

SHINING A LIGHT ON THE.....
Janus Henderson Global Technology Fund

AT A GLANCE

Investment Objective	
To aim to provide capital growth by investing in companies worldwide that derive, or are expected to derive, profits from technology.	

Inception Date	8 th October 1984
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F0GBR04S9K

Management	
Manager Name	Start Date
Graeme Clark	30 th November 2017
Alison Porter	30 th November 2017
Richard Clode	1 st October 2014

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	69.25%
Large	20.49%
Medium	10.26%
Small	0.00%
Micro	0.00%

Top 10 Holdings		
Total number of holdings	49	
Assets in Top 10 Holdings	49.92%	
Name	Sector	% of Assets
Microsoft Corp	Technology	9.87%
Apple Inc	Technology	6.87%
Facebook Inc A	Technology	6.16%
Alphabet Inc A	Technology	4.93%
Visa Inc Class A	Financial Services	4.59%
Tencent Holdings Ltd	Technology	3.99%
Mastercard Inc A	Financial Services	3.85%
Alphabet Inc Class C	Technology	3.57%
Cisco Systems Inc	Technology	3.09%
Broadcom Inc	Technology	2.99%

Volatility Measurements	
3-Yr Std Dev (volatility)	16.18%
3-Yr Mean Return (average)	22.10%

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FUND PERFORMANCE

Performance from 1st January 2013 to 30th August 2019:

	2013	2014	2015	2016	2017	2018	2019
Janus Henderson Global Technology Fund	24.38%	18.36%	11.01%	27.69%	32.03%	-0.59%	28.42%
iShares MSCI World	30.32%	10.75%	1.17%	8.13%	17.26%	-8.94%	13.75%

Performance over 12 months, 3 years, 5 years, and 10 years:

	1 year	3 years	5 years	10 years
Janus Henderson Global Technology Fund	8.10%	75.30%	158.34%	316.39%
iShares MSCI World	0.90%	30.63%	41.32%	125.93%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

There are many different types of technology funds. This fund is one of the oldest in the market and has delivered strong performance for investors. They can see the structural shift towards digital natives. These are the Millennials and Gen Z who have grown up with technology. This is the generation who are used to smart phones and businesses like Uber, Netflix and Spotify, who really could not have existed without smart phones.

What we are seeing is better, cheaper and faster products. We don't buy newspapers we consume news online. We don't go to shops we go to Amazon. Transportation is changing. However, areas of the market remain untapped like financial services and healthcare. Tech never stands still and they believe there are still many opportunities out there.

The 5 mega themes are around automation, internet transformation, artificial intelligence, next generation infrastructure and payment digitisation. From this are multiple drivers – new payment methods, transport revolution, software as a service, entertainment on demand, 5G, cloud infrastructure, platform proliferation, machine interface, flexible displays and extending Moore's law.

In terms of tech giant's vs large cap companies, they believe tech giants are more attractive. Coca-Cola, McDonalds and P&G have an average P/E ratio of 23 times earnings and debt in excess of \$95 billion. Apple, Facebook and Google have net cash of over \$250 billion and an average P/E ratio of 19 times.

We discussed trade wars and potential impact on the fund and they explained that many of the companies are not impacted. Microsoft don't care about it; Google is not in China and for both companies the valuations are not high, and they have strong balance sheets.

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Liquidity is an increasing question for the team and 95% of the fund can be liquidated within five days. Where the team believe they are different is that they see themselves as one of the largest specialist technology teams in Europe. They manage over \$6 billion, the sole focus being on technology stocks. They have a history of outperformance and over 70 years combined experience.

In summary, for those seeking exposure to technology then this is a fund to consider. One of our concerns is that 50% of the fund is in stocks that are likely to be held across US or Global Funds and therefore there will be some crossover. If this is a concern, then it might be worth considering specialist technology fund which has less crossover.

The source of information in this note has been provided by Janus Henderson and is correct as at September 2019. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.