

JANUS HENDERSON HORIZON FUND – GLOBAL TECHNOLOGY LEADERS FUND

A2 USD ISIN LU0070992663

At a glance

Performance

The Fund returned 0.08%, the Index returned -0.71% and the Sector returned -0.38%.

Contributors/detractors

NVIDIA was the largest positive contributor driven by strength in the demand for its semiconductors. AMD was a key detractor due to third-quarter earnings not meeting investor expectations.

Outlook

We remain excited by artificial intelligence as a new wave of innovation, but mindful of the hype cycle. We remain focused on technology leaders where we see underappreciated earnings power.

Portfolio management



Graeme Clark



Alison Porter



Richard Clode, CFA

Investment environment

- Equity markets were relatively range-bound during October, ending slightly down for the period.
- Third quarter earnings reports from technology companies were generally constructive and largely better than those observed more broadly across equity markets.
- Towards the end of October, equities gave up gains from earlier in the month after economic data from the US showed a more resilient employment backdrop along with slightly higher-than-expected personal spending and inflation data. The yield on the 10-year US Treasury bond rose around 50 basis points (bps) over the month.

Portfolio review

NVIDIA, Marvell Technology and Taiwan Semiconductor Manufacturing Co (TSMC) all contributed positively to fund performance. NVIDIA continued to benefit from being the clear leader in semiconductors that go into data centres for artificial intelligence (AI) computing, an area where demand remains strong. Marvell Technology has also been benefiting from the strength in AI computing, which is a tailwind for its optical and custom compute

semiconductor products as customers upgrade their technology infrastructure to cope with the increased demands placed on it. TSMC performed well after posting better-than-expected third-quarter earnings with higher-than-expected profit margins as a result of being able to raise prices for its leading edge semiconductor manufacturing capacity (which no other peers have). TSMC also cited how AI is helping improve productivity significantly across its business.

The fund's holdings in Advanced Micro Devices (AMD), ASML and Tencent detracted from performance during October. Shares in AMD retraced after a mixed third-quarter earnings report which showed strength in its AI-related semiconductor sales partially offset by relative weakness in other parts of its business. Still, we think AMD remains well placed over the longer term to benefit from the AI compute cycle, with a compelling product roadmap ahead. ASML guided 2025 revenues at the low- to mid-end range of its prior targets due to lower expectations for its high-end products along with lower sales in China. That said, its management reiterated their confidence in the longer-term outlook for the business and we continue to like ASML's leadership position in the semiconductor capital equipment market. Tencent's shares gave up some of the strong gains from September despite little in the way of material news flow over the month.

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.

In terms of activity, we added new positions in CyberArk Software, Spotify and Dell. CyberArk Software is a leader in privileged access management software which protects access to computer systems. The company is expanding into adjacent areas such as machine identity, where there is significant opportunity to cross sell CyberArk's products. Spotify is a leader in music streaming that is expanding into podcasts and audio books. We believe Spotify has ample scope to increase penetration in developed markets and benefit from higher pricing as new premium products better monetise engagement. Dell is the leader in technology infrastructure for enterprises and governments, while also having a dominant position in personal computers (PCs). While we are not expecting to see a PC upgrade cycle this year, we anticipate favourable prospects from the infrastructure business, particularly within the storage segment which is Dell's highest margin business.

Elsewhere, we exited the position in Pure Storage, which we felt had less potential than other holdings.

Manager outlook

We remain excited to be in the early stages of another great wave of technology innovation and continue to see a very favourable environment for active stock-pickers ahead. We believe the new AI compute wave can deliver significant productivity gains to the economy and to companies, driving lower inflation and enhanced profit growth. Semiconductors, public cloud platforms, cyber security and digital advertising have been some of the earliest beneficiaries of AI investment. While we continue to see all these areas as structurally attractive, we also believe that being valuation disciplined and discriminating

among product leaders will be increasingly important as AI deployments develop.

We continue to search for areas we think will benefit from the fourth wave, but where we believe earnings power remains underappreciated. It will likely take years rather than months for the greatest benefits of AI to come to fruition and so it may take time for the beneficiaries of AI development to become more apparent to investors. We are wary of extrapolating early adoption in a parabolic manner, but equally recognise the significant opportunity ahead as AI enables the technology sector to disrupt more of the old economy.

As with prior technology waves, with the opportunity for higher returns also comes the potential for increased volatility. The US economy is entering a period of political and economic transition with both the Presidential election and a shifting stance from the US Federal Reserve (Fed). We believe the best way to navigate this is to retain our focus on key long-term secular themes that we believe can drive growth in companies beyond (and in spite of) volatility.

Given our experience in navigating prior compute waves, we continue to stay focused on sustainable barriers to entry, incorporate environmental, social and governance (ESG) insights and rely on our valuation discipline to guide us in identifying those companies that we think will become or will remain global technology leaders. The technology sector benefits from one of the strongest tailwinds in the equity market, but with more macroeconomic turbulence still likely, we believe experienced investment "co-pilots" with proven navigation skills are needed to help chart a smoother path to achieve investors' risk and return objectives.

Performance (%)

Returns	Cumulative				Annualised		
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
A2 USD (Net) with sales charge	-4.92	-1.47	19.68	42.65	6.04	16.11	15.24
Index	-0.71	3.53	25.15	46.48	8.88	18.08	16.75
Sector	-0.38	5.20	14.68	39.11	-0.29	12.34	12.28
A2 USD (Net)	0.08	3.71	25.98	50.16	7.86	17.30	15.83

Calendar year	YTD at Q3					
	2024	2023	2022	2021	2020	2019
A2 USD (Net)	25.87	50.64	-35.24	17.84	40.95	39.52
Index	26.05	47.67	-32.28	22.38	38.25	38.53
Sector	15.11	37.26	-36.40	12.13	47.75	35.10

Performance is on a net of fees basis, with gross income reinvested. Source: at 31/10/24. © 2024 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.

Performance fees may be charged before the Fund's outperformance target is reached.

Performance fees are charged separately as a way of rewarding the investment manager for superior returns or for outperforming specified targets. A Performance Fee is accrued where the NAV outperforms the relevant Hurdle NAV (subject to a High Water Mark). For further explanation of the performance fee calculation methodology please see the relevant prospectus, available at www.janushenderson.com.

Past performance does not predict future returns.

Fund details

Inception date	16 October 1996
Total net assets	\$5.13bn
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/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. 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 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.

Janus Henderson
INVESTORS

FOR MORE INFORMATION PLEASE VISIT [JANUSHENDERSON.COM](https://www.janushenderson.com)

Source: Janus Henderson Investors, as at 31 October 2024, 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. © 2024 Morningstar. All Rights Reserved. CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute. Janus Henderson is a trademark of Janus Henderson Group plc or one of its subsidiary entities. ©Janus Henderson Group plc.