Janus Henderson INVESTORS

MULTI-ASSET ABSOLUTE RETURN FUND

At a glance

Performance*
The Fund returned 2.98%, the Index returned 0.95%

Contributors/detractors
Real asset strategies, such as infrastructure, contributed positively to performance, while detractors were largely idiosyncratic.

Outlook
Markets continue to climb a wall of worry, despite sticky inflation and a new central bank interest-rate hiking cycle, which has contributed to higher government bond yields.

Portfolio management



James de Bunsen, CFA

Investment environment

- The sell-off in global bond markets was the biggest news during the quarter, particularly in September when long-dated sovereign yields rose to multi-year highs.
- The increase in yields followed sharp gains in oil prices, which raised expectations of higher inflation and increased the likelihood that major central banks might need to tighten monetary policy more aggressively.
- Corporate bond prices also fell and underperformed sovereign bonds as credit spreads widened, particularly in high yield bonds.
- Major central banks remained on alert as pricing pressures increased, with the US Federal Reserve (Fed), the European Central Bank (ECB) and the Bank of Japan (BoJ) all announcing interest rate increases in September.
- The anticipation of tighter-for-longer borrowing conditions helped the US dollar recover from weakness earlier in the quarter and finish slightly higher against a basket of major currencies. Meanwhile, the yen strengthened against the US dollar, supported by currency interventions and tighter monetary policy.
- Global equities generated a moderately positive return over the quarter, led by Japanese, UK and US stocks, while European, Asian and emerging market equities lagged.
- Sentiment towards artificial intelligence (AI) was initially weak as investors worried about companies' large investments in the technology. However, as some of these fears eased, technology stocks rallied, which supported broader markets during the quarter.
- Oil prices rose strongly and passed $100 per barrel in September, before backtracking somewhat due to ongoing supply disruptions linked to the unresolved US/Iran conflict.
- Gold prices rose to a three-month high towards the end of August but subsequently fell back due to the strength of the US dollar.

Portfolio review

Despite the large gyrations in broader markets, the fund delivered another robust period of total returns. While higher yields on government bonds can be perceived as a headwind for longer-duration asset classes like infrastructure and renewables, our portfolio holdings remained broadly unfazed and provided strong contributions to returns. In particular, shares in Greencoat UK Wind continued to rally, as evidence of the positive impact from higher power prices was demonstrated in its quarterly numbers, and the security of its inflation-linked dividends remained appealing to new investors. Elsewhere, the elements of our portfolio specifically

Marketing communication
Past performance does not predict future returns.
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*For benchmark/usage and peer group, 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.

designed to offer protection during such environments delivered as intended, as hedge strategies were also a strong contributor during the quarter. Most notably, our trend-following strategy (SocGen CTA) made strong returns from its short positions in bonds and long positions in crude oil.

The consistency of returns throughout the portfolio was a notable theme during the quarter, with very few holdings detracting. Of those that did, there were no common themes driving the negative returns, but rather a small number of idiosyncratic headwinds. The largest of these was BH Macro, the global macro hedge fund, which suffered a poor spell of performance during mid-September as it was caught offside by relative value trades in interest rates.

Across the period we made no major changes to the portfolio but proactively took profits in several holdings that had performed well. In particular, Target Healthcare REIT and HICL Infrastructure have both returned more than 20% year-to-date, yet could become susceptible to valuation compression in our view if bond yields remain elevated. Elsewhere, we made one full exit from the portfolio, and that was the holding in 10-year US Treasuries. We did so during mid-August due to concerns that US bond yields could drift higher, which subsequently appears to have been well timed.

Manager outlook

As we enter the fourth quarter, markets have continued to climb the wall of worry and grind steadily higher. This is despite a backdrop of surging government bond yields, which largely reflects the ongoing stalemate in the Middle East between the US and Iran, and the upward pressure it is putting on inflation. In particular, prices of refined products like diesel remain extremely elevated, encouraging central banks to adopt a more hawkish stance. At the time of writing, markets are pricing in three interest rate hikes in the US over the coming year, which would effectively undo all of the monetary policy easing that was completed in 2025. In addition, fears around the sustainability of government deficit spending have also returned to the forefront of investors' minds, particularly in France, which has limited room to address this by raising taxes further.

The flip side is that economic data has (so far) remained surprisingly resilient. To a large degree, this is being supported by the vast quantities of AI-related investment, in addition to the aforementioned government spending programmes in areas such as infrastructure and defence. As a result, corporate earnings remain very robust and consumers are continuing to spend freely, despite having to utilise growing amounts of credit to do so. A key question will therefore be whether this resilience can continue in a world of higher borrowing costs.

Against this backdrop, it is noticeable that the frequency with which investors are expressing concerns around the AI theme is increasing. In the past few weeks, AI giants Anthropic and Open AI have both disclosed earnings that included elements that were not well received by the market, and the pricing of instruments designed to offer protection against a default on a company’s debt has also been rising in the sector. Given that a large degree of future capital expenditure (capex) may need to be financed by new debt and equity (and not cash), these fears may need to be contained in order for the bull run to continue.

In the fund, we retain positioning that we believe is neither overly aggressive nor overly cautious, and which continues to provide diversified exposure across different themes, strategies and potential drivers of returns. In recent weeks, we have been proactively trimming certain positions, particularly in real assets, where the year-to-date performance has been strong. While real assets remains one of our highest conviction sectors in the portfolio, we believe it is prudent to take some profits, particularly given the risk that further stress in bond markets could start to weigh on valuations.

Performance (%)

Returns	Cumulative				Annualised			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since inception (01/10/04)
I Acc (Net)	0.81	2.98	5.32	6.92	6.49	4.74	3.62	3.29
Index	0.31	0.95	2.84	3.89	4.65	3.78	2.08	2.07

12 month rolling	Sep 2025-Sep 2026	Sep 2024-Sep 2025	Sep 2023-Sep 2024	Sep 2022-Sep 2023	Sep 2021-Sep 2022
I Acc (Net)	6.92	1.68	11.09	2.05	2.25
Index	3.89	4.64	5.44	4.21	0.80

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. This is a representative share class for the fund, other share classes are available and may be more suitable for your investment needs.

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 positive (absolute) return, regardless of market conditions, over any 12 month period. A positive return is not guaranteed over this or any other time period, and particularly over the shorter term the Fund may experience periods of negative returns. Consequently your capital is at risk. Performance target: To outperform the UK Base Interest Rate, after the deduction of charges, over any 3 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	04 October 2004
Total net assets	70.91m
Asset class	Mixed Asset
Domicile	United Kingdom
Structure	OEIC
Base currency	GBP
Index	UK Base Interest Rate

For benchmark/usage description, refer to Additional fund information on page 4.

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 are detailed on the specific KIID, fees and charges may vary and further information can be found in the fund's prospectus and KIID which must be reviewed before investing. Please consult your local sales representative if you have any further queries. 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.
The UK Base Interest Rate is the interest rate set by the Bank of England. It is the performance target of the Fund.

Investment policy

The Fund invests in a range of asset classes including company shares (also known as equities), bonds and collective investment schemes (other funds including those managed by Janus Henderson) and Exchange Traded Funds. The Fund may invest up to 30% in bank structured notes. Bank structured notes are complicated customised financial products where the return is linked to the performance of an underlying asset (or assets) such as shares (equities) of companies, bonds issued by companies and governments, and alternative asset classes such as property, infrastructure, commodities, private equity and hedge fund type strategies. The Fund will limit its investment in collective investment schemes (including those managed by Janus Henderson) to no more than 10% of the Fund's net assets. The Fund may also invest in other transferable securities, cash and money market instruments and derivatives. The Investment Manager may use derivatives (complex financial instruments), including total return swaps, with the aim of making investment gains in line with the Fund's objective, to reduce risk or to manage the Fund more efficiently. The Fund is actively managed with reference to the UK Base Interest Rate as this forms the basis of the Fund's performance target. The Investment Manager has complete discretion to choose investments for the Fund and is not constrained by a benchmark.

Investment strategy

The Investment Manager seeks to provide investors with a diversified portfolio of assets with an emphasis on 'alternatives' such as hedge fund strategies, property and commodities - as well as traditional assets such as bonds and company shares (equities) - with the overall fund having low or modest correlation to equity and bond markets. The investment team seeks to identify attractive funds by assessing market conditions and conducting due diligence on alternative asset managers. The portfolio will have a significant proportion invested in funds which in their own right seek positive (absolute) returns in varying market conditions.

Fund specific risks

The Fund invests in other funds (including exchange-traded funds and investment trusts/companies). This may introduce more risky assets, derivative usage and other risks associated with the underlying funds, as well as contributing to a higher level of ongoing charges. 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.

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

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