energy Technology, Smart Cities and Data Security themes.

Progress seems unlikely to be linear. Geopolitical risks, deglobalisation pressures and macroeconomic uncertainty reinforce the importance of valuation discipline and selectivity, in our view. Periods of volatility can create

opportunities for active investment managers to reallocate capital towards companies with underestimated earnings power and strong alignment to sustainability themes. As this AI wave matures, we believe active investment management may become increasingly important as market leadership continues to evolve.

Sentiment towards software stocks has improved, and we increased the position. We remain selective, favouring what we see as potential AI winners, particularly in data infrastructure and cybersecurity within our Resource & Productivity Optimisation and Data Security themes. We remain cautious on specific areas within application software, where AI disruption and budget pressure persist.

Our focus remains on navigating the hype cycle, maintaining a disciplined approach to valuation and identifying companies that are driving, rather than experiencing, disruption. Against this backdrop, we believe the fund is well positioned to seek long-term capital growth while supporting the development of a more sustainable global economy.

## Performance (%)

| | Cumulative | | | | Annualised | | | |
|---|---|---|---|---|---|---|---|---|
| **Returns** | **1 Month** | **3 Month** | **YTD** | **1 Year** | **3 Year** | **5 Year** | **10 Year** | **Since inception (03/08/21)** |
| A2 USD (Net) with sales charge | -2.89 | -9.31 | 34.13 | 35.97 | 30.53 | 13.81 | — | 13.01 |
| Index | -1.11 | 1.60 | 13.03 | 16.75 | 27.86 | 15.83 | — | 14.62 |
| Sector | 1.60 | -0.76 | 28.37 | 29.04 | 30.93 | 12.12 | — | 10.97 |
| A2 USD (Net) | 2.22 | -4.54 | 41.18 | 43.13 | 32.77 | 14.99 | — | 14.14 |

| **Calendar year** | **YTD at Q3 2026** | **2025** | **2024** | **2023** | **2022** | **2021 from 03 Aug** |
|---|---|---|---|---|---|---|
| A2 USD (Net) | 41.18 | 21.83 | 17.11 | 36.96 | -31.71 | 5.00 |
| Index | 13.03 | 22.34 | 28.61 | 51.02 | -31.07 | 9.21 |
| Sector | 28.37 | 26.42 | 19.54 | 37.26 | -36.40 | 1.00 |

Performance is on a net of fees basis, with gross income reinvested. Source: at 30/09/26. © 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.

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## Fund details

| | |
|---|---|
| **Inception date** | 03 August 2021 |
| **Total net assets** | $82.54m |
| **Asset class** | Equities |
| **Domicile** | Luxembourg |
| **Structure** | SICAV |
| **Base currency** | USD |
| **Index** | MSCI ACWI Index |
| **Morningstar sector** | Sector Equity Technology |
| **SFDR category** | Article 9 |

In accordance with the Sustainable Finance Disclosure Regulation, the Fund is classified as Article 9 and has sustainable investment as its objective.

## Investment objective

The Fund aims to provide capital growth over the long term by investing in technology-related companies that contribute to the development of a sustainable global economy. The Fund invests at least 90% of its net assets in equities or equity-related instruments of technology-related companies of any size, including smaller capitalization companies, in any country whose products and services are considered by the Investment Manager as contributing to positive environmental or social change, thereby having an impact on the development of a sustainable global economy. The Fund investment universe is defined by technology-related companies that derive at least 50% of their current or future expected revenues from the sustainable technology themes identified by the Investment Manager. The Fund will avoid investing in companies that the Investment Manager considers could contribute to significant environmental or societal harm.

## 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. Shares of small and mid-size companies can be more volatile than shares of larger companies, and at times it may be difficult to value or to sell shares at desired times and prices, increasing the risk of losses. 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. Due to the Fund's Sustainability Approach, it may exclude or invest less or more in certain companies and may therefore perform differently to funds that have a similar financial objective, but that do not have a binding Sustainability Approach. Political, regulatory or investor sentiment about sustainability initiatives may change over time and impact the Fund's performance. 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.

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