

## Janus Henderson Investors

### Richard Clode, CFA – ‘Swipe Right’ Generation

- It's a really great time to be an active technology manager
- It is worth noting how much technology has outperformed and how under-represented technology is in the UK market. As a result, UK clients are still massively underweight technology
- Young people are lazy because they can be - why go to a shop to buy a CD when they have Spotify, why stand in a taxi queue when they have Uber?
- Next year 59% of the workforce will be millennials and generation Z. The 'swipe-right' generation will increasingly define the future of companies
- All the value that has been created in the technology sector has come from disrupting two industries - retailing and traditional media
- The Cloud means any new company can scale faster and cheaper than ever before. Businesses are now growing up in the cloud
- Esports is an example of the shift, now commanding over \$2m in prize money. Games and short videos are the new mainstream media. What's the future for a traditional broadcaster in this world?
- We think the future is foldable displays, and we will get some very interesting opportunities emerging. We own the company that controls the licenses
- There is so much more to tech investing than the FANGs
- The number one argument against technology is high valuations. However, the premium of the technology sector against the rest of the market is 24%. Lower than it has been and in spite of the rapid increase in earnings
- Technology is hugely profitable: Apple makes \$50 billion profit a year. Alphabet makes \$40 billion dollars a year, Microsoft makes \$35 billion
- What's going to change over the next decade? Will people use less technology or more? Will there be fewer industries disrupted or more? It is easier to answer this than to predict Brexit or the oil price

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