

Janus Henderson Horizon Global Technology Fund

Q1 2018

For professional investors only

Fund manager names: Stuart O’Gorman, Graeme Clark, Alison Porter & Richard Clode

Performance and activity

The fund returned 1.3% versus a benchmark return of 3.2%.

Despite market volatility during the last month of the quarter the technology market was roughly flat, outperforming the global equity market.

One of our holdings in the memory space, Micron, performed well. A consolidated market and strong demand drivers from hyperscale datacentres, alongside increasing penetration in mobile, have been positive drivers for its share price. ServiceNow was also a positive contributor. The software vendor continues to win market share in IT service management and expand into new areas such as HR, continuing to build an ever stickier platform. Amazon reported strong results during the period with better-than-expected margins in its North American retail business (its most mature segment). Growth and profitability remain strong within its cloud computing business and the company continues to invest in areas such as international ecommerce and media with a long-term view. Elsewhere, Mastercard contributed positively. The payments company is positively exposed to the increased usage of non-cash based transactions and benefits from the global scale of its network.

Naspers detracted as Tencent reported numbers that were a little softer than expected. We remain positive on the long-term outlook for Tencent but view its ownership in Naspers as a more attractive way to gain exposure to the company. Naspers is a South African holding company that owns a number of internet-related assets, with Tencent being the largest, and we believe that ownership in Naspers represents a sizeable discount to the value of its underlying holdings. Universal Display (which has a significant patent portfolio in OLED technology) also detracted from performance, as the outlook for iPhone X proved less favourable than expected, in addition to concerns that Apple may bring future display technology in-house. In terms of the former concern, the penetration of OLED as a display technology is increasing in multiple new use cases and in vendors outside of one Apple-related product line. On the latter point, we currently believe that OLED is a more efficient technology versus the slated micro LED technology. Hence, we feel the long-term outlook is favourable.

In terms of activity, we built a position in Intel as we feel the outlook for enterprise IT is attractive and that the company also offers an attractive valuation. We further reduced our holding in Tencent as we retain exposure via our holding in Naspers. Finally, we added to Microsoft, as we feel the outlook is attractive, and sold HP Inc as it approached our price target.

Outlook

The long-term drivers of technology remain intact as it continues to take share versus the old economy, driven by demographics and innovation. We remain enthusiastic about the long-term outlook for payment digitisation, investment in next generation infrastructure (cloud and 5G), internet transformation (such as e-commerce, media and travel increasingly moving online) and Artificial Intelligence (the changing interface with technology and the transport revolution). We feel that the relative valuation of the sector remains attractive, especially given the balance sheet strength, and continue to focus bottom-up on powerful secular themes and growth at a reasonable price.

Source: Janus Henderson Investors, as at 31 March 2018

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

Austria Janus Henderson Investors Tel: +41 43 888 6262 Fax: +41 43 888 6263 Email: info.switzerland@janushenderson.com	Hong Kong Janus Henderson Investors Tel: +852 2905 5188 Fax: +852 2905 5138 Email: marketing.asia@janushenderson.com	Singapore Janus Henderson Investors Tel: +65 6836 3900 Fax: +65 6221 0039 Email: marketing.asia@janushenderson.com
Benelux Janus Henderson Investors Tel: +31 20 675 0146 Fax: +31 20 675 7197 Email: info.nederlands@janushenderson.com	Italy Janus Henderson Investors Tel: +39 02 72 14 731 Fax: +39 02 72 14 7350 Email: info.italy@janushenderson.com	Spain Janus Henderson Investors Tel: +34 91 562 6245 Fax: +34 91 564 6034 Email: info.spain@janushenderson.com
France/Monaco/Geneva Janus Henderson Investors Tel: +33 1 53 05 41 30 Fax: +33 1 44 51 94 22 Email: info.europe.francophone@janushenderson.com	Latin America Janus Henderson Investors Tel: +44 20 7818 6458 Fax: +44 20 7818 7458 Email: sales.support@janushenderson.com	Switzerland (Germanic) Janus Henderson Investors Tel: +41 43 888 6262 Fax: +41 43 888 6263 Email: info.switzerland@janushenderson.com
Germany Janus Henderson Investors Tel: +49 69 86 003 110 Fax: +49 69 86 003 355 Email: info.germany@janushenderson.com	Nordics Janus Henderson Investors United Kingdom Tel: +44 20 7818 4397 Fax: +44 20 7818 1819 Email: sales.support@janushenderson.com	United Kingdom Janus Henderson Investors Tel: +44 20 7818 1818 Fax: +44 20 7818 1819 Email: sales.support@janushenderson.com
Dubai Janus Henderson Investors Tel: +9714 401 9565 Fax: +9714 401 9564 Email: JanusHenderson-MEACA@janushenderson.com		

Important Information

This document is solely for the use of professional intermediaries and is not for general public distribution. Please read the prospectus before investing

The Janus Henderson Horizon Fund (the "Fund") is a Luxembourg SICAV incorporated on 30 May 1985, managed by Henderson Management S.A. 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. A copy of the Fund's prospectus and key investor information document can be obtained from Henderson Global Investors Limited in its capacity as Investment Manager and Distributor.

Issued in the UK by Janus Henderson Investors. Janus Henderson Investors is the name under which Henderson Global Investors Limited (reg. no. 906355) (incorporated and registered in England and Wales with registered office at 201 Bishopsgate, London EC2M 3AE and authorised and regulated by the Financial Conduct Authority) provide investment products and services. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

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.

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.

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.

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 Fund's: Austrian Paying Agent Raiffeisen Zentralbank Österreich 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 Dresdner Van Moer Courtens S.A./N.V. Société de bourse, Drève du Prieuré 19, 1160 Bruxelles; Spanish Representative Allfunds Bank S.A. Estafeta, 6 Complejo Plaza de la Fuente, La Moraleja, Alcobendas 28109 Madrid; or Swiss Representative BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich who are also the Swiss Paying Agent.

Additional information for investors in Switzerland – Janus Henderson Horizon Fund is a collective investment scheme established under Luxembourg Law (SICAV). The Prospectus, articles of incorporation and the annual and semi-annual reports can be obtained free of charge from the Swiss representative: BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, CH-8002 Zurich who are also the Swiss Paying Agent.