Janus Henderson
INVESTORS

MACRO MULTI-ASSET
QUARTERLY

Q4 2026

The Janus Henderson Multi-Asset Macro & Customized Investing Team applies a disciplined, top-down approach to investing, focusing on corporate profits, liquidity and investor sentiment/valuation.

This update provides an overview of the team's views on market dynamics, what they're buying, and the three key macro pillars that drive positioning across Janus Henderson's range of multi-asset models and portfolios.



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INVESTMENT ENVIRONMENT

"European and emerging market stocks have been relatively cheap for a long time, but these regions lacked a growth story to support higher allocations. However, right now, nearly 75% of the companies forecasted to grow earnings 25% or more over the longer-term are outside the United States."



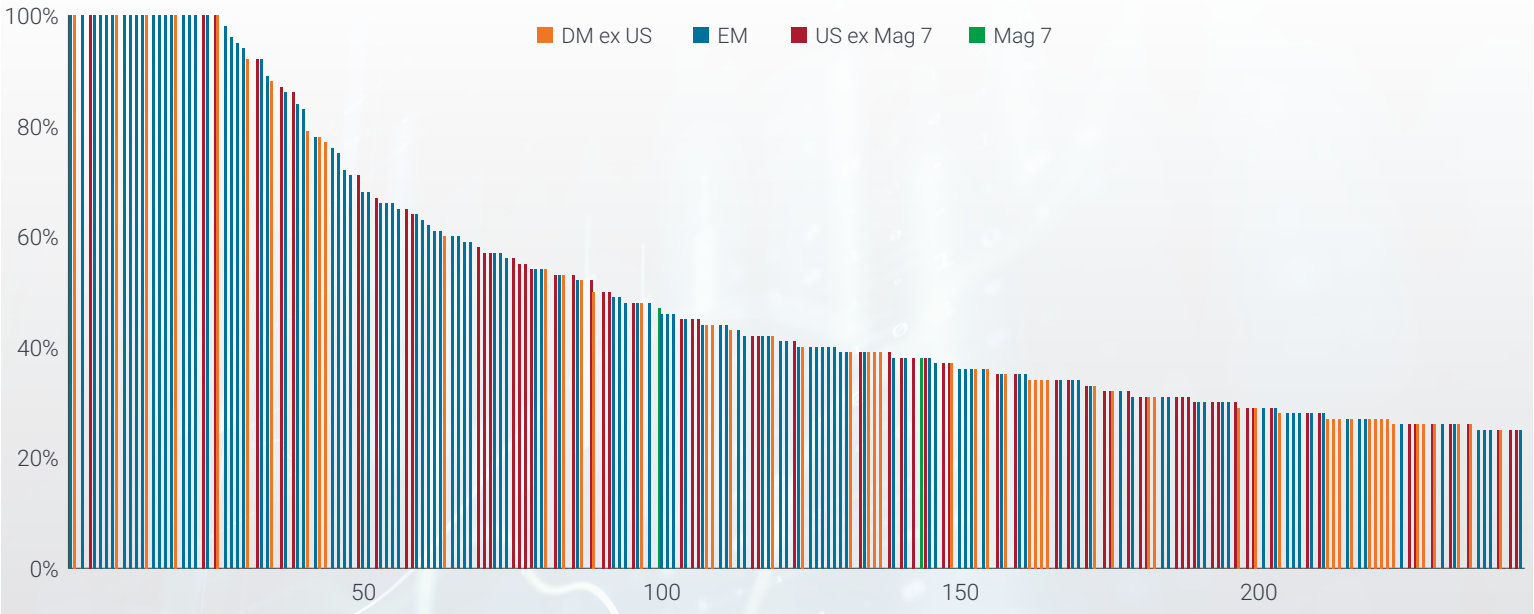
Richard Bernstein
Global Head of Macro & Customized Investing

Key Takeaways

- **Deglobalization's secular inflationary forces could complicate matters for Central Banks,** leaving them with no choice but to raise interest rates for longer than markets currently anticipate.
- **Sectors & regions that have been starved for capital by the AI boom might again attract capital.** Although reductions in the global liquidity could be a challenge for speculation, we believe those restrictive actions will lead to more rational allocation of capital.
- **Global profits are strong and accelerating broadly,** providing opportunity in a wide range of regions/sectors. 75% of super growth stocks (forecasts above a 25% growth rate) are now outside the US.

CHART IN FOCUS

Companies by listing region with expected growth rates over 25%



Source: RBA and Janus Henderson Investors, Factset, as at 14 September 2026. Covers stocks in the MSCI All Country World Index (MSCI ACWI). **Forecasts may not be realised. Past performance does not predict future returns.**

> "With U.S. earnings growth set to peak and still concentrated in a handful of hyperscaler and semiconductor names, equity portfolios can benefit from both diversification abroad and within the U.S., given the high number of S&P 500 stocks with negative betas."



Adam Hetts
Head of Multi-Asset Customized Investing

OVERVIEW

International earnings growth is expected to accelerate into 2027 as US growth peaks. Globally, liquidity is beginning to tighten as central banks contend with ongoing inflation. Sentiment remains moderate outside the US.

Region	Profits growth outlook*	Liquidity	Sentiment
US	Peaking	Tightening	Exuberance
Europe	Accelerating	Tightening	Neutral
Japan	Accelerating	Tightening	Neutral
EM	Accelerating	Unchanged	Neutral

*Forecast profit growth & change outlook over 6 months.

Contracting profits / Tight liquidity ■ ■ ■ ■ ■ Expanding profits / Loose liquidity

We favor diversification across cheaper assets which may perform better in a higher-inflation, higher-rate environment. These include dividend, value and select cyclical equities, and real assets. International equities look attractive, inexpensive and offer accelerating earnings growth in comparison to more expensive U.S stocks where earnings are peaking.

Within fixed income, we remain cautious towards high-grade corporate bonds given historically tight credit spreads. Instead, the team continues to emphasize higher-quality sectors such as Treasuries, high-quality floating-rate securities, and municipal bonds, while maintaining a shorter-duration profile relative to the benchmark.

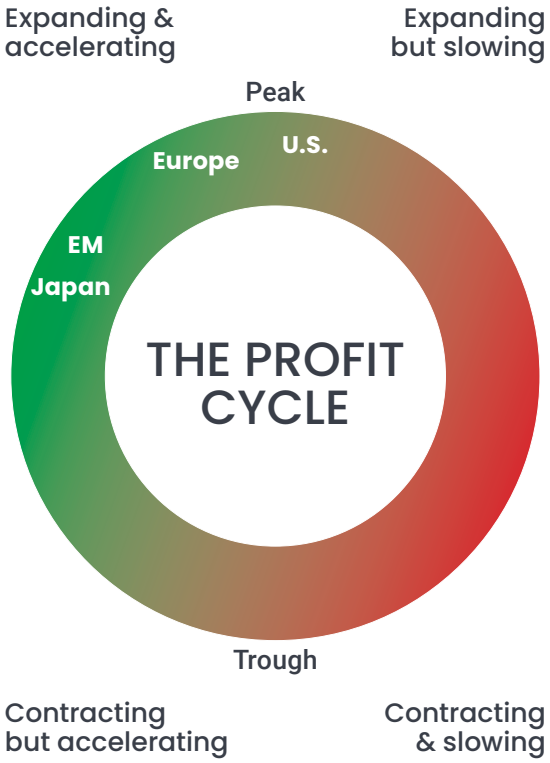
Portfolio implications

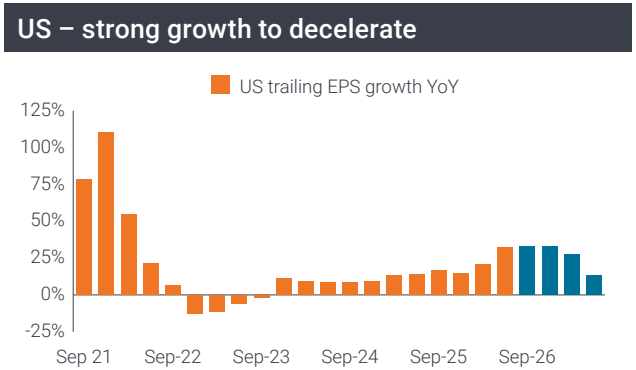
Where we're investing:
International equities
Income & dividends
Value stocks
Select cyclicality & real assets
Short-duration fixed income

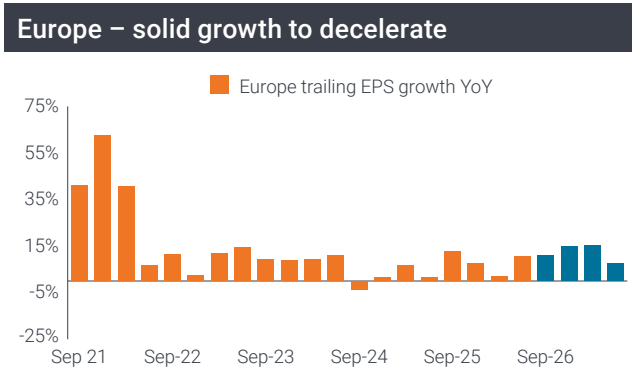
What we're avoiding
US mega cap growth
Long Duration Bonds
Corporate Credit Risk

PROFITS

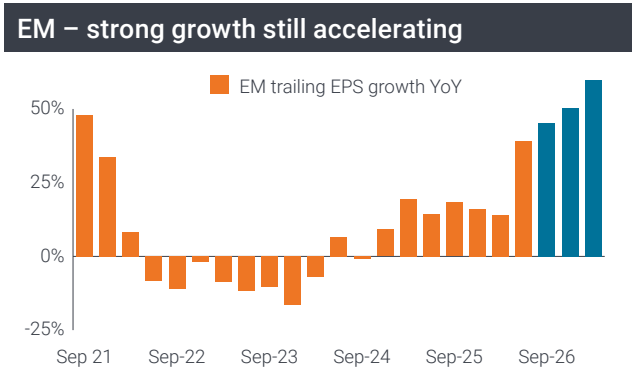
Profits now accelerating globally











Source: Bloomberg, Compustat, Janus Henderson Investors. Blue bars indicate Janus Henderson Investors forecasts, as at 30 September 2026.

International profits are now accelerating, further broadening the global profits cycle. However, we expect to see some divergence between regional profit cycles over the next several quarters.

US: We expect a peak in the current US profit cycle, with earnings growth to decelerate from current elevated levels (around 30% on a trailing basis) to the mid-teens in 2027. Much of this slowdown looks to be coming from the Magnificent 7 stocks, with consensus estimates of above 50% growth for 2026 declining to in line with the broader market in 2027.

EM & Japan: In contrast, we expect continued profits acceleration in Emerging Markets and Japan over the next several quarters. While Emerging Markets profits improvement continues to come from Taiwan and South Korea – both key suppliers to global AI infrastructure capex – the profits acceleration is broadening out across more countries. This broadening suggests healthier growth and a more diverse set of drivers for Emerging Markets profits might be unfolding.

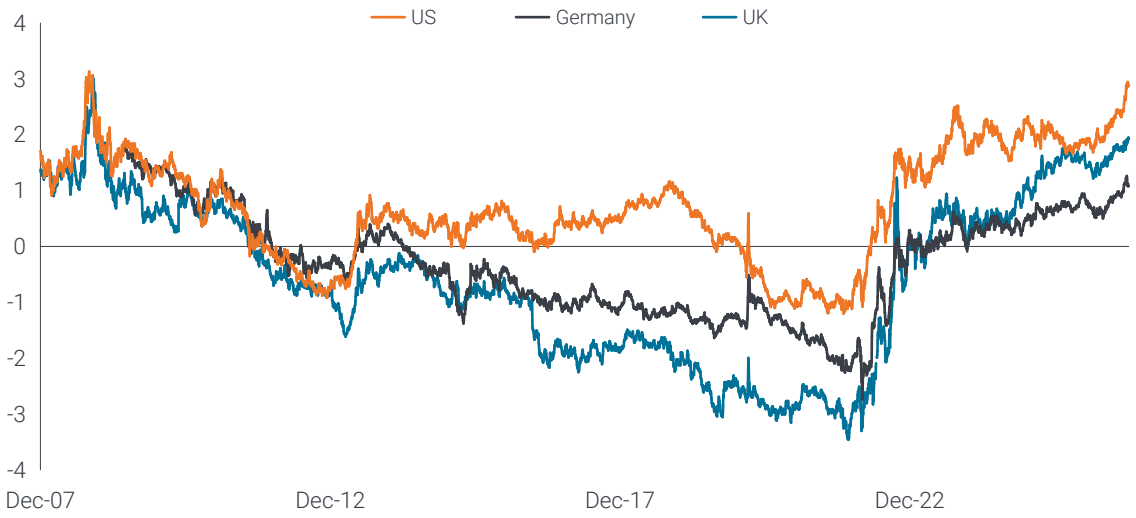
Europe: We expect modest improvement in earnings growth into 2027, but overall growth remains tepid compared to the elevated levels in the US, Emerging Markets and Japan. We expect that the growth gap between Europe and the US to narrow markedly as we move into 2027.

LIQUIDITY

Liquidity has been loose, but interest rate hikes look set to tighten conditions

Region	Tight/loose	Change	Interest rates	Credit conditions
US		Tightening	Hiking	Loose
Europe		Tightening	Hiking	Loose
Japan		Tightening	Hiking	Loose
EM		Unchanged	On hold	Loose

10-year real government bond yields (%)



Source: Bloomberg, as at 09 October 2026

While liquidity has been accommodative, it has begun to tighten across major developed markets. More central banks are raising interest rates, although it is likely to take further hikes to meaningfully slow activity. Real yields are now at post-Global Financial Crisis (GFC) highs. Yield curves remain positively sloped but have flattened since the end of 2025, despite the rise in longer-term yields.

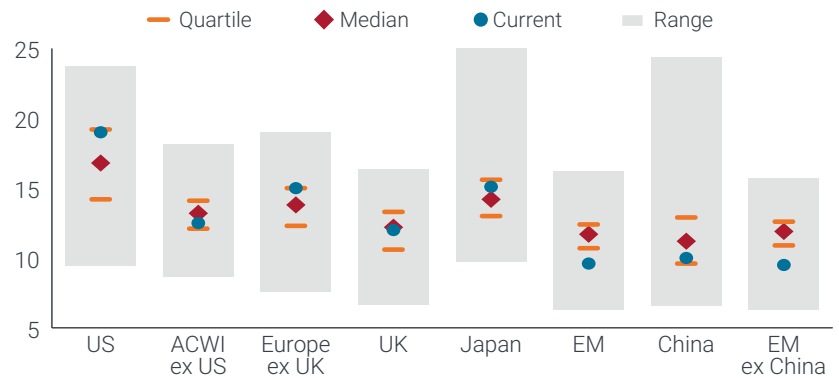
Tighter policy liquidity has yet to meaningfully impact credit conditions, which remain unrestrictive. Credit spreads have risen from the recent lows on a wave of supply and rising government bond yields. However, this has yet to be reflected in banks willingness to lend

SENTIMENT & VALUATION

Equity market leadership remains very narrow

Region	Status
US	Exuberence
Europe	Neutral
Japan	Neutral
EM	Neutral

Forward price-to-earnings ratio

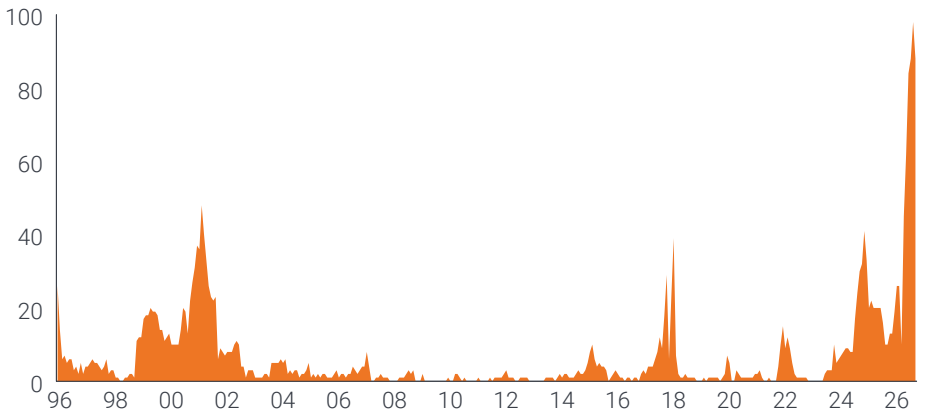


Source: Datastream as at 12 October 2026.

Overall exposure to equities among investors continues to indicate high levels of bullishness. Within this, pockets of the market continue to cause us a degree of concern, particularly those related to AI. Recent moves higher in real bond yields have weighed on near-term valuations, particularly in the US equity market, but have done little to dampen broader risk appetite. The market rally remains very narrow, particularly in the US where a small number of mega cap stocks have led the way. This leaves the markets looking more vulnerable than usual to any disappointment, particularly in the key AI investment trend. A similar effect has been seen in emerging markets given the concentration in a small number of Taiwanese and South Korean technology stocks have led. However, strong earnings growth and recent volatility have driven valuations cheaper.

The US market goes well beyond the largest companies, with many stocks well below their highs. However, leadership has been so narrow that there are now a near record number of US companies with negative betas. It is exceptionally rare to have stocks with negative betas, (which imply that a stock goes up when the market goes down and down when the market is up). This suggests that one can construct an equity portfolio that diversifies equity risk right now!

Number of S&P 500 stocks with a negative 3y beta



Source: RBA and Janus Henderson Investors, Bloomberg Finance, Monthly data as at 31 August 2026.
Past performance does not predict future returns.

SUMMARY AND POSITIONING

This is a representation of the team's positive and negative sentiment based on the prevailing drivers on the three pillars.

Equities	--	-	=	+	++
U.S.					
Large Cap Growth					
Large Cap Value					
Mid Cap					
Small Cap					
Developed ex U.S.					
Europe					
Europe ex UK					
UK					
Japan					
Emerging Markets (EM)					
China					
EM ex China					

Government bonds	--	-	=	+	++
U.S. Treasuries					
UK Gilts					
Eurozone government bonds					

Credit	--	-	=	+	++
Securitized					
Investment grade					
High yield					
Hard currency EM debt					

FX/Commodities	--	-	=	+	++
Real assets					
Broad commodities					
Gold					
Euro vs. U.S. dollar					

Underweight Neutral Overweight

Key takeaways

Equities

- Favor International stocks over US for accelerating profits & cheaper valuations
- Prefer Value over Growth within the US to avoid crowded leadership

Government bonds

- Strong growth & sticky inflation keep us wary of duration

Credit

- Credit spreads remain at unattractive levels vs risk in other asset classes
- Securitized can offer floating rate exposure

FX/commodities

- Gold diversifies against a range of risks
- FX uncertainty given fiscal risks & rate hikes

JANUS HENDERSON FOR

MULTI-ASSET MACRO & CUSTOMIZED INVESTING

Key personnel, approach, and capabilities

Janus Henderson's Multi-Asset Macro & Customized Investing Team is a globally diversified group of industry experts, dedicated to designing investment models, ETF construction, and customized macro solutions.

The team's macro insights are designed to support clients in turning market information into actionable multi-asset solutions, customised for clients' complex investment objectives.



- Joined Janus Henderson in 2026
- 45 years of industry experience

Richard Bernstein
Global Head of Macro & Customized Investing



- Joined Janus Henderson in 2026
- 27 years of industry experience

Mike Contopoulos
Head of Multi-Asset Macro Investing



- Joined Janus Henderson in 2017
- 21 years of industry experience

Adam Hetts
Global Head of Multi-Asset Customized Investing



- Joined Janus Henderson in 2026
- 33 years of industry experience

Lisa Kirschner
Director of Research



- Joined Janus Henderson in 2017
- 17 years of industry experience

Oliver Blackbourn
Portfolio Manager



- Joined Janus Henderson in 2026
- 14 years of industry experience

Matt Poterba
Senior Analyst

DEFINITIONS, INDICES, RISKS

Definitions

Beta: The measure of the relationship that a portfolio or security has with the overall market. Negative beta means an investment moves in the opposite direction to a broader stock market.

Capital: An amount of money that is, or could be, allocated to (invested) in a company, position or investment portfolio.

Cyclical stocks: Companies that sell discretionary consumer items, such as cars, or industries highly sensitive to changes in the economy, such as mining.

Cyclical: Sensitive to changes in the economy. In the case of stocks, that would include companies that sell discretionary consumer items (such as cars), or highly correlated to demand (eg. mining).

Developed market ex-US (DM ex US): A group of economically advanced, high-income countries, outside the US, with mature financial systems and stock markets.

Dividend assets: Companies that generate a relatively high or persistent discretionary payment to its shareholders.

Duration: This measures a bond price's sensitivity to changes in interest rates. The longer a bond's duration, the higher its sensitivity to changes in interest rates and vice versa.

Earnings per share (EPS): EPS is the bottom-line measure of a company's profitability, defined as net income (profit after tax) divided by the number of outstanding shares.

Emerging market (EM): A developing country's economy that is transitioning towards a modern, industrialized state.

Fiscal/Fiscal policy: Describes government policy relating to setting tax rates and spending levels. Fiscal policy is separate from monetary policy, which is typically set by a central bank.

Floating-rate asset: A debt security where the interest payments are not fixed over the life of the instrument but vary in response to a reference rate, such as the overnight lending rate or the rate of inflation.

Forward price-to-earnings ratio: An estimate of the future earnings of a business, usually covering the present financial year or the next one.

Fiscal risks: Describes government policy relating to setting tax rates and spending levels. Fiscal policy is separate from monetary policy, which is typically set by a central bank.

Growth stocks/investing: Growth investors search for companies they believe have strong growth potential. Their earnings are expected to grow at an above-average rate compared to the rest of the market, and therefore there is an expectation that their share prices will increase in value.

Inflation: The rate at which the prices of goods and services are rising in an economy. The consumer price index (CPI) and retail price index (RPI) are two common measures.

Investment-grade ('high grade') bonds: A bond typically issued by governments or companies perceived to have a relatively low risk of defaulting on their payments, reflected in the higher rating given to them by credit ratings agencies.

Late cycle: Refers to the final phase of an economic cycle before a recession. Economic activity often reaches its peak and growth slows but remains positive.

Liquidity/Liquid assets: Liquidity is a measure of how easily an asset can be bought or sold in the market. Assets that can be easily traded in the market in high volumes (without causing a major price move) are referred to as 'liquid'.

Magnificent 7 (MAG 7): The term 'Magnificent Seven' refers to the seven major technology stocks – Apple, Microsoft, Nvidia, Amazon, Tesla, Alphabet, and Meta – that have dominated markets in recent years.

Mega caps: The largest designation for companies in terms of market capitalisation. Companies with a valuation (market capitalisation) above $200 billion in the US are considered mega caps. These tend to be major, highly recognisable companies with international exposure, often comprising a significant weighting in an index.

Nominal/real yield: 'Nominal yield' on a bond is the coupon – essentially the interest rate that the bond issuer promises to pay the holder. 'Real yield' is the nominal yield minus the rate of inflation.

Real assets: Tangible investments, such as gold, real estate, or oil, that have an intrinsic value due to their substance and physical properties.

Securitized (securitization market): Securitisation is the process in which certain types of assets are pooled so that they can be repackaged into interest-bearing securities together which constitutes a market for buying or selling.

Spreads/Credit Spread: The difference in yield between securities with similar maturity but different credit quality. Widening spreads generally indicate deteriorating creditworthiness of corporate borrowers, and narrowing indicate improving.

Treasuries/US Treasury securities: Debt obligations issued by the US government. Government bonds are generally considered to be free of credit risk and typically carry lower yields than other securities.

Value stocks: Companies that investors perceive as undervalued by the market, where they expect their share price to perform better over time.

Volatility: The rate and extent at which the price of a portfolio, security, or index, moves up and down. If the price swings up and down with large movements, it has high volatility. If the price moves more slowly and to a lesser extent, it has lower volatility.

Yield: The level of income on a security over a set period, typically expressed as a percentage rate. For a bond, this is calculated as the coupon payment divided by the current bond price.

Yield curve: A yield curve graph plots the yields of similar quality bonds against their maturities. A steepening yield curve typically indicates that investors expect rising inflation and stronger economic growth.

Indices

Credit spread: The difference in yield between securities with similar maturity but different credit quality, often used to describe the difference in yield between corporate bonds and government bonds. Widening spreads generally indicate a deteriorating creditworthiness of corporate borrowers, while narrowing indicate improving.

Cyclical: Sensitive to changes in the economy. In the case of stocks, that would include companies that sell discretionary consumer items (such as cars), or highly correlated to demand (eg. mining).

Default rate measures the failure of debtors (such as a bond issuer) to pay interest or to return an original amount loaned when due.

Diversification: A way of spreading risk by mixing different types of assets/asset classes in a portfolio, on the assumption that these assets will behave differently in any given scenario.

Duration measures a bond price's sensitivity to changes in interest rates. The longer a bond's duration, the higher its sensitivity to changes in interest rates and vice versa.

Fiscal/Fiscal policy: Describes government policy relating to setting tax rates and spending levels. Fiscal policy is separate from monetary policy, which is typically set by a central bank.

Forward earnings: An estimate of the future earnings of a business, usually covering the present financial year or the next one.

Risks

Hard vs. local currency emerging market debt: "Hard currency" emerging-market debt is issued by emerging-market borrowers in a major currency such as the US dollar; "local currency" debt is issued in the borrower's own currency, exposing investors to movements in that currency.

High yield bond: Also known as a sub-investment grade bond, or 'junk' bond. These bonds usually carry a higher risk of the issuer defaulting on their payments, so they are typically issued with a higher interest rate (coupon) to compensate for the additional risk.

Inflation-linked bond: Also known as inflation-protected securities, a bond whose principal and/or interest payments are adjusted in line with inflation, designed to protect investors from a loss of purchasing power.

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