JANUS HENDERSON CAPITAL FUNDS PLC - JANUS HENDERSON GLOBAL INVESTMENT GRADE BOND FUND

A2 USD ISIN IE00B41CXQ90

At a glance

Performance
The Fund returned −2.56%, the Index returned −2.10% and the Sector returned −2.20%.

Contributors/detractors
The fund's overweight duration position relative to the benchmark detracted, as yields rose.

Outlook
Following recent spread widening, we have increased credit risk because we believe valuations look somewhat more compelling and remain supported by sound corporate fundamentals.

Portfolio management


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Investment environment

- Global investment grade credit delivered negative total returns in September, dragged down in particular by weakness in government bonds.
- Higher energy prices and persistent geopolitical tensions fuelled concerns about inflation and reinforced expectations of a higher-for-longer interest-rate environment.
- The US Federal Reserve (Fed) and the European Central Bank (ECB) both raised interest rates by 25 basis points (bps) during the month.
- Although spreads widened across investment grade corporate bonds, there was some resilience as investors remained encouraged by generally strong corporate earnings and robust economic data.
- However, rising Treasury yields, combined with heavy primary market supply mainly related to artificial intelligence (AI), created a challenging environment for lower-quality debt.
- In terms of sectors, financial bonds lagged non-financials across both US dollar-denominated and euro-denominated investment grade corporate bonds.
- By the end of September, the yield on the 10-year US Treasury had risen by 53 bps to 5.28% (meaning prices fell), the yield on the 10-year German Bund had risen by 26 bps to 3.59%, and the 10-year UK gilt yield had risen by 36 bps to 5.42%.

Portfolio review

The fund's small long duration position relative to the benchmark was the main detractor, given the sell-off across government bond markets. Security selection also worked against us. Although bank holdings delivered strong contributions, these were outweighed by selections in energy and consumer cyclical issuers, which are typically higher-beta credits. Elsewhere, widening credit spreads weighed on the fund's overweight credit beta exposure, while sector allocation had a broadly neutral-to-negative effect on performance. The positive effect of the small overweight position in banking was offset by the below-benchmark allocation to electric utilities.

The selective exposure to lower-rated, higher-beta issues also detracted from performance. Harrow came under additional pressure as investors grew concerned about the healthcare company's leverage in a higher-interest-rate environment. Sub-investment-grade technology firms CoreWeave and Roblox were also caught up in the sell-off and faced concerns about issuance in this part of the market, rather than any fundamental development at the company level.

Marketing communication
Past performance does not predict future returns.
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On the positive side, Japan's SoftBank was among the strongest contributors after investors responded favourably to a record-breaking new issue, offered at yields we considered particularly attractive, to fund its stake in OpenAI and other AI investments.

Following the recent widening in spreads, we increased credit beta exposure to a modest overweight position, having previously reduced risk when spreads were very tight and the prospect of further rate increases was rising. We took advantage of the buoyant new-issue market to add exposure in areas where we saw value. We found particularly attractive opportunities in auto companies Renault and Volkswagen, and in healthcare group Teva, enabling us to increase exposure to segments that have not offered much value recently, but which we expect may recover. We also switched some bank exposure into insurance, including AON, which came to market at more attractive levels than we have seen for some time. Elsewhere in financials, we added Wells Fargo and bought back into Ares, a high-quality but higher-beta business development company. We also increased the position in SoftBank. In addition, we invested in several euro-denominated issues to diversify the portfolio and take advantage of the euro's recent weakness against the US dollar. Additions included French telecommunications group Orange; Teva, a Dutch pharmaceutical company; French media company Lagardère; and DP World, the Dubai-based global logistics group. We also rebalanced exposure to Roblox, CoreWeave and Shea Homes, the latter a US homebuilder, taking advantage of the sell-off in the sub-investment-grade bond market.

To accommodate these additions, we took profits from some of our UK water utility holdings, including Anglian Water and South West Water. We also took profits from some of our fintech holdings, including Experian and Wise, which had recovered from the concerns about software-as-a-service (SaaS) firms at the start of the year.

Manager outlook

The short-term outlook remains mixed. Recent weakness in government bonds and credit spreads reflects a combination of geopolitical, energy and supply-related pressures. Re-escalation in the Middle East has been an important driver, with uncertainty surrounding the Strait of Hormuz, Iranian oil exports and European gas prices adding to inflation concerns. The prospect of higher energy prices for longer has therefore reinforced expectations that central banks may have less scope to ease monetary policy, while the recent rise in US Treasury yields has also weighed on sentiment across global credit markets.

At the same time, we believe some concerns about the US economy may be overstated. Although higher energy prices could feed through to inflation over the next three to six months, the second-order effects appear less pronounced than initially feared. The impact of higher rates may also increasingly be felt through financial markets and tighter financial conditions, rather than solely through household consumption. This could provide a more meaningful mechanism for slowing the economy as the lagged effects of recent rate increases emerge.

Primary market supply is likely to remain an important consideration. Government issuance remains substantial, while the financing requirements of the AI investment cycle continue to grow. We expect periods of heavy issuance may create opportunities for selective participation, particularly where new issue concessions are attractive.

Against this backdrop, we increased credit exposure following the recent widening in spreads, having previously reduced risk when valuations were less compelling. We continue to adjust the portfolio through security selection and relative-value switches, rather than adding risk indiscriminately. We have also been prompt in trimming or switching out of areas where recoveries have been evident. For example, we reduced the UK water utility position as the challenging political backdrop moderated, allowing valuations to better reflect underlying fundamental improvements. Similarly, we reduced some technology exposure following the recovery from concerns about SaaS companies earlier in the year. Fintech companies previously caught in the perceived "AI losers" basket have also recovered, as resilient operating performance has suggested that they may be less vulnerable to AI-driven competition than initially feared. With valuations now less compelling, we have switched towards other areas offering a more attractive risk/return profile.

We expect markets to remain sensitive to energy prices, government bond yields and the pace of new issuance, potentially creating opportunities for active security selection and relative value. Higher-beta sectors such as real estate, banking and brokerage remain more vulnerable if rates stay elevated, while technology giants have recently shown greater resilience amid the flight to quality. Overall, we remain relatively constructive on higher-quality credit and comfortable with favoured sub-investment grade issuers, while maintaining some caution around more leveraged areas of the market.

Performance (%)

Returns	Cumulative 1 Month	3 Month	YTD	1 Year	Annualised 3 Year	5 Year	10 Year
A2 USD (Net) with sales charge	-7.44	-8.77	-7.91	-7.16	3.07	-1.73	0.92
Index	-2.10	-3.12	-1.87	-0.96	5.42	0.42	2.16
Sector	-2.20	-3.11	-2.16	-1.34	5.08	-0.01	2.01
A2 USD (Net)	-2.56	-3.97	-3.06	-2.28	4.84	-0.72	1.44

Calendar year	YTD at Q3 2026	2025	2024	2023	2022	2021
A2 USD (Net)	-3.06	6.44	3.37	7.13	-15.28	-1.86
Index	-1.87	7.08	3.69	9.10	-14.11	-0.79
Sector	-2.16	6.64	3.61	7.67	-13.86	-0.96

Performance is on a net of fees basis, with gross income reinvested. Source: at 30/09/26. © 2026 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance does not predict future returns. 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.**

Fund charges will impact the value of your investment. In particular, the ongoing charges applicable to each fund will dilute investment performance, particularly over time. For further explanation of charges please visit our Fund Charges page at www.janushenderson.com.

Note that any differences among portfolio securities currencies, share class currencies and costs to be paid or represented in currencies other than your home currency will expose you to currency risk. Costs and returns may increase or decrease as a result of currency and exchange rate fluctuations.

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Fund details

Inception date	29 October 2010
Total net assets	$72.46m
Asset class	Fixed Income
Domicile	Ireland
Structure	Irish Investment Company
Base currency	USD
Index	Bloomberg Global Aggregate Corporate Bond Hedged USD Index
Morningstar sector	Global Corporate Bond - USD Hedged
SFDR category	Article 8

In accordance with the Sustainable Finance Disclosure Regulation, the Fund is classified as Article 8 and promotes, among other characteristics, environmental and/or social characteristics, and invests in companies with good governance practices.

Investment objective

The Fund aims to provide a return, from a combination of income and capital growth over the long term. The Fund invests at least 80% of its assets in a global portfolio of investment grade bonds, issued by companies and issuers.

Fund specific risks

An issuer of a bond (or money market instrument) may become unable or unwilling to pay interest or repay capital. If this happens or the market perceives this may happen, the value of the bond will fall. When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise (or are expected to rise). This risk is typically greater the longer the maturity of a bond investment. CoCos can fall sharply in value if the financial strength of an issuer weakens and a predetermined trigger event causes the bonds to be converted into shares/units of the issuer or to be partly or wholly written off. If the Fund holds assets in currencies other than the base currency of the Fund, or you invest in a share/unit class of a different currency to the Fund (unless hedged, i.e. seeks to mitigate exchange rate movements between the share/unit class currency and the base currency of the Fund), the value of your investment may be impacted by changes in exchange rates. Derivatives may be used to help achieve the investment objective. This can result in leverage (higher levels of debt), which can magnify an investment outcome. Gains or losses may therefore be greater than the cost of the derivative. Derivatives also introduce other risks, in particular, that a derivative counterparty may not meet its contractual obligations. When the Fund, or a share/unit class, seeks to mitigate exchange rate movements of a currency relative to the base currency (hedge), the hedging strategy itself may positively or negatively impact the value of the Fund due to differences in short-term interest rates between the currencies. Securities could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses. Some or all of the ongoing charges and other costs of the Fund may be taken from capital, which may erode capital or reduce potential for capital growth. Losses could be incurred if a counterparty became unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider.

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