Janus Henderson INVESTORS

US BALANCED 2026 FUND

At a glance

Performance*
The Fund returned −2.03%.

Contributors/detractors
Fixed income positioning contributed to relative performance, while security selection in the equity allocation detracted.

Outlook
We believe substantial technology infrastructure investment, artificial intelligence (AI)-driven productivity gains, and relatively stable consumer fundamentals may contribute to a favourable economic backdrop.

Portfolio management


Jeremiah Buckley, CFA


Greg Wilensky, CFA


Michael Keough

Investment environment

- US large-cap equities rose modestly in the third quarter. Markets were volatile, as geopolitical uncertainty, rising oil prices, and higher bond yields (lower prices) weighed on investor sentiment.
- Corporate earnings remained strong, especially for companies benefiting from continued artificial intelligence (AI)-related investment. However, investor focus shifted from the magnitude of AI spending toward its sustainability, resulting in a pullback in some areas of the information technology sector (IT), as well as industrials and utilities.
- US fixed income markets posted negative returns, driven by sharply higher yields after the Federal Reserve (Fed) hiked interest rates amid a resilient economy, rising oil prices following the collapse of a fragile US-Iran ceasefire, and increased private-sector debt issuance. Securitised credit sectors outperformed Treasuries and investment grade corporate bonds.
- US hiring slowed over the summer before rebounding in August, when a surprisingly high 162,000 jobs were added and unemployment held at 4.1%. US year-over-year inflation eased from 3.5% in June to 3.4% in both July and August, but remains stubbornly high.
- The 10-year US Treasury yield ended the quarter 85 basis points (bps) higher at 5.29%, while the 2-year yield ended 74 bps higher at 4.88%. Investment grade corporate bond spreads widened 6 bps to 80 bps, while high yield bond spreads widened 41 bps to 311 bps.

Portfolio review

The fund entered the quarter with roughly 45% in equities and 55% in fixed income. It closed September with 45.7% in equities and 54.3% in fixed income.

In equities, the IT and healthcare sectors detracted from relative performance, while the industrials and consumer staples sectors contributed.

In terms of individual stock performance, Microsoft was among the top relative contributors. Shares of the software and cloud computing company rebounded from a difficult first half of the year after the firm announced strong quarterly results, driven by accelerating Azure cloud growth and wider adoption of Office and GitHub Copilot. Disciplined capital spending also strengthened confidence in its AI strategy, which we believe could position the company to benefit across a range of potential customer choices of AI models.

Intercontinental Exchange also was among the top relative contributors. Shares of the financial exchange operator

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.
*For benchmark and sector, if applicable, refer to Fund details on page 4. For relevant descriptions, risks and the Fund's investment policy statement, refer to Additional fund information on page 5.

recovered after falling sharply in the second quarter, when regulators approved Kalshi and Coinbase as the first regulated US venues for crypto futures. Exchange stocks fell sharply within three weeks due to fears of new crypto competition. We viewed that reaction as overdone, and sentiment improved during the third quarter.

Lam Research and KLA were among the top relative detractors. Shares in the semiconductor equipment makers performed strongly in the first half of the year, and their valuation multiples expanded meaningfully. During the quarter, some investors shifted to other chip-related companies that do not face the same capacity limits, because supply constraints can restrict how quickly equipment makers can grow. As a result, both stocks' multiples came down.

In terms of equity portfolio activity, we became modestly more defensive. We took gains in AI infrastructure holdings where we thought valuations had become extended and added lower-volatility, high-quality companies that we believe could provide protection if volatility rises. We also increased the position in software stocks by adding positions in companies we believed had sold off too much relative to their fundamentals.

In fixed income, our overall credit risk position and resulting underweight position in Treasuries detracted modestly as credit sectors underperformed comparable maturity Treasuries. However, this was more than offset by our preference for securitised credit sectors, such as private label collateralised mortgage obligations (CMO), collateralised loan obligations (CLO), asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS), as these sectors outperformed corporate bonds. The off-benchmark allocation to, and security selection in, high yield corporate bonds also helped. Security selection in agency mortgage-backed securities (MBS) detracted.

We added spread risk as spreads widened, although the overall credit risk level is neutral relative to our long-term strategic asset allocation risk level. We increased allocations to CLOs, CMBS and ABS. We also added selectively to corporate bonds, although our investment grade corporate bond allocation remains near its cyclical low. After trimming the position in agency MBS earlier in the period, we rebuilt the position following a sell-off but remained modestly underweight.

Yield curve positioning contributed, as the fund was underweight duration (interest-rate risk) for much of the period as yields rose. This was partially offset by our positioning across the curve, which included an underweight position in longer-maturity securities, where yields rose less compared to the middle of the curve as the yield curve flattened.

In September, we moved a modest duration underweight position to a moderate overweight, as higher yields have improved the risk-reward profile of interest rate exposure and longer duration may provide diversification if growth disappoints or an unexpected shock occurs.

Manager outlook

We believe substantial technology infrastructure investment, AI-driven productivity gains, and stable consumer fundamentals create a favourable economic backdrop.

AI infrastructure spending continues to have an outsized effect on the economy, and visibility into that investment keeps extending further into the future. Because the spending matters so much to the economy, we are closely watching whether companies are earning appropriate returns. It is still early, but we believe the returns so far justify the investment. Hyperscalers saw cloud revenue growth accelerate in the latest earnings season, and prices kept rising for components in critical areas of AI infrastructure, which we view as a positive sign of demand. Early productivity gains at companies using AI also support the durability of the cycle.

Earnings growth has broadened this year. The benefits of the AI build-out have spread to industrial companies tied to data centre construction and other areas, such as capital markets firms that help fund the spending through debt and equity issuance. The continued digitalisation of the economy and past technology spending have also supported strong revenue growth and operating margin expansion across sectors.

Inflation and higher interest rates are economic headwinds to watch. Higher energy prices are a modest drag on consumers and on companies facing higher transportation and material costs. Even so, we believe the US consumer remains fundamentally healthy. Spending grew robustly before oil returned to $100 per barrel. Also, consumers with substantial cash savings may benefit from higher interest rates, and the wealth effect from financial market gains continues to support spending.

We believe equity valuations are attractive, as the market's multiple has contracted meaningfully alongside strong earnings growth. In particular, the valuations of growth-style stocks have fallen more than the overall market, while value-style stock multiples have risen. The gap between the two is among the narrowest in a couple of years, although we expect growth companies to keep growing earnings much faster.

In fixed income, yields have risen sharply as Treasury yields climbed and spreads widened. This comes in the wake of continued US economic strength and heavy borrowing by the government and by companies driving investment in AI. It also follows a fresh jump in oil prices and the Fed’s renewed focus on bringing inflation down to its target of 2%. The futures market points to as many as four 25 bps Fed hikes over the next 12 to 15 months, although we expect fewer. Meanwhile, markets already have priced in substantial Fed monetary policy tightening, lifting benchmark bond yields and real yields to multi-decade highs.

For all the turmoil seen in rates markets, however, the underlying credit fundamentals remain sound, providing a base from which we might consider selectively adding risk now that valuations have become more attractive. Elevated yields and strong fundamentals support attractive income generation and long-term return potential. However, spreads remain below longer-term averages even after recent widening, so our overall risk positioning is moderate.

We continue to favour securitised credit over corporate credit from a valuation and technical perspective, as securitised sectors offer what we view as a more compelling combination of high-quality carry with less downside risk. In contrast, we remain cautious on investment grade corporate bonds due to unfavourable market technicals – namely, the expected headwind of further new supply, with AI-related borrowing potentially exceeding $1 trillion next year.

As always, we intend to dynamically adjust the individual equity and fixed income holdings, and the overall mix between the asset classes, as we analyse the risks and opportunities in each market.

Performance (%)

	Cumulative				Annualised			
Returns	**1 Month**	**3 Month**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**	**Since inception (18/11/19)**
Y2 HEUR (Net)	-2.18	-2.03	-0.71	-0.08	7.93	1.27	—	3.38

Calendar year	**YTD at Q3 2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019 from 18 Nov**
Y2 HEUR (Net)	-0.71	9.05	7.51	8.12	-19.12	9.01	11.97	1.10

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.**
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 total return, based on a combination of 2.5% income and capital growth. Neither the income nor capital value at maturity is guaranteed. The Fund is designed to be held to 18 November 2026 (Maturity) and investors should be prepared to remain invested until such date.

For the fund's investment policy, refer to the Additional fund information on page 5.
Past performance does not predict future returns.

Fund details

Inception date	18 November 2019
Total net assets	41.03m
Asset class	Mixed Asset
Domicile	Ireland
Structure	Irish Investment Company
Base currency	USD
Index	Not Applicable
Morningstar sector	Other Allocation

Additional fund information

Tax assumptions and reliefs depend upon an investor's particular circumstances and may be subject to change. 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. 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 between 25% and 45% of its assets in shares (equities) and between 55% and 75% of its assets in bonds 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 75% of the Fund is invested in US assets. The Sub-Investment Adviser actively adjusts the allocation between equities and bonds over time based on a view of overall market risk and the valuations of bond and equity markets. The Fund may invest up to 25% of its assets in high yield (non-investment grade) bonds. 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 may also invest in other assets including cash and money market instruments. The Fund is actively managed without reference to a benchmark. 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 25% and 45% exposure to equities, depending on where the managers are finding the best individual security opportunities, 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 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. 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. High exposure to a particular country or geographical region carries a higher level of risk than a more broadly diversified portfolio. 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.

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

Janus Henderson
INVESTORS

Source: Janus Henderson Investors, as at 30 September 2026, unless otherwise noted.

This product integrates ESG but does not pursue a sustainable investment strategy or have a sustainable investment objective or otherwise take ESG factors into account in a binding manner. ESG integration is the practice of incorporating material environmental, social and governance (ESG) information or insights in a non-binding manner alongside traditional measures into the investment decision process to improve long-term financial outcomes of portfolios. ESG related research is one of many factors considered within the investment process and in this material we seek to show why it is financially relevant. **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 Ltd. 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 Ltd. or one of its subsidiaries. © Janus Henderson Group Ltd. For more information or to locate your country's Janus Henderson Investors representative contact information, please visit www.janushenderson.com