# JANUS HENDERSON CAPITAL FUNDS PLC - JANUS HENDERSON GLOBAL LIFE SCIENCES FUND

A2 USD ISIN IE0009355771

## At a glance

**Performance**
The Fund returned 6.76%, the Index returned 9.86% and the Sector returned 5.61%.

**Contributors/detractors**
Stock selection in the biotechnology sector detracted most from performance, as small-cap biotech stocks declined following a strong rally earlier in the year.

**Outlook**
Despite recent volatility, we see a positive backdrop with attractive valuations. We believe the sector's levels of innovation will continue to result in positive clinical data and strong product launches.

## Portfolio management



**Andy Acker, CFA**



**Daniel Lyons, Ph.D., CFA**

## Investment environment

- As investors shifted away from more speculative investments during October, this benefited large-cap pharmaceutical and healthcare services stocks, while small-cap biotechnology stocks fell.
- Managed care stocks generally reported stronger-than-expected quarterly results, as investors focused on signs of stabilisation in medical-cost trends and the outlook for reimbursement and Medicaid-related headwinds in 2027. Drugmakers and medtech firms also reported broadly positive earnings results.
- The Department of Health and Human Services released draft guidance to help advance personalised gene therapies for rare genetic diseases. Patient-specific therapy variants that meet established safety and efficacy parameters may be added to an existing biologics license application without requiring new clinical trials, potentially accelerating development timelines for companies developing personalised gene-editing and rare-disease therapies.
- Drug approvals in October included new treatments across oncology, infectious disease, ophthalmology, and central nervous system disorders. Highlights included the approval of talazoparib plus enzalutamide for patients with mutation-positive metastatic prostate cancers, and bepirovirsen, the first approved antisense to demonstrate functional cure rates above those achieved with the current standard of care for chronic hepatitis B. Additional approvals included treatments for eye redness, herpes virus infections in immunocompromised patients, and a once-monthly injectable treatment for schizophrenia.
- Biopharma dealmaking remained active in October, with Alcon agreeing to acquire Neurotech Pharmaceuticals, adding its cell therapy platform and the only US Food and Drug Administration (FDA)-approved treatment for MacTel (Macular Telangiectasia Type 2), a rare, progressive retinal disease. Viatris announced a $1.65 billion acquisition of Pacira BioSciences to strengthen its non-opioid pain portfolio, while Japan-based Shionogi announced a $2 billion all-cash acquisition of IntraBio centred on the commercialisation of its treatment for rare neurodegenerative disorders.
- Initial public offering (IPO) activity picked up in October, highlighting renewed investor interest in innovative biotech platforms. This included Lycia Therapeutics, which develops protein-degrading therapies, and City Therapeutics, which also went public to support development of its RNAi therapy targeting Factor XI for thrombosis prevention. Other

**Marketing communication**
**Past performance does not predict future returns.**
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notable offerings included Iambic Therapeutics, which is focused on accelerating its AI-driven oncology pipeline; TREX Bio, which is leveraging its platform to discover therapies that modulate regulatory T cells involved in inflammation; and Retension Pharmaceuticals, which is developing treatments for uncontrolled hypertension.

## Portfolio review

Biotechnology holdings were the primary detractors from performance in October, as investors took profits. Shares of Travere Pharmaceuticals fell even as the company presented new biomarker data at ASN Kidney Week suggesting that the firm's treatment Filspari may modify the underlying disease biology of IgA Nephropathy, in addition to its established effects on reducing blood pressure and proteinuria.

Shares of Madrigal Pharmaceuticals also fell, despite no company-specific developments. The company markets Rezdiffra, the first FDA-approved treatment for metabolic dysfunction-associated steatohepatitis (MASH), a serious liver disease with high unmet medical need.

Conversely, the position in Glaukos Corp contributed to performance, as the ophthalmic company reported better-than-expected third-quarter results and raised its 2026 net sales guidance (forecasts). The company also announced that patients treated with its Epioxa eye disease therapy maintained improvements in vision and corneal shape three years after a single treatment for keratoconus, a disease that can progressively distort vision.

The underweight position in Merck & Co also benefited relative performance. Its share price fell following the release of phase 3 data for the company's personalised melanoma vaccine being developed with Moderna. While the study showed a meaningful reduction in the risk of recurrence or death when added to Keytruda, the results fell short of investors' elevated expectations, prompting profit-taking despite the trial's positive outcome.

## Manager outlook

Performance across healthcare stocks remained bifurcated in October. Investors favoured large-cap pharmaceutical and healthcare services companies, while many fundamentally strong biotechnology stocks lagged.

Looking ahead, we believe fundamentals remain favourable across several healthcare subsectors. Healthcare services companies have been benefiting from improving visibility into medical cost trends and reimbursement dynamics, supporting expectations for earnings growth and margin stability. Meanwhile, biotechnology financing activity remained robust, supporting innovation and development across the sector, and life science tools companies appear positioned to benefit from continued pharmaceutical research and development (R&D) investment and gradually improving demand trends.

Looking ahead, we remain optimistic about the sector, which was trading at a price-to-earnings (P/E) ratio below its long-term average relative to the S&P 500 Index at the time of writing. We believe strong launches could support multiple companies in progressing towards profitability, and a steady cadence of clinical data releases may create meaningful opportunities across oncology, cardiovascular, and neurological diseases.

While the current environment has created a temporary headwind for the portfolio, we remain confident that disciplined stock selection, valuation awareness, and a focus on differentiated clinical innovation could be rewarded over the long term. In the portfolio, we favour early commercial-stage companies with breakthrough products alongside late-stage development companies we believe are clinically de-risked. Overall, we believe the backdrop remains constructive and that healthcare valuations could increasingly reflect the sector's underlying innovation over time.

## Performance (%)

| | Cumulative | | | | Annualised | | |
|---|---|---|---|---|---|---|---|
| **Returns** | **1 Month** | **3 Month** | **YTD** | **1 Year** | **3 Year** | **5 Year** | **10 Year** |
| A2 USD (Net) with sales charge | 1.42 | 0.68 | 7.59 | 17.20 | 15.63 | 5.94 | 10.71 |
| Index | 9.86 | 11.90 | 15.61 | 24.01 | 14.02 | 6.41 | 10.68 |
| Sector | 5.61 | 8.01 | 9.30 | 14.53 | 12.69 | 2.04 | 7.56 |
| A2 USD (Net) | 6.76 | 5.98 | 13.26 | 23.37 | 17.62 | 7.03 | 11.28 |

| **Calendar year** | **YTD at Q3 2026** | **2025** | **2024** | **2023** | **2022** | **2021** |
|---|---|---|---|---|---|---|
| A2 USD (Net) | 6.09 | 22.66 | 1.72 | 5.44 | -4.35 | 4.72 |
| Index | 5.23 | 14.83 | 1.13 | 3.76 | -5.41 | 19.80 |
| Sector | 3.49 | 16.77 | -0.97 | 2.67 | -13.91 | 7.12 |

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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.

**Past performance does not predict future returns.**

## Fund details

| | |
|---|---|
| **Inception date** | 31 March 2000 |
| **Total net assets** | $6.10bn |
| **Asset class** | Equities |
| **Domicile** | Ireland |
| **Structure** | Irish Investment Company |
| **Base currency** | USD |
| **Index** | MSCI World Health Care Index |
| **Morningstar sector** | Sector Equity Healthcare |
| **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 capital growth over the long term. The Fund invests at least 80% of its assets in shares (also known as equities) selected for their growth potential and with a life sciences orientation. The Fund may invest in companies of any size, in any country.

## 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. Shares of small and mid-size companies can be more volatile than shares of larger companies, and at times it may be difficult to value or to sell shares at desired times and prices, increasing the risk of losses. High exposure to a particular country or geographical region carries a higher level of risk than a more broadly diversified portfolio. The Fund is focused towards particular industries or investment themes and may be heavily impacted by factors such as changes in government regulation, increased price competition, technological advancements and other adverse events. 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.

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