Janus Henderson INVESTORS

JANUS HENDERSON CAPITAL FUNDS PLC - JANUS HENDERSON GLOBAL SHORT DURATION INCOME OPPORTUNITIES FUND

A2 USD ISIN IE00BLTVXS96

At a glance

Performance
The Fund returned 0.48%, the Index returned 0.35% and the Sector returned 0.59%.

Contributors/detractors
Yield curve positioning contributed to performance, enhancing income earned on core corporate and securitised holdings. Allocation effects detracted, most notably the allocation to investment grade corporate bonds.

Outlook
We have started adding duration but remain conservatively positioned, while seeking to harvest carry (income) levels that have long been absent from the front end of the curve.

Portfolio management


Daniel Siluk


Addison Maier


Dylan Bourke

Investment environment

- Bond markets rebounded, with yields retreating sharply from multi-year highs as demand for safe-haven government bonds grew in the wake of a technology-sector sell-off. Gains were capped by inflation worries as Houthi attacks on Saudi Arabia broadened the Middle East conflict, pushing up oil prices.
- Having hiked rates last month, the US Federal Reserve (Fed) left the federal funds rate unchanged at 3.75% to 4.00%. Although Fed Chair Kevin Warsh gave few policy clues, the Fed upgraded its description of US economic growth to “strong” from “solid”. At the end of the month, futures markets were pricing in a further quarter-point rate hike in December.
- US economic data was mixed. While September’s non-farm payrolls added a weaker-than-expected 29,000 jobs, with the unemployment rate ticking up to 4.2%, the annual headline inflation rate accelerated to 3.7%. Core inflation, excluding food and energy prices, jumped to 2.6%.
- Elsewhere, the Bank of Canada raised interest rates for the first time in three years. The European Central Bank (ECB) stood pat, having already hiked twice since June, while the Bank of England (BoE) raised its rate to 4.0%.
- Globally, the yield differential (spread) between corporate and government bonds widened as concerns over the sustainability of the artificial intelligence (AI) investment boom lifted risk premiums.

Portfolio review

The strategy aims to invest in higher-quality, shorter-dated corporate bonds that we believe offer attractive income generation (carry) as they near maturity. In October, yield curve positioning contributed to performance as bond markets recovered and yields fell, flattening the curve. Income from holdings accounted for the bulk of returns. The allocation to non-agency mortgages also contributed. Overall allocation effects, however, detracted, led by our positioning in investment grade corporate bonds as spreads widened.

Duration (interest-rate risk) ended the period broadly unchanged at 1.0 years, which is below the fund’s historical average. In our view, the combination of above-target inflation and strong US growth supports keeping duration lower, so that income can reset higher more quickly, given the extra yield now on offer. However, we now think it is prudent to begin adding to duration and credit-spread risk, albeit modestly.

Like other central banks, the Fed must contend with inflationary factors outside its control. A fresh escalation of the US-Iran conflict could push oil prices higher still,

Marketing communication
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potentially hurting economic growth, while a full reopening of the Strait of Hormuz could bring them sharply lower. Other inflationary forces look more entrenched, including supply-side price pressures from deglobalisation, or could yet prove double-edged, such as the artificial intelligence (AI) investment wave. While the build-out of AI infrastructure is fuelling demand for land, labour and resources, and competition for capital, its disinflationary potential has yet to be tested. We are also watching the pace of this investment closely, in case it slows significantly, particularly in the wake of the US mid-term elections and amid growing political opposition to the data-centre build-out.

With capital preservation central to the fund, we prefer not to get ahead of the market by adding too much duration too early. Typically, we like to opportunistically source duration in regions where slowing economic growth and falling inflation may signal a rate cut. Over the past several months, conditions have coalesced around the need for more restrictive policy in most developed economies in Europe and Asia. Nonetheless, beyond our core US market, in Canada, New Zealand and Europe, we continue to find opportunities in short-dated government bonds where we believe central banks may have room to cut rates sharply if growth falters. These markets are more sensitive to oil prices, however, so we size these positions carefully.

Manager outlook

Global fixed income markets have been volatile since the Fed confirmed the start of a monetary policy tightening cycle in September by raising interest rates for the first time in more than three years. In addition to the prospect of higher rates, markets are also adjusting to life under Fed Chair Warsh, as he seeks to earn his inflation-fighting credentials through delivery rather than the forward guidance investors have grown accustomed to. With the US economy showing resilience, the pressure on markets does not appear to be coming from any change in credit fundamentals, which appear largely sound.

Although rate rises may do little to curb inflation driven by oil or investment in infrastructure for AI, the Fed must still seek to keep inflation expectations in check. Therefore, it appears to be choosing to pay now, in terms of rates-market volatility and potential economic pain, rather than risk paying more later by allowing inflationary expectations to become unanchored. However, markets are likely to need more clarity around the pace and extent of rate hikes before investors can invest with confidence. The September rate hike was a step, not an “all clear” sign.

Still, with front-end yields moving quickly to anticipate tighter monetary policy, we believe there may be potential to earn attractive income streams while increasing interest rate exposure only modestly. With the yield curve steep at the front end, short-dated bonds may also benefit as they move closer to maturity. Across geographies, we believe relatively conservative duration positioning is merited until the market gains greater visibility into how geopolitics, technology, and even fiscal discipline are likely to impact the future investment environment.

Performance (%)

Returns	Cumulative				Annualised		
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
A2 USD (Net) with sales charge	-4.54	-4.46	-2.73	-2.01	3.65	2.53	1.57
Index	0.35	0.91	3.01	3.67	4.59	3.91	2.51
Sector	0.59	0.14	1.38	2.02	5.07	2.86	2.58
A2 USD (Net)	0.48	0.57	2.38	3.15	5.44	3.58	2.09

Calendar year	YTD at Q3 2026	2025	2024	2023	2022	2021
A2 USD (Net)	1.89	5.56	5.69	6.55	-2.01	-0.57
Index	2.65	4.38	5.45	5.26	1.50	0.05
Sector	0.78	5.66	5.11	6.51	-3.99	0.17

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 September 2014
Total net assets	$91.11m
Asset class	Fixed Income
Domicile	Ireland
Structure	Irish Investment Company
Base currency	USD
Index	ICE BofA 3 Month US Treasury Bill Index
Morningstar sector	Global Flexible Bond
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's investment objective is to seek to maximise total return consistent with the preservation of capital. The Fund seeks to provide long-term positive returns through various market environments (i.e. the typical cyclical expansion and contraction periods of the Business Cycle and the ensuing increasing and decreasing of interest rate levels due to market forces or central bank intervention). The Fund seeks to achieve its objective by investing at least 80% of its net asset value in short duration Debt Securities located anywhere in the world (including Developing Markets). Typical investments in which the Fund may invest include, but are not limited to, corporate credit, Government Securities, mortgage-backed securities, asset-backed securities, emerging market securities and high yield securities.

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. While high yield (non-investment grade) bonds generally offer higher rates of interest than investment grade bonds, they are more speculative and more sensitive to adverse changes in market conditions. Asset-Backed Securities (ABS) and other forms of securitised investments may be subject to greater credit / default, liquidity, interest rate and prepayment and extension risks, compared to other investments such as government or corporate issued bonds and this may negatively impact the realised return on investment in the securities. Some bonds (callable bonds) allow their issuers the right to repay capital early or to extend the maturity. Issuers may exercise these rights when favourable to them and as a result the value of the Fund may be impacted. 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. In addition to income, this share class may distribute realised and unrealised capital gains and original capital invested. Fees, charges and expenses are also deducted from capital. Both factors may result in capital erosion and reduced potential for capital growth. Investors should also note that distributions of this nature may be treated (and taxable) as income depending on local tax legislation. 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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