

# HORIZON GLOBAL TECHNOLOGY LEADERS FUND

## Objective and investment policy

- 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.
- 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 profits from technology, in any country.
- The Fund is actively managed with reference to the MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index, which is broadly representative of the companies in which it may invest, as this forms the basis of the Fund's performance target and the level above which performance fees may be charged (if applicable). The investment manager has discretion to choose investments for the Fund with weightings different to the index or not in the index, but at times the Fund may hold investments similar to the index.

## Key fund characteristics

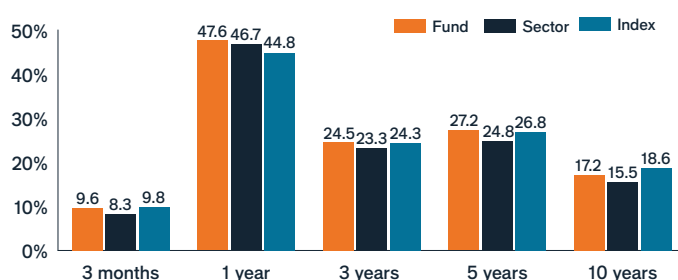
|                         |  |
|-------------------------|--|
| <b>Sector</b>           | Europe OE Sector Equity Technology   |
| <b>Index</b>            | MSCI ACWI Information Technology Index<br>+ MSCI ACWI Communication Services Index |
| <b>Launch date</b>      | 16 October 1996  |
| <b>Fund size</b>        | \$4.48bn   |
| <b>Number of stocks</b> | 61   |
| <b>Fund managers</b>    | Alison Porter, Graeme Clark,<br>Richard Clode                                      |

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

|                              |     |
|------------------------------|-----|
| <b>Fund return (Q2 2021)</b> | 9.6 |
| <b>Sector (Q2 2021)</b>      | 8.3 |
| <b>Index (Q2 2021)</b>       | 9.8 |

Source: Janus Henderson Investors and Morningstar, at 30 June 2021. 'A2' accumulation fund share class bid to bid, net of fees.

## Performance summary (Q2 2021)



Source: Janus Henderson, Morningstar, as at 30 June 2021. 'A2' accumulation fund share class bid to bid, net of fees. Total returns in USD terms. 3, 5 and 10 year annualised returns.

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

## Market and performance overview

- The fund returned 9.6% (USD A2 share class) over the quarter compared to the Europe OE Sector Equity Technology return of 8.3% and 9.8% for the MSCI ACWI Information Technology + MSCI ACWI Communications Service Index.
- Among the key contributors to fund performance was CrowdStrike, which reported strong results.
- Conversely, key stocks that adversely affected returns included nVIDIA, Uber and Fiserv.

| Performance % |        | Q1     | Q2    | Q3    | Q4     | Full year |
|---------------|--------|--------|-------|-------|--------|-----------|
| 2015          | Fund   | -0.20  | 0.28  | -6.23 | 10.86  | 4.03      |
|               | Sector | 2.31   | 0.04  | -8.46 | 9.25   | 2.02      |
|               | Index  | 2.84   | -0.79 | -6.52 | 8.55   | 3.53      |
| 2016          | Fund   | -2.55  | -2.14 | 13.72 | -2.11  | 6.17      |
|               | Sector | -2.12  | 1.99  | 12.22 | -3.30  | 4.01      |
|               | Index  | 1.49   | -1.74 | 13.50 | -0.88  | 12.20     |
| 2017          | Fund   | 13.86  | 7.54  | 8.31  | 8.42   | 43.79     |
|               | Sector | 12.24  | 6.57  | 7.92  | 6.42   | 37.47     |
|               | Index  | 13.00  | 6.60  | 8.87  | 8.10   | 41.77     |
| 2018          | Fund   | 1.29   | 6.25  | 4.89  | -17.54 | -6.91     |
|               | Sector | 3.50   | 3.46  | 4.13  | -16.92 | -7.37     |
|               | Index  | 3.17   | 3.86  | 6.05  | -16.58 | -5.20     |
| 2019          | Fund   | 18.16  | 4.03  | 0.28  | 13.18  | 39.52     |
|               | Sector | 18.67  | 3.92  | -1.16 | 11.26  | 35.63     |
|               | Index  | 15.91  | 4.54  | 1.80  | 12.30  | 38.53     |
| 2020          | Fund   | -12.95 | 24.43 | 12.32 | 15.85  | 40.95     |
|               | Sector | -14.72 | 30.65 | 11.27 | 19.00  | 47.74     |
|               | Index  | -14.55 | 26.64 | 11.01 | 15.09  | 38.25     |
| 2021          | Fund   | 3.50   | 9.63  |       |        |           |
|               | Sector | 2.30   | 8.30  |       |        |           |
|               | Index  | 3.22   | 9.78  |       |        |           |

Source: Morningstar, at 30 June 2021. 'A2' accumulation share class total cumulative returns in US dollar terms, bid to bid, net of fees.

**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.**

## Performance analysis over the quarter

### Stock level analysis (relative to the index)

| Key contributors | Country | Total effect | Drivers   |
|------------------|---------|--------------|---|
| Tencent          | China   | +0.31        | Zero exposure aided fund returns as the shares weakened over the quarter on regulatory concerns for the sector.   |
| Intel            | US      | +0.28        | Not owning Intel benefited as the shares weakened as investors digested the impact of the company's upcoming investment period on margins and buybacks. |
| Walt Disney      | US      | +0.25        | Zero exposure aided fund returns as the shares weakened over the quarter.   |
| CrowdStrike      | US      | +0.22        | CrowdStrike posted strong quarterly results, which showed an attractive combination of high growth and strong free cash flow margins.                   |
| SoftBank         | Japan   | +0.17        | Zero exposure aided fund returns as the shares weakened on valuation concerns.  |

| Key detractors | Country     | Total effect | Drivers   |
|----------------|-------------|--------------|---|
| nVIDIA         | US          | -0.67        | The fund has zero exposure to nVIDIA. After lagging since last summer, the shares surged as investors belatedly reacted to very strong results and efforts to ring-fence the cryptocurrency mining risk, and accelerated datacentre growth. |
| Alibaba*       | China       | -0.26        | The ongoing regulatory concerns remained an overhang for Alibaba. Regulation is not new to the internet sector and we view remedies as being largely manageable for the company.  |
| Uber           | US          | -0.23        | Despite strong reopening trends driving a ride hailing recovery and ongoing strength in food delivery, the market reacted negatively to US Department of Labour commentary on gig economy workers.  |
| Fiserv         | US          | -0.22        | Fiserv along with other payment processing stocks underperformed.   |
| SK Hynix       | South Korea | -0.22        | Concerns around the sustainability of memory strength led to SK Hynix detracting from performance in the quarter.   |

\*Alibaba – US ADR and Hong Kong shares  
Source: Factset/Janus Henderson Investors, at 30 June 2021.

## Portfolio activity through the quarter

| Key buys         | Drivers  |
|------------------|--|
| Dropbox          | Dropbox, the leading file, sync and share utility system has demonstrated strong new customer growth, solid underlying profitability and cash flows.           |
| Marvell          | We re-initiated a position in Marvell, a leading semiconductor supplier with strong exposure to 5G infrastructure, networking, storage and ARM server silicon. |
| Key sales        |  |
| Booking Holdings | Exited Booking following mixed first quarter results and a continuation of the challenging post-COVID macro environment.                                       |
| IAC              | Exited IAC upon completion of the Vimeo spin off, with the existing businesses being early stage and more volatile.  |
| THG              | Exited THG on concerns related to competition and high levels of merger and acquisition (M&A).   |

Source: Factset/Janus Henderson Investors, at 30 June 2021.

## Portfolio analysis

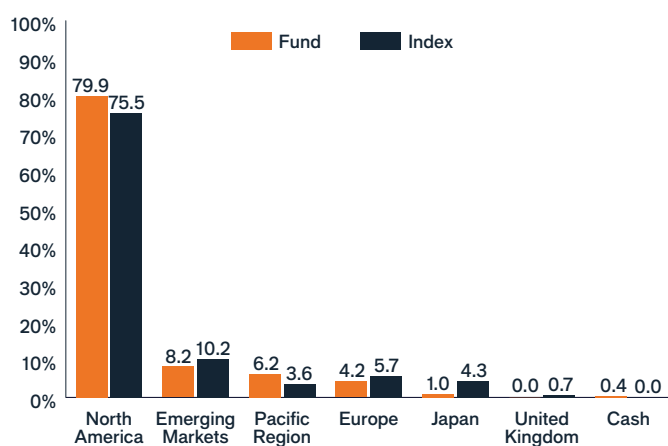
| Market cap distribution | Weight % |
|-------------------------|----------|
| >\$50bn                 | 78.2     |
| \$20bn-50bn             | 12.3     |
| \$5bn-20bn              | 7.9      |
| \$2bn-5bn               | 0.9      |
| \$500m-2bn              | 0.3      |
| Cash                    | 0.4      |

| Risk analysis**                 | Fund  |
|---------------------------------|-------|
| Active share as at 30 June 2021 | 54.46 |
| Realised tracking error         | 4.52  |
| Information ratio               | 0.04  |
| Alpha                           | -0.22 |
| Realised beta                   | 1.02  |
| R2                              | 95.24 |
| Sharpe ratio                    | 1.15  |
| Realised fund volatility        | 19.96 |
| Realised sector volatility      | 20.13 |

\*\*Source: Janus Henderson Investors/Morningstar, ex-post A2 Acc shares in USD, for the period of 3 years to 30 June 2021. Based on monthly returns unless otherwise stated. For definitions please refer to glossary details on back page.

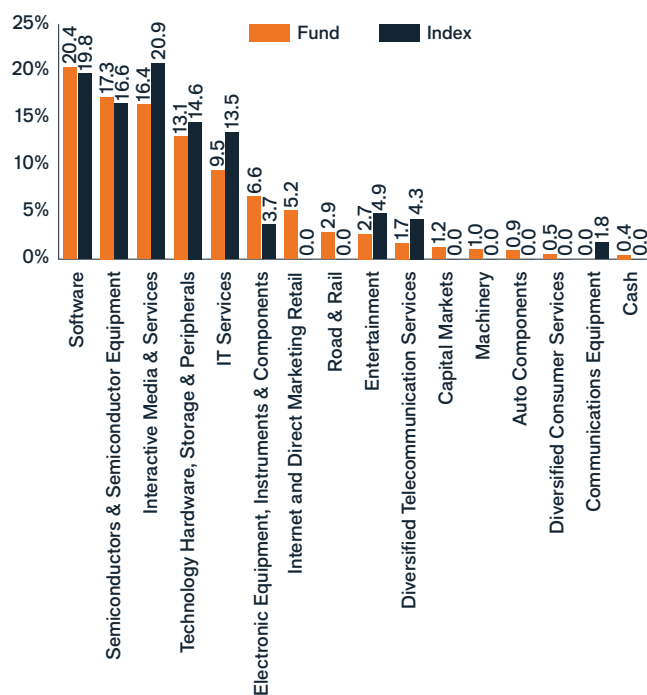
## Positioning

### Country allocation



Source: Factset/Janus Henderson Investors, at 30 June 2021. Index: MSCI All Countries World Information Technology Index + MSCI Communications Services Index. Totals may not sum to 100 due to rounding.

### Industry and sector allocation



Note: Interactive Media & Services includes Alphabet, Facebook, IAC, Pinterest, Match Group, Twitter and Vimeo.

Entertainment includes Netflix and Activision Blizzard.

Road & Rail includes Lyft, Uber and Didi.

## Top 5 stock overweights and underweights

| Overweights | % of fund | % active weight | Sector                             | Investment rationale  |
|-------------|-----------|-----------------|------------------------------------|---|
| Alibaba*    | 2.7       | 2.7             | Internet & Direct Marketing Retail | Alibaba has shown growth potential from the disruption of retail, enterprise IT spending and financial services in China, and focused on building long-term competitive moats and profitability.      |
| Amazon      | 2.4       | 2.4             | Internet & Direct Marketing Retail | The leader in e-commerce has finally penetrated the US grocery market and advertising, while Amazon Web Services (AWS) is a leading force in the shift to cloud infrastructure.                       |
| Facebook    | 6.0       | 2.0             | Interactive Media & Services       | The leading social network has continued to demonstrate strong user engagement and increased effectiveness for advertisers.   |
| Uber        | 1.8       | 1.8             | Road & Rail                        | Uber is exposed to strong reopening trends driving a ride hailing recovery and ongoing strength in food delivery.   |
| Alphabet**  | 8.8       | 1.8             | Interactive Media & Services       | A key franchise within the fund's internet transformation and AI themes, Google has ubiquitous search, maps and Android offerings with a strong cloud platform and is a leader in autonomous driving. |

### Underweights

|             |     |      |   |  |
|-------------|-----|------|---|--|
| Apple       | 7.5 | -3.6 | Technology Hardware Storage & Peripherals | The positive view on Apple is maintained, however the fund cannot hold more than 10% in any one security, hence the underweight to the index.  |
| nVIDIA      | -   | -2.4 | Semiconductors & Semiconductor Equipment  | nVIDIA has performed well within the fund; better risk/reward opportunities exist elsewhere.   |
| Tencent     | -   | -2.1 | Interactive Media & Services              | Having been a strong performer for the fund, the position was exited due to more attractive opportunities existing elsewhere.  |
| Mastercard  | -   | -1.6 | IT Services & Payments                    | Mastercard has suffered from near-term recovery headwinds as cross-border revenues were impacted by COVID-19 restrictions and reduced international travel.  |
| Walt Disney | -   | -1.5 | Entertainment                             | While these may rebound, high cash generation segments like theme parks, movies and sports have been severely curtailed and Disney has a long transition path to monetise its consumer content platform. |

Source: Janus Henderson Investors, at 30 June 2021. Note: Fund is the Janus Henderson Horizon Global Technology Leaders Fund. Relative holdings are to the MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index Information Technology Index.

\* Alibaba includes Hong Kong-listed shares and American depository receipt (ADR)

\*\* Alphabet includes Class A and Class C shares

## Outlook

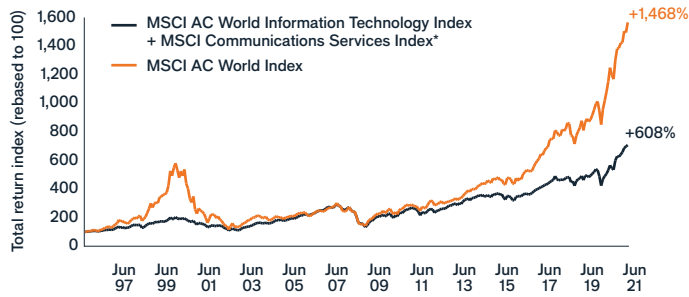
In 2020 measures to curb the spread of the virus mandated a digital transformation of our lives. However, we do not expect the pace of adoption to continue at the rate we witnessed in 2020. With a changing political landscape we expect the liquidity backdrop to remain favourable and fiscal support for infrastructure with more strategic intent to be forthcoming.

We do believe that the acceleration of technology adoption will require ongoing future investment. A "new normal" will inevitably rely more on technology. Payment digitisation has been accelerated as business transactions 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 and healthcare. The shift to work from home has made workplace automation increasingly necessary. Next generation infrastructure is a key focus for us as the rapid and broadening adoption of technology requires an acceleration of investment to ensure scalable, seamless, fast and reliable connectivity.

We are excited by the step change that has occurred in the levels of technology adoption and digital transformation but are cognisant of the rapid acceleration in valuations in some tech segments. We continue to see a bifurcation in valuations that is extreme. This reflects the increasing diversity of the sector but also some short-term hype that warrants select caution.

We believe the fund remains well positioned to benefit from the long-term secular trends of internet transformation, payment digitisation, artificial intelligence, next generation infrastructure and process automation. Our investment process gravitates to high quality technology companies with strong cash flows and balance sheets while aiming to maintain the highest standard of liquidity controls. Our unique approach of navigating the hype cycle, valuation discipline and identifying attractive growth/valuation combinations remains. We continue to engage proactively with our companies on their role in being responsible disruptors and generating value for all stakeholders.

**Long-term technology outperformance**

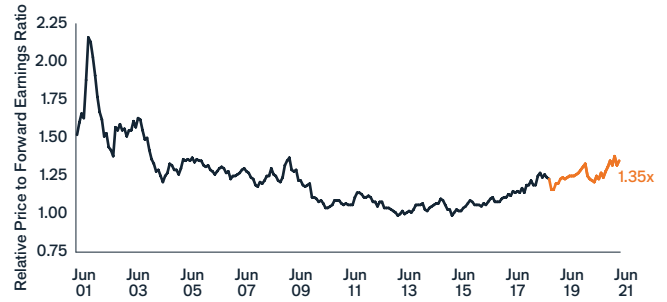


Source: Refinitiv Datastream as at 30 June 2021.

Note: Gross total returns are shown in USD. Indices rebased to 100 as at 31 December 1995

\* MSCI ACWI Information Technology to 30 November 2018 and then a custom index of MSCI ACWI Information Technology + Communication Services to 30 June 2021.

**Long-term relative technology valuation**



Source: Bernstein, as at 30 June 2021.

Note: Forward P/E = Price to forward earnings

MSCI ACWI Information Technology Index, price-to-forward earnings relative to MSCI AC World Index to 30 November 2018.

Thereafter MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index relative to MSCI AC World Index to 30 June 2021.

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



**Glossary**

Please see <https://www.janushenderson.com/en-gb/adviser/glossary/> for a glossary of financial terms used in this document.

FOR MORE INFORMATION, PLEASE VISIT JANUSHENDERSON.COM

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

**Important Information**

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The Janus Henderson Horizon Fund (the “Fund”) is a Luxembourg SICAV incorporated on 30 May 1985, managed by Henderson Management S.A. Issued by Janus Henderson Investors. Janus Henderson Investors is the name under which investment products and services are provided by Janus Capital International Limited (reg. no. 3594615), Henderson Global Investors Limited (reg. no. 906355), Henderson Investment Funds Limited (reg. no. 2678531), Henderson Equity Partners Limited (reg. no.2606646), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Henderson Management S.A. (reg. no. B22848 at 2 Rue de Bitbourg, L-1273, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier).

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, VelocityShares, Knowledge Shared, Knowledge. Shared and Knowledge Labs are trademarks of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc. H048694/0721 SICAV