Janus Henderson INVESTORS

BALANCED FUND

At a glance

Performance*
The Fund returned 13.41%, the Index returned 13.70% and the Sector returned 12.57%.

Contributors/detractors
Asset allocation positioning in addition to security selection in the equity and fixed income asset classes were beneficial to relative fund performance.

Outlook
We believe substantial technology infrastructure investment, artificial intelligence (AI)-driven productivity gains, and supportive monetary and fiscal policy create a favourable economic backdrop.

Portfolio management



Jeremiah Buckley, CFA



Greg Wilensky, CFA



Michael Keough

Investment environment

- The S&P 500 Index rose 17.9%, while the Bloomberg US Aggregate Bond Index returned 7.3%.
- Overall, the US economy was largely resilient although there were some signs of labour market weakness. Annual consumer price rises cooled from 3.0% in January to 2.7% in November, staying above the Federal Reserve (Fed)'s 2% target. The US dollar declined against a basket of other currencies, weighed down by trade uncertainty and easier borrowing conditions.
- The Fed was cautious for most of the year due to uncertainty about the economy and inflation. However, it cited a softening jobs market as it announced a 25 basis points (bps) rate cut in September and followed this with two additional 25 bps reductions, lowering interest rates to 3.75%.
- US equities benefited from interest-rate cuts, positive expectations about artificial intelligence (AI), and reduced trade tariff uncertainty. Bouts of anxiety about AI-related valuations and worsening global trade relations in the first few months of 2025 hurt sentiment.
- In fixed income, the 10-year US Treasury yield fell as improved global trade relations and looser monetary policy offset initial fears about tighter-for-longer borrowing conditions and April's tariff-induced volatility. High yield corporate bonds, investment grade corporate bonds, and securitised assets outperformed US Treasuries.

Portfolio review

The fund entered the year with roughly 63% in equities and 37% in fixed income. It ended the year with roughly 64% in equities and 36% in fixed income. We actively allocated between equity and fixed income during the period to express our market and economic views, and later in the period we modestly increased the equity allocation to reflect our positive earnings growth and equity outlook.

Asset allocation positioning was beneficial to relative fund performance. An overweight position to equities versus the Balanced Index, and corresponding underweight to fixed income, aided results as equities outgained bonds. In addition, the equity and fixed income portfolios outperformed their respective asset class benchmarks and contributed to the fund's overall relative performance.

The fund's equity allocation was well positioned from a sector perspective given the market environment. Notably, the portfolio was overweight more growth-style sectors including information technology (IT) and communication services, which outperformed the broader market. It was

Marketing communication
For professional investors only
Past performance does not predict future returns.
References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned. There is no guarantee that past trends will continue, or forecasts will be realised.
This product is based overseas and is not subject to UK sustainable investment labelling and disclosure requirements.
*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.

underweight the consumer staples and real estate sectors, which lagged.

Positive stock selection in the financials sector, highlighted by Morgan Stanley and Goldman Sachs, helped relative performance. The global financial services companies were supported by increased trading volumes, a rebound in investment banking activity, and growth in wealth management assets. Stock selection in the IT sector was also positive, highlighted by Lam Research and KLA. The semiconductor manufacturing equipment companies benefited from growing optimism around AI infrastructure spending and wafer fabrication equipment demand.

Conversely, overweight allocations to the healthcare and consumer discretionary sectors detracted from relative performance. Also, stock selection in the real estate sector, highlighted by Prologis, hurt performance.

In the fixed income allocation, sector allocation and security selection decisions helped relative performance. Specifically, overweight allocations to non-agency mortgages, loans, and high yield corporate bonds, as well as an underweight position to US Treasuries, contributed positively. Also, security selection within investment grade corporate bonds was a primary driver of outperformance. The overweight position to asset-backed securities (ABS) and underweight allocation to government-related securities detracted, somewhat offsetting relative performance.

The fund's overall interest-rate risk positioning helped on a relative basis. We actively managed interest-rate exposure during the period, but an overweight to duration contributed positively early in the period as US Treasury yields declined.

Manager outlook

We maintain an optimistic outlook on continued economic growth, supported by a robust capital-spending environment and productivity gains as well as interest rate and tax cuts.

AI infrastructure spending, driven primarily by data-centre build-outs, is creating outsized economic impact, and we see potential for continued momentum. We also are beginning to see benefits from tax policy that is encouraging capital expenditures beyond AI-related projects. This broad-based investment activity is a constructive signal for sustained economic growth. Given the importance of AI infrastructure investment to the economy, we are closely monitoring to ensure that companies are achieving appropriate returns, backlogs are being executed, and revenue supports those backlogs.

Consumer spending continues to look favourable. Holiday spending at the end of 2025 was positive, which typically serves as an indicator for the first half of the following year. Next year, consumer spending could get an additional boost from tax reform passed over the summer as filers see better refunds during tax season.

We also are encouraged by the productivity gains emerging from companies that have adopted AI. These organisations have lowered operating expenses or reduced the growth rate of those expenses through technology adoption. We expect this trend to drive continued margin expansion in 2026.

Beyond the macro picture, we continue to identify attractive pockets of innovation across equity sectors. In healthcare, both biotech and medical devices have delivered value for customers. Financial services companies are innovating with new trading platforms and hedging strategies, while wealth management businesses are benefiting from three consecutive years of strong market gains and are seeing strong client engagement with new product offerings. In industrials, companies are using research and development to innovate products and services that reduce raw material costs for customers and also enhance the reliability and operating capacity of their manufactured equipment.

In fixed income, key themes within the portfolio include our continued bullishness on credit spread carry amid robust corporate fundamentals and expected continued economic growth. In addition, the Fed's decision to start growing its balance sheet again should help provide more liquidity, which supports our allocation to fixed income spread sectors. Finally, attractive valuations and strong credit quality within securitised assets relative to corporate bonds support our overweight position to securitised sectors.

In terms of yield curve positioning, we continue to favour an overweight position to the short end of the curve as a hedge against any potential weakening in the economy, as the Fed could appropriately and aggressively cut policy rates. This is being paired with an underweight position to the long end of the yield curve, in case there is a rise in term premiums due to potential concerns surrounding Fed independence and continued fiscal deficit spending. If the new Fed leadership were to push rate cuts in spite of inflation, the curve could steepen dramatically.

As always, we will dynamically adjust individual equity and fixed income holdings, as well as the portfolio's overall mix between equities and fixed income, as we analyse the risks and opportunities in each market.

Performance (%)

Returns	Cumulative				Annualised			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since inception (24/12/98)
A2 USD (Net)	-0.29	1.28	13.41	13.41	13.56	6.87	8.39	6.24
Index	-0.02	2.03	13.70	13.70	14.85	7.91	9.23	6.75
Sector	0.72	2.17	12.57	12.57	10.01	4.19	5.04	4.04
A2 USD (Gross)	—	—	—	—	—	8.87	10.46	8.40
Target	—	—	—	—	—	9.53	10.87	8.35

12 month rolling	Dec 2024-Dec 2025	Dec 2023-Dec 2024	Dec 2022-Dec 2023	Dec 2021-Dec 2022	Dec 2020-Dec 2021
A2 USD (Net)	13.41	13.66	13.61	-17.57	15.45
Index	13.70	14.25	16.62	-15.52	14.32
Sector	12.57	7.23	10.30	-13.96	7.17

Performance is on a net of fees basis, with gross income reinvested. Source: at 31/12/25. © 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 a return, from a combination of capital growth and income, while seeking to limit losses to capital (although not guaranteed). Performance target: To outperform the `Balanced´ Index (60% S&P 500 + 40% Bloomberg US Aggregate Bond) by 1.5% 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	24 December 1998
Total net assets	11.07bn
Asset class	Asset Allocation
Domicile	Ireland
Structure	Irish Investment Company
Base currency	USD
Index	Balanced Index (60% S&P 500 / 40% BB US Agg Bond)
Morningstar sector	USD Moderate Allocation
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 investment policy changed. Effective 31 July 2024, the benchmark of the Janus Henderson Balanced Fund was changed from 55% S&P 500® / 45% Bloomberg US Aggregate Bond to 60% S&P 500® / 40% Bloomberg US Aggregate Bond. Janus Henderson Balanced Fund's investment policy and performance target was changed effective 31 July 2024. Past performance shown before this date 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 35%-70% of its assets in shares (equities), and 30%-65% of its assets in fixed income (debt) securities, loans or cash. Holdings in cash may result from profits due to share class hedging against the base currency, which shall only be held on a temporary basis until such holding is reinvested. At least 80% of its assets are invested in US Companies and US Issuers. The aggregate amount of the Fund which may be invested in securities traded on the developing markets is 10%. Of the 30%-65% portion of the Fund's assets that are invested in fixed income (debt) securities, loans or cash, up to 35% of that portion of the assets may be rated below investment grade. The Fund may also invest in other assets including companies and bonds outside the US, cash and money market instruments. The Sub-Investment Adviser may use derivatives (complex financial instruments) to reduce risk, to manage the Fund more efficiently, or to generate additional capital or income for the Fund. The Fund is actively managed with reference to the `Balanced´ Index (60% S&P 500 + 40% Bloomberg US Aggregate Bond), which is broadly representative of the companies and bonds in which it may invest, 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 follows an actively-managed approach which blends mainly US equities and bonds, with the ability to position defensively when market volatility is anticipated. The Fund has the flexibility to migrate between 35% and 70% exposure to equities, depending on where the managers are finding the best opportunities in each asset class, as well as their assessment of broader economic conditions. The equity side of the portfolio seeks long-term growth, while the fixed income portion seeks to provide ballast as required.

Fund specific risks

Shares/Units can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result. An issuer of a bond (or money market instrument) may become unable or unwilling to pay interest or repay capital to the Fund. 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. The Fund invests in high yield (non-investment grade) bonds and while these generally offer higher rates of interest than investment grade bonds, they are more speculative and more sensitive to adverse changes in market conditions. If a Fund has a high exposure to a particular country or geographical region it carries a higher level of risk than a Fund which is more broadly diversified. The Fund may use derivatives to help achieve its investment objective. This can result in leverage (higher levels of debt), which can magnify an investment outcome. Gains or losses to the Fund 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 within the Fund 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 may be taken from capital, which may erode capital or reduce potential for capital growth. 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. The Fund could lose money if a counterparty with which the Fund trades becomes 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**

Janus Henderson
INVESTORS

Source: Janus Henderson Investors, as at 31 December 2025, unless otherwise noted.

UK investors please note: This product is not authorised in the United Kingdom but overseas; therefore the Financial Ombudsman Service is unlikely to consider complaints related to the scheme, its operator or its depositary. Any claims for losses relating to the operator and the depositary of the scheme are unlikely to be covered under the compensation scheme and prospective investors should consider getting financial advice before deciding to invest. Please read the prospectus of the scheme for more information. **For institutional / sophisticated investors / accredited investors qualified distributors use only. Not for onward distribution. All content in this document is for information or general use only and is not specific to any individual client requirements. Janus Henderson Capital Funds Plc is a UCITS established under Irish law, with segregated liability between funds. This is a marketing communication. Please refer to the prospectus of the UCITS and to the KID before making any final investment decisions. Investors are warned that they should only make their investments based on the most recent Prospectus which contains information about fees, expenses and risks, which is available from all distributors and Paying/Facilities agents, it should be read carefully. An investment in the fund may not be suitable for all investors and is not available to all investors in all jurisdictions; it is not available to US persons. Past performance does not predict future returns. The rate of return may vary and the principal value of an investment will fluctuate due to market and foreign exchange movements. Shares, if redeemed, may be worth more or less than their original cost. This is not a solicitation for the sale of shares and nothing herein is intended to amount to investment advice. For sustainability related**

aspects please access Janushenderson.com. This document does not constitute investment advice or an offer to sell, buy or a recommendation, nor should it be taken as a basis to take (or stop taking) any decision, for securities, other than pursuant to an agreement in compliance with applicable laws, rules and regulations. Janus Henderson Group plc and its subsidiaries are not responsible for any unlawful distribution of this document to any third parties, in whole or in part, or for information reconstructed from this document and do not guarantee that the information supplied is accurate, complete, or timely, or make any warranties with regards to the results obtained from its use. As with all investments, there are inherent risks that each individual should address. The distribution of this document or the information contained in it may be restricted by law and may not be used in any jurisdiction or any circumstances in which its use would be unlawful. This document is strictly private and confidential and may not be reproduced or used for any purpose other than evaluation of a potential investment in any fund under the Janus Henderson Capital Funds umbrella structure. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes. With effect from 1 January 2023, the Key Investor Information document (KIID) changed to the Key Information Document (KID), except in the UK where investors should continue to refer to the KIID.

Issued in Europe by Janus Henderson Investors. Janus Henderson Investors is the name under which investment products and services are provided by Janus Henderson Investors International Limited (reg no. 3594615), Janus Henderson Investors UK Limited (reg. no. 906355), Janus Henderson Fund Management UK Limited (reg. no. 2678531), Tabula Investment Management Limited (reg. no. 11286661), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Janus Henderson Investors Europe S.A. (reg no. B22848 at 78, Avenue de la Liberté, L-1930 Luxembourg, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier).

The prospectus, the key information documents, the articles, the annual and semi-annual Reports as well as a list of all purchases and sales for the account may be obtained free of charge from the Swiss Representative. The Swiss Representative is FIRST INDEPENDENT FUND SERVICES LTD., Feldeggstrasse 12, CH-8008 Zurich. The Paying Agent in Switzerland is Banque Cantonale de Genève, 17, quai de l'Ile, CH-1204 Geneva. In respect of the units offered in Switzerland, the place of performance is the registered office of the representative. The place of jurisdiction is at the registered office of the representative or at the registered office or place of residence of the investor. The last share prices can be found on www.fundinfo.com For Qualified investors, institutional, wholesale client use only. Copies of the Fund's prospectus, Key Information Document, articles of incorporation, annual and semi-annual reports are available in English and other local languages as required from www.janushenderson.com. These documents can also be obtained free of charge from the Registered Office of the Company at 10 Earlsfort Terrace, Dublin 2, Ireland. They can also be obtained free of charge from the local Facilities Agents and the Swiss representative and paying agent. Janus Henderson Investors Europe S.A. ("JHIESA"), 78, Avenue de la Liberté, L-1930 Luxembourg, Luxembourg, is the Facilities Agent in Austria, Belgium Germany, Portugal, Sweden, Liechtenstein and Luxembourg. JHIESA is also the Facilities Agent for France (Sub – TA is CACEIS). FE fundinfo (Luxembourg) S.à.r.l., 6 Boulevard des Lumières, Belvaux, 4369 Luxembourg, is the Facilities Agent in Denmark, Finland, Netherlands, Norway, and Greece. State Street Bank International GmbH – Succursale Italia, Société Générale Securities Services S.p.A (SGSS S.p.A), Allfunds Bank S.A.U filiale di Milano, Caceis Bank Italy Branch, and Banca Sella Holding S.p.A. are the Sub Transfer Agents for Italy. Allfunds Bank S.A., Estafeta 6, La Moraleja, Complejo Plaza de la Fuente, Alcobendas 28109, Madrid, Spain is the Facilities Agent in Spain. Janus Henderson Capital Funds Plc is an Irish collective investment scheme (IIC) registered in the National Securities Market Commission's (CNMV) registry with registration number 265. The Hong Kong Representative is Janus Henderson Investors Hong Kong Limited of Units 701-702, 7/F, LHT Tower, 31 Queen's Road Central, Hong Kong. Janus Henderson Investors (Singapore) Limited (Company Registration No. 199700782N), whose principal place of business is at 138, Market Street #34-03/04, CapitaGreen, Singapore 048946, Singapore (Tel: 65 6813 1000). Any further dissemination of this document to other persons who do not qualify as professional investors is not permitted nor is authorised by Janus Henderson Investors. The summary of Investors Rights is available in English from https://www.janushenderson.com/summary-of-investors-rights-english. Janus Henderson Investors Europe S.A. may decide to terminate the marketing arrangements of this Collective Investment Scheme in accordance with the appropriate regulation.

Janus Henderson® and any other trademarks used herein are trademarks of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc. For more information or to locate your country's Janus Henderson Investors representative contact information, please visit www.janushenderson.com

D10059