Janus Henderson INVESTORS

GLOBAL SHORT DURATION INCOME FUND

At a glance

Performance*
The Fund returned 0.39%, the Index returned 0.35% and the Sector returned 0.59%.

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

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

Portfolio management



Daniel Siluk



Addison Maier

Investment environment

- Bond markets rebounded, with yields retreating sharply from their 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 and pushed 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 another 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 rates 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 provide a steady income stream with capital preservation across various market cycles, along with consistent, moderate outperformance of the benchmark with low volatility. 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. However, overall allocation detracted, led by positioning in investment grade corporate bonds as spreads widened.

Duration (interest-rate risk) ended the period broadly unchanged at a little over 0.8 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.

Marketing communication
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*For benchmark and sector, if applicable, refer to Fund details on page 3. For relevant descriptions, risks and the Fund's investment policy statement, refer to Additional fund information on page 4.

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, 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, especially 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, pressure on markets does not appear to be coming from any change in credit fundamentals, which remain largely sound.

Although rate rises are likely to 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 rate-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 they can invest with confidence. The September rate hike was a step, not an “all clear” signal.

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 fiscal discipline may impact the future investment environment.

Performance (%)

Returns	Cumulative				Annualised			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since inception (04/05/16)
A2 USD (Net)	0.39	0.55	2.31	3.14	5.10	3.51	2.48	2.40
Index	0.35	0.91	3.01	3.67	4.59	3.91	2.51	2.40
Sector	0.59	0.14	1.38	2.02	5.07	2.86	2.58	2.59
A2 USD (Gross)	—	—	—	—	—	4.49	3.54	3.47
Target	—	—	—	—	—	5.99	4.56	4.45

Calendar year	YTD at Q3 2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016 from 04 May
A2 USD (Net)	1.91	5.29	5.96	5.24	-1.02	-0.83	1.97	3.89	0.79	1.70	0.20
Index	2.65	4.38	5.45	5.26	1.50	0.05	0.58	2.25	1.86	0.84	0.19
Sector	0.78	5.66	5.11	6.51	-3.99	0.17	3.27	5.04	0.70	2.57	1.23

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.** Performance/performance target related data will display only where relevant to the share class inception date and annualised target time period. **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.** Source for target returns (where applicable) - Janus Henderson Investors.

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.

Investment objective

The Fund aims to provide positive, consistent returns (although not guaranteed) above those that would be earned on cash equivalents. Performance target: To outperform the ICE BofA 3-Month U.S. Treasury Bill Index by at least 2% per annum, before the deduction of charges, over any 5 year period.

For the fund's investment policy, refer to the Additional fund information on page 4.
Past performance does not predict future returns.

Fund details

Inception date	04 May 2016
Total net assets	76.71m
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 - 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.

Additional fund information

Tax assumptions and reliefs depend upon an investor's particular circumstances and may be subject to change. Please note the performance target is to be achieved over a specific annualised time period. Refer to the performance target wording within the objective. Availability of share classes shown may be limited by law in certain jurisdictions. Performance records/scenarios are detailed within the fund's specific KIID/KID; fees and charges, and the respective risk rating may vary. Further information can be found in the fund's prospectus and KIID/KID, which must be reviewed before investing. Please consult your local sales representative and/or financial adviser if you have any queries. From 21 November 2025, the Fund's performance target changed from the FTSE 3-Month US Treasury Bill Index to the ICE BofA 3 Month US Treasury Bill Index, the investment objective, policy and strategy also changed. The past performance shown before this change was therefore achieved under circumstances that no longer apply. On 30 October 2024, the fund name changed from Janus Henderson Absolute Return Income Fund to Janus Henderson Global Short Duration Income Fund. The Fund's investment policy was also changed. Past performance shown before this change was achieved under circumstances that no longer apply. On 16 March 2023 the Fund changed its investment strategy. Past performance shown before this change was achieved under circumstances that no longer apply. On 30 November 2018, the benchmark changed from 3-Month LIBOR to FTSE 3-Month US Treasury Bill Index. Past performance shown before change was achieved under circumstances that no longer apply. This is an Irish Investment Company regulated by the Central Bank of Ireland. A short-term trading fee may be applied upon exiting the fund as per the prospectus. These are the views of the author at the time of publication and may differ from the views of other individuals/teams at Janus Henderson Investors. Any securities, funds, sectors or indices mentioned within this article do not constitute or form part of any offer or solicitation to buy or sell them. The information in this commentary does not qualify as an investment recommendation. Investment into the fund will acquire units/shares of the fund itself and not the underlying assets owned by the fund. Cash balances and exposures are based on settled and unsettled trades as at the reporting date.

Investment policy

The Fund invests at least 80% of its assets in a global portfolio of short duration bonds of any quality, including high yield (non-investment grade) bonds and asset-backed and mortgage-backed securities, issued by governments or companies. The overall duration of the Fund is typically less than two years and may at times also be negative. The Fund may invest directly or via derivatives (complex financial instruments). The Fund may also invest in other assets including bonds of other types from any issuer, preference shares, cash and money market instruments. In certain market conditions, the Fund may invest more than 35% of its assets in government bonds issued by any one body. The Fund will not invest more than 15% of its assets in high yield (non-investment grade) bonds and will never invest in bonds rated lower than B- or B3 (credit agency ratings), or if unrated deemed to be of a comparable quality by the Sub-Investment Adviser. The Sub-Investment Adviser may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the Fund's objective, to reduce risk or to manage the Fund more efficiently. The Fund is actively managed with reference to the ICE BofA 3-Month U.S. Treasury Bill Index as this forms the basis of the Fund's performance target. The Sub-Investment Adviser has a high degree of freedom to choose individual investments for the Fund.

Investment strategy

The Sub-Investment Adviser constructs a portfolio around a core of shorter maturity, global investment grade securities seeking to generate yield above cash, and by applying secular and opportunistic views across countries, currencies and sectors to enhance return and mitigate downside risk. The Sub-Investment Adviser will seek to manage the portfolio through the various market environments using a variety of strategies, including, but not limited to, adjusting the overall credit exposure, credit quality, and interest rate duration of the portfolio and the allocation to cash.

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. 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. 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.

FOR MORE INFORMATION PLEASE VISIT **JANUSHENDERSON.COM**

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INVESTORS

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