Janus Henderson INVESTORS

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

A2 USD ISIN IE00B41CXQ90

At a glance

Performance
The Fund returned 1.50%, the Index returned 1.65% and the Sector returned 1.30%.

Contributors/detractors
The fund's credit beta position detracted from relative performance, while the duration position contributed to relative performance.

Outlook
We have continued to selectively increase credit risk to take advantage of what we consider attractive valuations among our favoured issuers, particularly in Europe.

Portfolio management


James Briggs, ACA, CFA


Michael Keough


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Investment environment

- Global investment grade credit markets experienced a difficult October. Spreads widened, particularly in Europe, amid escalating geopolitical tensions in the Middle East, persistently high oil prices and concerns about the inflationary consequences of a prolonged energy shock.
- Uncertainty surrounding government finances, notably in France, and the scale of borrowing required to fund artificial intelligence (AI) infrastructure also weighed on sentiment.
- Investors became increasingly concerned that higher energy costs could prove a longer-term constraint on economic growth, while central banks adopted a more hawkish stance, emphasising the importance of restoring inflation credibility.
- Nevertheless, economic growth and corporate earnings remained relatively resilient, with little evidence of widespread deterioration in corporate balance sheets.
- Government bonds recovered some of their previous losses as investors sought perceived safe-haven assets. The yield on the 10-year US Treasury fell by 36 basis points (bps) to 4.93% (meaning that prices rose), the yield on the 10-year German bund fell 26 bps to 3.32% and the 10-year UK gilt yield fell by 14 bps to 5.28%.
- Global investment grade credit outperformed high yield, although spreads widened across both markets. At the sector level, financials lagged non-financials in both US dollar-denominated and euro-denominated investment grade corporate bond markets.

Portfolio review

The overweight credit beta position was the main detractor, given spread weakness. Security selection was slightly negative, mainly due to one particular position in basic industry and our preference for higher-yielding, lower-rated credits in technology (which worked against us). Conversely, security selection in communications and banks contributed positively. The largest positive contribution to performance came from the fund's small overweight duration position relative to its benchmark. Sector allocation was also modestly positive, and the underweight position in communications and overweight position in real estate more than offset the negative impact of the underweight allocation to electric utilities.

FMC, an agrochemical company classified within basic industry, was the largest single-name detractor after coming under significant pressure following the loss of patent protection on a key product. This prompted a pricing

Marketing communication
Past performance does not predict future returns.
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overhaul and a sizeable adjustment to the value of existing distributor inventories. Combined with rising inventories and increased competition, these developments unsettled investors. The holding in hybrid debt issued by German real estate provider Aroundtown also detracted, as did sub-investment grade issuer CoreWeave, given the flight to quality during the month. By contrast, IBM was one of the strongest contributors, supported by corporate profits that exceeded expectations. A new hybrid issue from Deutsche Funkturm, a subsidiary of Deutsche Telekom, also performed well, reflecting investor interest in a high-yielding bond in a defensive area of the market.

We continued to increase the overall credit position during the month, with the most significant additions in Europe, where we moved from a short to a long position following the region's underperformance. In particular, we increased the corporate hybrid position in Aroundtown and added to other real estate names, including Vonovia and a new issue from Logicor. We also replaced our protective short position, implemented through credit default swaps on the iTraxx Crossover index, with a long position to seek to take advantage of weakness in lower-rated credits. Primary market activity remained reasonably strong, and we identified a number of attractive new-issue concessions, particularly as issuance slowed towards the end of October. The market also provided opportunities to invest in high-quality technology businesses, with AAA-rated Microsoft's return to the bond market particularly notable. We believe the scale of investment required by the largest technology companies may continue to generate substantial issuance, making careful issuer selection increasingly important. In addition to Microsoft, we added exposure to Google and Oracle. Elsewhere, we took advantage of weakness in FMC to increase our position, as we believed the market may have overreacted to its inventory write-downs and overlooked the potential of its innovative new-product pipeline.

These additions were funded through selective profit-taking and reducing positions in areas that had performed relatively well recently. We trimmed exposure to some higher-quality banks, including Wells Fargo and Barclays, and trimmed the position in pharmaceutical company AbbVie. Elsewhere, we reduced exposure to higher-beta names exposed to private credit, including Ares, Athene, Hercules Capital and Sanctuary Capital, where we considered the balance of risk and reward less attractive. We also took profits in parts of the energy sector, which has generally performed well recently.

Manager outlook

Looking ahead, we expect markets to remain volatile, with geopolitical developments, energy prices and government financing requirements continuing to influence investor sentiment. The duration of the Middle East conflict and disruption to energy flows through the Strait of Hormuz remain key uncertainties. A de-escalation could provide considerable relief to energy markets and help ease inflationary pressures. However, we recognise that elevated energy costs could become a more persistent constraint on global growth, rather than simply a short-term inflationary shock. This is particularly relevant given the limited scope for governments to cushion the impact through additional fiscal support. Having been criticised for responding too slowly to the initial inflationary surge, central banks are now demonstrating a greater willingness to prioritise price stability, even where this risks amplifying the economic impact of geopolitical events. While this more decisive approach may support central bank credibility and independence, interest rates may remain higher for longer than previously anticipated.

Political and fiscal uncertainty in France is likely to remain a source of volatility, particularly in government bond markets. We do not believe the recent underperformance of French government bonds should be ignored, and we expect questions to persist over the country's fiscal position and its ability to deliver meaningful budget consolidation. In the US, the results of the mid-term elections are another important near-term event, which may have consequences for data centre funding and development.

We remain encouraged by the resilience of the global economy and corporate earnings despite ongoing geopolitical uncertainties. So far, we see little evidence of a broad deterioration in corporate balance sheets and do not believe the current spread weakness represents the beginning of a widespread default cycle. We expect the combination of resilient earnings, ongoing economic growth and attractive income opportunities to remain supportive of credit markets, provided geopolitical tensions do not escalate materially further.

We continue to take a selective but constructive approach, focusing on companies with what we see as robust balance sheets, sustainable cash flows and the ability to withstand higher financing and input costs. We expect opportunities to emerge across regions and sectors as valuations adjust, although we will remain disciplined in areas where political, refinancing or business-model risks are not adequately reflected in spreads. We believe there may be scope for a more favourable environment into the end of the year if energy markets stabilise, geopolitical tensions ease and corporate earnings remain resilient. However, we will retain flexibility to respond should further volatility create more attractive opportunities.

Performance (%)

Returns	Cumulative 1 Month	3 Month	YTD	1 Year	Annualised 3 Year	5 Year	10 Year
A2 USD (Net) with sales charge	-3.57	-5.77	-6.52	-6.52	4.00	-1.35	1.27
Index	1.65	-0.22	-0.25	0.07	6.37	0.77	2.51
Sector	1.30	-0.75	-1.02	-0.74	5.82	0.28	2.22
A2 USD (Net)	1.50	-0.81	-1.60	-1.60	5.80	-0.34	1.79

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	-2.29	6.64	3.61	7.67	-13.86	-0.96

Performance is on a net of fees basis, with gross income reinvested. Source: at 31/10/26. © 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	$70.21m
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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