

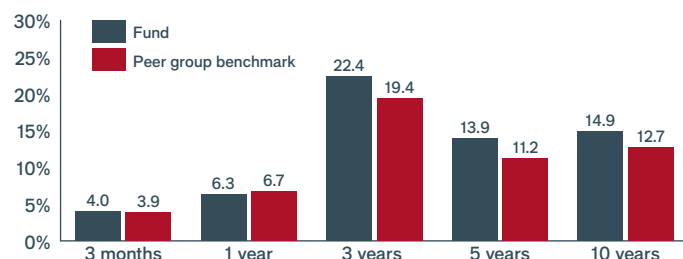
## Quarterly review

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### A diversified global technology fund designed to:

- Capture capital growth opportunities.
- Invest with no geographical or sector restrictions allowing diversification and investment into exciting new technology growth areas.
- Deliver exposure to a fast-moving sector that embraces change.

### Performance summary (Q2 2019)



Source: Morningstar, at 30 June 2019. 'A2' accumulation fund share class bid to bid, net of fees. GIFS Sector Equity Technology. Total returns in US dollar terms. 3, 5 and 10 year annualised returns.

Past performance is not a guide to future performance.

### Market and performance overview

- The Janus Henderson Horizon Global Technology Fund returned 4.0% (USD A2 share class) over the quarter compared to 4.5% for the MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index and the peer group GIFS Sector Equity Technology return of 3.9%.
- Among the top performers were Facebook, Marvell, which is benefiting from favourable trends in 5G, as well as CDW, driven by its unique positioning that is benefiting from multiple IT trends in the US.
- Alphabet's disappointing Q1 2019 results and concerns around regulatory investigations resulted in underperformance, while Cognizant's Q1 2019 results revealed weakness in top line growth resulting in a major impact on margins.
- A position was initiated in Intuit, a business accounting and consumer tax software provider. The fund also participated in initial public offerings from Uber and Trainline. Exposure to semiconductors was reduced by exiting Xilinx and NXP Semiconductors.

### Performance %

		Q1	Q2	Q3	Q4	Full year
2014	Fund	0.41	4.29	1.16	4.37	10.57
	Peer group benchmark	1.42	3.18	-0.59	2.64	6.77
2015	Fund	-0.20	0.28	-6.23	10.86	4.03
	Peer group benchmark	2.31	0.04	-8.46	9.25	2.02
2016	Fund	-2.55	-2.14	13.72	-2.11	6.17
	Peer group benchmark	-2.12	1.99	12.22	-3.30	4.01
2017	Fund	13.86	7.54	8.31	8.42	43.79
	Peer group benchmark	12.24	6.57	7.92	6.42	37.47
2018	Fund	1.29	6.25	4.89	-17.54	-6.91
	Peer group benchmark	3.50	3.46	4.13	-16.92	-7.37
2019	Fund	18.16	4.03			
	Peer group benchmark	18.67	3.92			

Source: Morningstar, at 30 June 2019. 'A2' accumulation share class total returns in US dollar terms, bid to bid, net of fees. Peer group benchmark: GIFS Sector Equity Technology

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.



#### Key fund characteristics:

Peer group benchmark	GIFS Sector Equity Technology
Index	MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index
Launch date	16 October 1996
Fund size	\$2.8bn
Number of stocks	49
Fund managers	Alison Porter, Graeme Clark, Richard Clode
Fund return (Q2 2019)	4.0%
Peer group benchmark (Q2 2019)	3.9%
Index (Q2 2019)	4.5%

Source: Janus Henderson Investors and Morningstar, at 30 June 2019.

## Performance analysis over the quarter

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

Key contributors	Country	Total effect	Drivers
Intel	US	+0.31	The fund does not hold Intel, and benefited as a result when the shares weakened.
Facebook	US	+0.17	Facebook performed well over the quarter. The company remains an attractive investment given the robust revenue growth opportunity for the next few years combined with margin improvement.
Verizon	US	+0.16	The fund does not hold Verizon, and benefited as a result when the shares weakened.
CDW	US	+0.15	CDW is benefiting from multiple IT trends in the US, as well as small-and-medium enterprise growth combined with an attractive valuation.
Marvell	US	+0.14	Marvell continues to benefit from exposure to favourable trends in 5G. Potential in ARM servers as well as scope for margin expansion are drivers for further long-term upside.

Key detractors	Country	Total effect	Drivers
Alphabet*	US	-0.38	Sales growth was disappointing in the first quarter leading to the stock lagging the market. The team has confidence that sales will accelerate as the year progresses.
Walt Disney	US	-0.37	The fund does not hold the stock and the shares rose over the quarter.
Nokia	Finland	-0.26	Nokia's execution on its North American client base was weaker-than-expected. A positive view is retained given a better consolidated industry backdrop and what appears to be a reasonable valuation.
Alibaba Group (US-listed ADR)**	China	-0.24	Alibaba lagged the broader market recovery. The positive long-term view is maintained given the growth potential from disruption of retail, enterprise IT spending and financial services in China, and the focus on building long-term competitive moats and profitability.
Cognizant	US	-0.20	Cognizant's Q1 2019 results revealed weakness in top line growth resulting in a major impact on margins.

Source: Factset/Janus Henderson Investors, at 30 June 2019. Relative to the MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index.

\*Alphabet includes class A and C shares

\*\* American depositary receipt (ADR)

## Portfolio activity through the quarter

Key buys	Drivers
Intuit	A position was initiated in Intuit, a market leader in small-and-medium business accounting and consumer tax software. Intuit successfully shifted to a subscription model and its agile development enables the company to innovate at a rapid pace and has significant pricing power.
Uber	The fund participated in the initial public offering of Uber, the pioneer and global leader in ride hailing. Uber's investment case is based on strong revenue growth from ride hailing, UberEats and the nascent freight opportunity, as well as upside from numerous cross-selling opportunities and cost optimisation potential.
Trainline	Trainline is a leading independent rail and coach travel platform benefiting from a growing market, the online-to-offline ticket transition shift and competitive advantage driven by complexity of the offering.
Key sales	
Xilinx	Considering the rapid rebound in semiconductor share prices during the quarter, heightened geopolitical tensions and continued demand risk, the position was exited.
NXP	Considering the rapid rebound in semiconductor share prices during the quarter, heightened geopolitical tensions and continued demand risk, the position was exited.
Booking Holdings	Early in the quarter Booking Holdings was exited because of structural concerns around margin dynamics based largely on its business mix and changes in management.

Source: Factset/Janus Henderson Investors, at 30 June 2019.

## Portfolio analysis

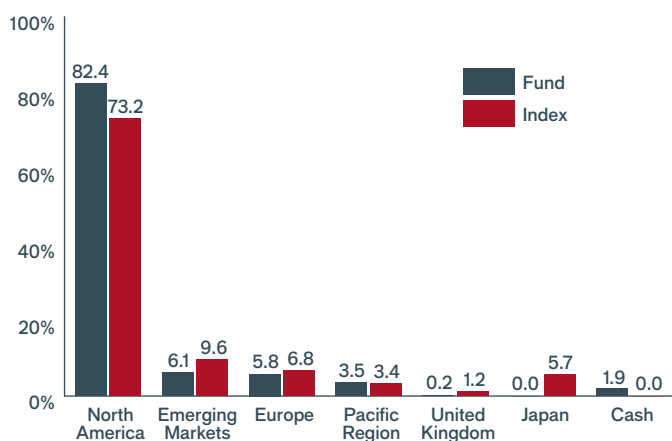
Market cap distribution	Weight %
>US\$50bn	71.6
US\$20bn-50bn	12.9
US\$5bn-20bn	12.2
US\$2bn-5bn	0.9
US\$500m-2bn	0.6
Cash	1.9

Risk analysis**	Fund
Active share as at 30 June 2019	54.09
Realised tracking error	3.46
Information ratio	0.00
Alpha	-0.78
Realised beta	1.04
R <sup>2</sup>	66.91
Sharpe ratio	1.31
Realised fund volatility	15.74
Realised sector volatility	15.53

\*\*Source: Janus Henderson Investors/Morningstar, ex-post A2 Acc shares in USD, for the period of 3 years to 30 June 2019. Based on monthly returns unless otherwise stated. For definitions please refer to glossary details on back page.

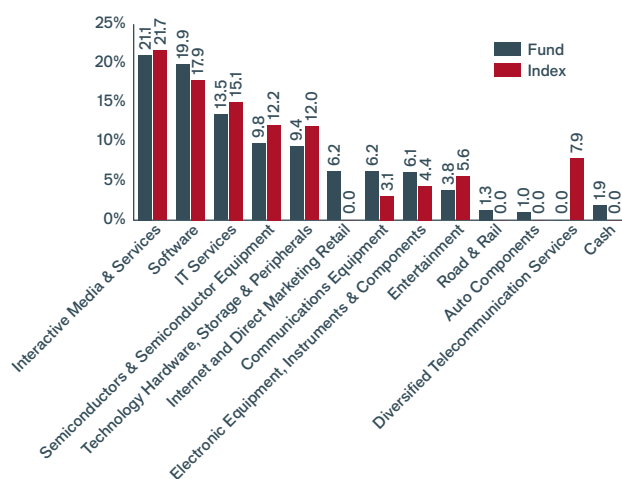
## Positioning

### Country allocation



Source: Factset/Janus Henderson Investors, at 30 June 2019. Index: MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index. Totals may not sum to 100 due to rounding.

### Industry and sector allocation



Note: Interactive Media & Services includes eBay, Amazon, Alibaba, Expedia and Trainline Entertainment includes Activision Blizzard, Netflix, Spotify Auto components includes Aptiv

## Top 5 stock overweights and underweights

Overweights	% of fund	% active weight	Sector	Investment rationale
Broadcom	3.5	+2.5	Semiconductors & Semiconductor Equipment	Constructive view on Broadcom given the company's strong franchise in growth areas such as data centre and radio frequency.
Cisco Systems	4.5	+2.4	Communications Equipment	Cisco is an attractively-valued leader in networking and security and enjoys tailwinds from enterprise campus refresh, 5G and business transition to more recurring revenues.
Facebook	6.2	+2.2	Interactive Media & Services	Facebook is viewed as an attractive investment opportunity given the robust revenue growth opportunity for the next few years combined with margin improvement.
Alphabet*	7.8	+2.1	Interactive Media & Services	Regulatory scrutiny has intensified for Alphabet but the current valuation appears to fully reflect this. In second half 2019 and into 2020 strong top line growth may be likely, coupled with better cost discipline. Improved disclosure of costs and capex will reassure investors on growth sustainability.
Tencent	4.2	+2.0	Interactive Media & Services	The fund returned to an overweight in Tencent in the summer of 2018 when the share price correction made the valuation more attractive. With the resumption of games approvals in China and the success of recent games notably Peacekeeper Elite, Tencent's fundamentals look to be recovering.

\*includes class A and C shares.

### Underweights

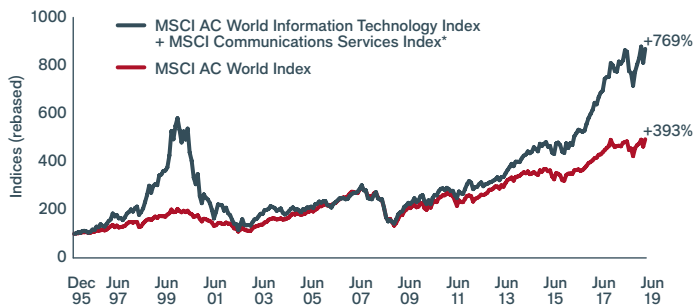
Apple	5.9	-2.2	Technology Hardware Storage & Peripherals	The positive view on Apple is maintained, however the fund cannot hold more than 10% in any one security, hence the underweight to the index.
Walt Disney	-	-2.2	Entertainment	The stock is currently not held in the fund.
AT&T	-	-2.1	Diversified Telecommunication Services	Underweight due to low growth, competition from cable, rising capital expenditure and concerns on capital allocation.
Verizon	-	-2.0	Diversified Telecommunication Services	Underweight due to unattractive valuation given low growth, competition from cable and rising capital expenditure.
Intel	-	-1.9	Semiconductors & Semiconductor Equipment	Underweight due to near-term issues in broader semiconductors inventory digestion, delays in ramping 10nm products, competition from AMD as well as longer-term structural concerns on the memory business.

Source: Janus Henderson Investors, at 30 June 2019. Note: Fund is the Janus Henderson Horizon Global Technology Fund. Relative holdings are to the MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index.

## Outlook

- While the macroeconomic drivers of market volatility continue in the short term, the constructive view remains based on the long-term outlook for technology equities. The Global Technology Team believes the secular drivers for the tech sector remain intact and may not be impacted materially by the global macroeconomic outlook.
- The investment team continues to believe that technology will take share from the wider market. This belief is underpinned by demographic shifts driving technology adoption and Moore's Law (suggests the number of transistors in a circuit doubles around every two years) which is resulting in increasing innovation and technology becoming faster, better and cheaper.
- The Global Technology Team continues to see a rich vein of technology stocks that can be bought in the middle ground that offer the potential for attractive risk/reward and growth/valuation combinations. The fund's focus remains on quality companies benefiting from powerful secular themes (automation, internet transformation, artificial intelligence, next generation infrastructure and payment digitisation) at a reasonable price.

## Long-term technology outperformance



Source: Refinitiv Datastream, as at 30 June 2019

Note: \*MSCI ACWI Information Technology Index to 30 November 2018. Thereafter MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index to 30 June 2019.

Gross total returns shown in US dollars

Indices rebased to 100 at 31 December 1995

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## Long-term relative technology valuation



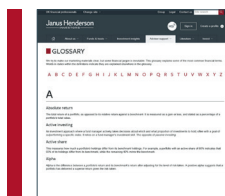
Source: Bernstein, at 30 June 2019

Note: Forward P/E = Price to forward earnings.

MSCI ACWI Information Technology Index, price-to-forward earnings relative to MSCI AC World Index. Index from June 1999 to November 2018.

Thereafter MSCI ACWI Information Technology Index + MSCI ACWI Communication Services Index relative to MSCI AC World Index to 30 June 2019.

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



## Glossary

Please see [HGi.co/glossary](https://www.hgi.co/glossary) for a glossary of financial terms used in this document.

## Important Information

Past performance is not a guide to future performance. The performance data does not take into account the commissions and costs incurred on the issue and redemption of units. 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. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law change. If you invest through a third party provider you are advised to consult them directly as charges, performance and terms and conditions may differ materially. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment. It does not form part of any contract for the sale or purchase of any investment. The Fund is a recognised collective investment scheme for the purpose of promotion into the United Kingdom. Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Fund and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme. The securities included in this document are not registered in the Foreign Securities Registry of the Superintendencia de Valores y Seguros for public offering and, therefore, the use of this document is only for general information purposes. This document is intended as a summary only and potential investors must read the Fund's prospectus and key investor information document before investing. This document is intended solely for the use of professionals and is not for general public distribution. Any investment application will be made solely on the basis of the information contained in the Fund's prospectus (including all relevant covering documents), which will contain investment restrictions. This document is intended as a summary only and potential investors must read the Fund's prospectus and key investor information document before investing.

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