Janus Henderson INVESTORS

US SMALL-MID CAP VALUE FUND

At a glance

Performance*
The Fund returned −8.11%, the Index returned −4.36% and the Sector returned −7.40%.

Contributors/detractors
Stock selection in the information technology (IT) and industrials sectors detracted from relative performance. Stock selection in the communication services and consumer discretionary sectors contributed.

Outlook
We seek to use market volatility to our advantage as we look for compelling opportunities that we believe other investors may overlook.

Portfolio management



Justin Tugman, CFA

Investment environment

- Small- and mid-cap value-style stocks declined in the third quarter against a backdrop of increased market volatility.
- Market performance was increasingly narrow, favoring a handful of mega-cap technology stocks, while small- and mid-cap stocks underperformed.
- An escalation in the US-Iran conflict pushed crude oil prices higher, fuelling fears of inflation and contributing to higher interest rates. In September, the Federal Reserve (Fed) announced a 25 basis point (bps) rate hike, the first since 2023.
- Economic growth has remained resilient, due in part to continued healthy discretionary spending by higher-income consumers.

Portfolio review

Relative detractors included Regal Rexnord, a manufacturer of technology-enabled motion-control components and motors used in industrial processes. Regal Rexnord has a growing market opportunity in supporting the construction of data centres. Excitement around this opportunity contributed to strong share price performance in the second quarter, but its shares declined in the third quarter as investors grew more cautious about the pace of the data centre build-out and margins in recent financial results disappointed.

Helios Technologies, a supplier of hydraulic and electronic control technologies, also was a detractor. Following strong performance earlier in the year, the shares declined in the third quarter even though the company delivered solid earnings results and provided a positive forecast.

Western apparel and work garments retailer Boot Barn was another relative detractor. Its shares declined due to concerns about weaker-than-expected same-store sales trends, which the company attributed to spending disruptions related to the FIFA World Cup.

WisdomTree, a provider of exchange-traded funds and other investment products, was a relative contributor. Its shares rallied, supported by healthy earnings growth and growing assets under management.

Fox was another relative contributor. The broadcaster reported strong revenue growth, driven by increased advertising revenues from both the popularity of its cable properties and live sporting events such as the FIFA World Cup. Investors were also optimistic about Fox's announced purchase of streaming platform Roku.

In the healthcare sector, relative performance benefited from the position in ICU Medical, a supplier of intravenous delivery pumps, consumables and related solutions. Its shares rose after the company reported better-than-

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.

expected earnings, robust free-cash-flow growth and an improved outlook.

Relative to the benchmark, the portfolio ended the quarter with an overweight position in the industrials, materials, consumer discretionary and communication services sectors. It was underweight the healthcare, real estate, consumer staples, utilities, financials, IT and energy sectors.

Manager outlook

We remain cautiously optimistic about the outlook for the economy and the equity market. Economic growth has remained resilient despite headwinds from higher fuel prices and increasing interest rates. While weaker employment growth and persistent inflation have pressured lower-income consumers, we have continued to see healthy spending by higher-income households benefiting from the market's wealth effect.

At the same time, we acknowledge potential sources of volatility. The apparent stalemate in the US-Iran conflict could contribute to higher-for-longer energy prices, adding to inflation while creating headwinds for economic growth and consumer spending. Higher diesel and transportation costs already are affecting consumers and businesses, with many companies passing along increased costs to customers.

Against this backdrop, the Fed is likely to continue to monitor both economic growth and inflation. Signs of softening in the labour market may persuade the Fed to take a wait-and-see approach to further rate hikes. However, the growing federal budget deficit and the rapid pace of debt-fuelled capital spending on AI could keep upward pressure on interest rates. Additionally, we are seeing evidence of strain in areas of the credit markets, with growing concerns about both highly leveraged companies and sovereign debt.

In this environment, we believe investors may place greater emphasis on the quality of company balance sheets and cash flow, while rewarding the type of high-quality, low-debt businesses we invest in. We remain committed to our core process of investing in well-managed and attractively valued companies with proven earnings growth, strong free cash flow and low debt levels.

Performance (%)

Returns	Cumulative				Annualised		
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
A2 USD (Net)	-6.02	-8.11	3.23	5.33	11.64	5.80	7.65
Index	-5.37	-4.36	18.75	22.49	19.11	9.76	10.35
Sector	-4.85	-7.40	11.35	13.62	14.67	4.43	9.66
A2 USD (Gross)	—	—	—	—	—	7.86	9.76
Target	—	—	—	—	—	12.51	13.11

Calendar year	YTD at Q3 2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A2 USD (Net)	3.23	3.36	14.77	13.46	-10.27	19.87	2.77	26.04	-9.25	12.29	14.47
Index	18.75	12.73	10.98	15.98	-13.08	23.99	2.87	26.26	-8.58	13.19	18.40
Sector	11.35	7.84	11.68	17.09	-23.03	16.72	25.89	25.64	-10.41	16.62	18.92

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 capital growth over the long term. Performance target: To outperform the Russell 2500 Value Index by at least 2.5% 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	30 November 2000
Total net assets	156.69m
Asset class	Equities
Domicile	Ireland
Structure	Irish Investment Company
Base currency	USD
Index	Russell 2500™ Value Index
Morningstar sector	US Small-Cap Equity



Rating as at previous month end. Rating is for the representative share class as defined in the performance table.

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 30 September 2021, the Fund name changed from Janus Henderson US Strategic Value Fund to Janus Henderson US Small-Mid Value Fund. The benchmark also changed from Russell 3000® Value Index to Russell 2500® Value Index. The Fund's investment objective and performance target also changed. Past performance before 30 September 2021 were achieved under circumstances that no longer apply. From 31 December 2025, Kevin Preloger no longer manages this fund. 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 portfolio of shares (also known as equities) of small and medium sized companies in any industry, in the United States. Companies will be incorporated, headquartered, listed on an exchange in, or deriving significant revenue from, the United States. The Fund may also invest in other assets including companies outside the United States, 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 Russell 2500 Value Index, which is broadly representative of the companies in which it may invest, as this forms the basis of the Fund's performance target. The Sub-Investment Adviser has discretion to choose individual investments for the Fund with weightings different to the index or not in the index, but at times the Fund may hold investments similar to the index.

Investment strategy

The Sub-Investment Adviser follows a "value" approach to investing which emphasises investments in companies the Sub-Investment Adviser believes are undervalued relative to their intrinsic worth. Value is measured as a function of price/earnings (P/E) ratios and price/free cash flow. The Sub-Investment Adviser will typically seek attractively valued companies that are improving their free cash flow and improving their returns on invested capital. These companies may also include special situations companies that are experiencing management changes and/or are temporarily out of favour.

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. The Fund follows a value investment style that creates a bias towards certain types of companies. This may result in the Fund significantly underperforming or outperforming the wider market. High exposure to a particular country or geographical region carries a higher level of risk than a more broadly diversified portfolio. The Fund invests in real estate investment trusts (REITs) and other companies or funds engaged in property investment, which involve risks above those associated with investing directly in property. In particular, REITs may be subject to less strict regulation than the Fund itself and may experience greater volatility than their underlying assets. 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.

Source for risk rating

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 4 out of 7, which is a medium risk class. The risk indicator assumes you keep the product for 5 years. This rates the potential losses from future performance at a medium level, and poor market conditions could impact our capacity to pay you.

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

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