# JANUS HENDERSON CAPITAL FUNDS PLC - JANUS HENDERSON GLOBAL REAL ESTATE EQUITY INCOME FUND

A2 USD ISIN IE0033534557

## At a glance

**Performance**
The Fund returned −5.76%, the Index returned −5.51% and the Sector returned −5.88%.

**Contributors/detractors**
Omega Healthcare and Janus Living contributed to performance, while Netstreit and Tanger detracted from performance.

**Outlook**
Higher rates have put renewed pressure on real estate, but property fundamentals remain healthy from an operational perspective. Higher inflation should also feed into rental growth in the years ahead.

## Portfolio management


**Guy Barnard, CFA**


**Tim Gibson**


**Greg Kuhl, CFA**

## Investment environment

- Global equities declined in September despite resilient macroeconomic data, as rising oil prices, elevated bond yields (and falling prices) and renewed concerns about inflation weighed on investor sentiment.
- The US Federal Reserve (Fed)'s decision to raise interest rates for the first time since 2023, along with its suggestion that more increases could follow, unsettled markets. Investor sentiment was also affected by concerns about potential risks associated with artificial intelligence (AI), after two leading US companies urged a moderation in the pace of AI development.
- North American REITs declined significantly in September, amid a sharp jump in the US 10-year Treasury yield. The only sector to end the month with a flat return was hotels. Industrial and retail declined due to concerns about the US economy. Rate-sensitive sectors such as homebuilders, as well as those sectors exposed to long-duration bonds, including net lease, gaming and towers, bore the brunt of the market conditions.
- Asia Pacific real estate was also weak, with Singapore and Australia the biggest detractors in an environment of rising bond yields and higher interest rates. It was a similar story for European property, which also declined as a rise in interest rates took European bond yields to multi-year highs. Rising energy prices reinforced a higher-for-longer interest rate narrative, with markets pricing in further monetary policy tightening over the next 12 months. German residential and logistics underperformed.

## Portfolio review

Stock selection in healthcare, office and residential contributed to relative performance during a challenging month. Key contributors included senior housing provider Janus Living and nursing and assisted living provider Omega Healthcare, which benefited from stable performance and a resilient cash flow profile. The main detractors from performance included net lease retail landlord Netstreit and net lease commercial landlord Broadstone Net Lease. An overweight position in US shopping centre landlord Tanger also detracted.

Trading activity increased meaningfully during the month. We exited the position in Belgian logistics landlord Montea and closed the position in British Land. We opened new positions in Belgian semi-industrial landlord Warehouses De Pauwa and Brixmor Property Group, the latter of which we funded by selectively trimming positions in higher-multiple holdings to improve the portfolio's leverage profile. In Asia Pacific, we initiated positions in Charter Hall Group and Frasers Centrepoint Trust, funded primarily by reducing holdings in Stockland and Hongkong Land. We

**Marketing communication**
**Past performance does not predict future returns.**
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also undertook a number of smaller relative-value trades across the portfolio, adding to holdings in Mercialys and Netstreit, while trimming selected positions where valuations appeared less compelling to us.

## Manager outlook

Higher interest rates have put renewed pressure on the real estate sector in recent months, with many investors now in wait-and-see mode. Operationally, property fundamentals remain healthy, however, with good demand for high-quality space and falling new supply translating into stronger pricing power for many of the landlords we invest in. Higher inflation may also feed into rental growth in the years ahead.

As ever, listed real estate markets are quick to price in a more uncertain environment, with shares already reflecting the impact of higher rates. Indiscriminate selling may also present opportunity, and we see many higher-quality companies trading at levels we consider well below the value of their real estate and future cash flows. Importantly, we believe these REITs continue to offer potentially reliable, growing income streams, which is a characteristic that means we are being paid to wait today.

## Performance (%)

| | Cumulative | | | | Annualised | | |
|---|---|---|---|---|---|---|---|
| **Returns** | **1 Month** | **3 Month** | **YTD** | **1 Year** | **3 Year** | **5 Year** | **10 Year** |
| A2 USD (Net) with sales charge | -10.47 | -10.85 | -1.08 | -2.35 | 7.45 | -0.32 | 4.07 |
| Index | -5.51 | -5.97 | 4.97 | 3.85 | 9.64 | 1.23 | 3.36 |
| Sector | -5.88 | -6.53 | 2.24 | 1.72 | 8.56 | -0.53 | 2.08 |
| A2 USD (Net) | -5.76 | -6.16 | 4.12 | 2.79 | 9.30 | 0.71 | 4.61 |

| **Calendar year** | **YTD at Q3 2026** | **2025** | **2024** | **2023** | **2022** | **2021** |
|---|---|---|---|---|---|---|
| A2 USD (Net) | 4.12 | 6.13 | 3.40 | 7.70 | -23.09 | 20.88 |
| Index | 4.97 | 7.24 | 1.61 | 9.61 | -24.45 | 27.87 |
| Sector | 2.24 | 9.44 | -0.99 | 9.69 | -26.69 | 24.43 |

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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** | 29 September 2003 |
| **Total net assets** | $155.33m |
| **Asset class** | Equities |
| **Domicile** | Ireland |
| **Structure** | Irish Investment Company |
| **Base currency** | USD |
| **Index** | FTSE EPRA Nareit Global REIT Index |
| **Morningstar sector** | Property - Indirect Global |
| **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 a positive level of income and to seek to achieve capital growth over the long-term (5 years or more), with a focus on income generation. The Fund invests at least 80% of its net assets value in equities of companies engaged in or related to the property industry, or which own significant property assets. This may include investments in companies involved in the real estate business or property development, including real estate investment trusts (REITs) and companies whose businesses, assets, products or services are related to the real estate sector. The Fund may invest in companies of any size (including small capitalisation equities) and located anywhere in the world (including developing markets).

### 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 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. 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. Some or all of the ongoing charges and other costs of the Fund 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. 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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