



# INTERIM SHORT REPORT

For the six months ended  
30 April 2017

Janus Henderson  
— INVESTORS —

Henderson Global Technology Fund



## Investment review

The Henderson Global Technology Fund returned 9.9% for the six months to 30 April 2017 versus a benchmark return of 9.6% for the MSCI All Countries World Information Technology Index.

At the sector level, stock selection within the semiconductors & semiconductor equipment, technology hardware and internet sectors were the largest contributors to performance. Communications equipment and the fund's cash position were detrimental to performance given an ongoing strong market backdrop.

At the stock level, the fund's positioning in rational commodities through Micron, Western Digital and Samsung contributed positively. Demand for more memory combined with industry supply discipline exacerbated by rising technology challenges has led to strong memory pricing trends and a significant expansion in profit margins for the suppliers. Broadcom, a leading networking semiconductor company, outperformed, driven by strong cloud datacentre and film bulk acoustic resonator demand combined with ongoing accretion from the Avago/Broadcom combination. The shift of smartphone displays from LCD to OLED displays as well as some initial traction in the OLED TV market benefited our stocks related to that theme, such as Universal Display, Applied Materials and again, Samsung.

Fleetcor underperformed, as existing concerns around its growth, margin profile and lack of disclosure were compounded by a short seller report alleging aggressive billing practices. Palo Alto Networks suffered from a growth slowdown, as a sales force reorganisation went awry, taking the stock lower. While we remain positive on the stock, we are structurally underweight Apple given it accounts for more than 10% of the index; the stock's outperformance was a drag on the fund.

In the internet sector, where we retained a large structural overweight, the fund added Yandex, the dominant search engine in Russia. The company is benefiting from the domestic regulator's crackdown on Google's anti-competitive practices in mobile search as well as the success of its online taxi-hailing app. Expedia was added as a complement to our Priceline position; both are beneficiaries of the shift toward booking travel online. We also added IAC/InteractiveCorp. IAC has a stable of attractive online platforms in Match.com and Home Advisor that they are now merging with Angie's List to create a dominant digital home services platform.

In semiconductors, the fund exited its position in Qualcomm as a result of the US Federal Trade Commission investigation and Apple lawsuit related to the company's royalty model, which created significant risk to its main source of profits. Given the acceptance of a cash offer from Qualcomm capping the upside, the fund also exited its NXP Semiconductor position. The fund also exited its Intel position, as long-held concerns around the threat to its monopolistic position in datacentre processors accelerated. Xilinx, a leading field programmable gate array (FPGA) supplier, was added given that FPGAs are one alternative to Intel now being used by cloud datacentres. Texas Instruments was returned to the portfolio given improved global growth prospects; the company is the dominant analog semiconductor franchise and a beneficiary of potential US tax reform.

Elsewhere, the fund added Flex, attracted by its transformation from an electronics contract manufacturer to a more value-adding outsourced manufacturing partner to a wider range of industries. PTC was also added given its strong franchise in computer aided design and product lifecycle management software. The company is executing well on its transition from a license to subscription model.

The global macroeconomic picture is improving but remains fragile, with attempts to normalise interest rates continuing to be pushed out. As quantitative easing (central bank liquidity measures) begins to wind down, the challenges of implementing the required longer-term structural reforms remain all too evident. The technology sector, given a demographic tailwind and its ability to continually provide customers with 'more for less', is likely to continue to gain share. We will continue to focus on powerful secular themes within technology.

Technology companies' valuations and balance sheets relative to global equities remain attractive. The technology sector is a clear beneficiary of the proposed repatriation of overseas cash to the US. Currency volatility (sharp fluctuations in price) moderated through 2016, but Trump's dollar policy is unclear and remains a risk, as does protectionism for a truly global sector like technology. Competition and pricing pressure are likely to remain intense, especially with major deflationary secular shifts ongoing (such as enterprise spending moving to the cloud). We continue to have a preference for sectors with high barriers to entry and dominant participants, which has led us to remain heavily overweight the internet, notably dominant franchises such as Alphabet (Google), Facebook and Amazon.

## Performance summary

Cumulative performance	Six months	One year	Five years	Since launch
	31 Oct 16 - 30 Apr 17	30 Apr 16 - 30 Apr 17	30 Apr 12 - 30 Apr 17	8 Oct 84 - 30 Apr 17
	%	%	%	%
Henderson Global Technology Fund	9.9	48.7	114.6	5,895.7
MSCI All Countries World Information Technology Index	9.6	52.3	146.4	*

  

Discrete performance	30 Apr 16 - 30 Apr 17	30 Apr 15 - 30 Apr 16	30 Apr 14 - 30 Apr 15	30 Apr 13 - 30 Apr 14	30 Apr 12 - 30 Apr 13
	%	%	%	%	%
	Henderson Global Technology Fund	48.7	0.1	25.9	9.4

Source: Morningstar, bid to bid and net of fees as at 12 noon valuation point, based on performance of Class A accumulation. Benchmark values are as at close of business.

\* Benchmark return is not quoted as the fund inception date is earlier than the benchmark inception date.

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

## Fund facts

Accounting dates	Payment dates
30 April, 31 October	31 December

### Ongoing charge figure

	30/04/17	31/10/16
	%	%
Class A	1.74	1.75
Class I	0.84	0.85
Class Z	0.05	0.05

The ongoing charge figure (OCF) of the fund is calculated as the ratio of the total ongoing charges to the average net asset value for twelve months.

The OCF is calculated in accordance with guidelines issued by the European Securities and Markets Authority (ESMA).

	<b>Class A accumulation</b>			
	<b>30/04/17</b>	<b>31/10/16</b>	<b>31/10/15</b>	<b>31/10/14</b>
	<b>(pence per share)</b>	<b>(pence per share)</b>	<b>(pence per share)</b>	<b>(pence per share)</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	1,278.92	957.37	857.94	745.72
Return before operating charges*	145.15	339.63	115.53	125.94
Operating charges	(11.47)	(18.08)	(16.10)	(13.72)
Return after operating charges*	133.68	321.55	99.43	112.22
Distributions on accumulation shares	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-
Closing net asset value per share	1,412.60	1,278.92	957.37	857.94
* after direct transaction costs of:	0.38	1.19	1.02	0.89
<b>Performance</b>				
Return after charges	10.45%	33.59%	11.59%	15.05%
<b>Other information</b>				
Closing net asset value (£000s)	222,345	210,240	210,204	225,774
Closing number of shares	15,740,137	16,438,905	21,956,460	26,315,641
Operating charges (annualised)	1.74%	1.75%	1.75%	1.75%
Direct transaction costs	0.03%	0.11%	0.12%	0.11%
<b>Prices</b>				
Highest share price (pence)	1,436.00	1,295.00	985.00	862.80
Lowest share price (pence)	1,178.00	857.50	822.00	740.80

**Comparative tables** (continued)

	<b>Class I accumulation</b>			
	<b>30/04/17</b> (pence per share)	<b>31/10/16</b> (pence per share)	<b>31/10/15</b> (pence per share)	<b>31/10/14</b> (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	1,419.78	1,053.22	935.34	805.65
Return before operating charges*	161.63	376.29	126.45	136.96
Operating charges	(6.17)	(9.73)	(8.57)	(7.27)
Return after operating charges*	155.46	366.56	117.88	129.69
Distributions on accumulation shares	-	(1.62)	(2.06)	(1.88)
Retained distributions on accumulation shares	-	1.62	2.06	1.88
Closing net asset value per share	1,575.24	1,419.78	1,053.22	935.34
* after direct transaction costs of:	0.43	1.31	1.11	0.97
<b>Performance</b>				
Return after charges	10.95%	34.80%	12.60%	16.10%
<b>Other information</b>				
Closing net asset value (£000s)	437,093	372,858	267,763	235,579
Closing number of shares	27,747,747	26,261,621	25,423,345	25,186,540
Operating charges (annualised)	0.84%	0.85%	0.85%	0.85%
Direct transaction costs	0.03%	0.11%	0.12%	0.11%
<b>Prices</b>				
Highest share price (pence)	1,600.00	1,437.00	1,078.00	939.40
Lowest share price (pence)	1,309.00	945.80	902.80	800.60

## Comparative tables (continued)

	Class Z accumulation			
	30/04/17 (pence per share)	31/10/16 (pence per share)	31/10/15 (pence per share)	31/10/14 (pence per share)
<b>Change in net assets per share</b>				
Opening net asset value per share	246.28	181.27	159.60	136.33
Return before operating charges*	28.12	65.11	21.77	23.36
Operating charges	(0.07)	(0.10)	(0.10)	(0.09)
Return after operating charges*	28.05	65.01	21.67	23.27
Distributions on accumulation shares	-	(1.85)	(1.78)	(1.53)
Retained distributions on accumulation shares	-	1.85	1.78	1.53
Closing net asset value per share	274.33	246.28	181.27	159.60
* after direct transaction costs of:	0.07	0.23	0.19	0.16
<b>Performance</b>				
Return after charges	11.39%	35.86%	13.58%	17.07%
<b>Other information</b>				
Closing net asset value (£000s)	4	4	3	2
Closing number of shares	1,500	1,500	1,500	1,500
Operating charges (annualised)	0.05%	0.05%	0.06%	0.06%
Direct transaction costs	0.03%	0.11%	0.12%	0.11%
<b>Prices</b>				
Highest share price (pence)	278.30	249.20	184.70	160.10
Lowest share price (pence)	227.30	163.10	155.10	135.50

Performance values are at close of business and may differ from the performance summary.

### Operating charges

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

### Share class launches and closures

There were no share classes launched or closed in the period.

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

## Major holdings

as at 30/04/17	%
Apple	8.69
Facebook	7.28
Microsoft	5.88
Alphabet 'A'	5.31
Alphabet 'C'	4.21
Samsung Electronics	4.01
Visa	3.86
Tennent Holdings	3.76
Alibaba Holdings ADS	3.67
Cisco Systems	3.44

## Asset allocation

as at 30/04/17	%
United States	76.39
China	7.93
South Korea	4.82
Singapore	3.13
Finland	1.65
United Kingdom	0.91
France	0.76
Russian Federation	0.67
Netherlands	0.53
Israel	0.15
Derivatives	-
Other net assets	3.06
<b>Total net assets</b>	<b>100.00</b>

## Major holdings

as at 31/10/16	%
Apple	8.31
Facebook	6.92
Microsoft	5.92
Alphabet 'A'	5.29
Alphabet 'C'	4.39
Visa	4.13
Samsung Electronics	3.89
Tennent Holdings	3.71
Cisco Systems	3.64
Intel	3.51

## Asset allocation

as at 31/10/16	%
United States	76.72
China	7.43
South Korea	4.47
Singapore	2.82
Finland	1.19
United Kingdom	1.16
Israel	1.16
Netherlands	1.04
Japan	0.74
France	0.58
Germany	0.11
Other net assets	2.58
<b>Total net assets</b>	<b>100.00</b>



## Report and accounts

This document is a short report of the Henderson Global Technology Fund for the six months ended 30 April 2017.

Copies of the annual and half yearly long form reports of this fund are available on our website [www.janushenderson.com](http://www.janushenderson.com) or contact client services on the telephone number provided.

## Other information

The information in this report is designed to enable you to make an informed judgement on the activities of the fund during the period it covers and the results of those activities at the end of the period.

### Issued by:

Henderson Investment Funds Limited

Registered office:

201 Bishopsgate

London

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Member of The Investment Association and authorised and regulated by the Financial Conduct Authority.

Registered in England No 2678531

### Shareholder Administrator

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SS15 5FS

## Risk warning

Please remember that past performance is not a guide to future performance. The value of an investment and the revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

### Depository

National Westminster Bank Plc

135 Bishopsgate

London

EC2M 3UR

### Auditor

PricewaterhouseCoopers LLP

141 Bothwell Street

Glasgow

G2 7EQ





## Further information

### Shareholder enquiries

If you have any queries about your fund holding, either contact your professional adviser or telephone us on one of the numbers below:

For dealing enquiries including buying and selling shares please telephone at local rate: **0845 608 8703**

The following line is also available:

Client Services: **0800 832 832**

or you can contact us via e-mail at [support@janushenderson.com](mailto:support@janushenderson.com)

We may record telephone calls for our mutual protection and to improve customer service.

### Online valuations

You can value your Henderson Global Technology Fund at any time by logging on to [www.janushenderson.com](http://www.janushenderson.com). Select 'UK Private Investor' and then access 'Valuations' from the Tools Menu. Simply select the fund you hold and enter the appropriate number of shares.

### Important Information

Janus Henderson Investors is the name under which Janus Capital International Limited (reg no. 3594615), Henderson Global Investors Limited (reg. no. 906355), Henderson Investment Funds Limited (reg. no. 2678531), Henderson Investment Management Limited (reg. no. 1795354), AlphaGen Capital Limited (reg. no. 962757), Henderson Equity Partners Limited (reg. no. 2606646), Gartmore Investment Limited (reg. no. 1508030), (each incorporated and registered in England and Wales with registered office 201 Bishopsgate, London EC2M 3AE) are authorised and regulated by the Financial Conduct Authority to provide investment products and services.

Unless otherwise stated, all data is sourced by Henderson Global Investors.

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