Janus Henderson INVESTORS

# EMERGING MARKETS FUND

## At a glance

**Performance***
The Fund returned −4.72%, the Index returned 0.28% and the Sector returned −0.36%.

**Contributors/detractors**
Positions in Silergy and Contemporary Amperex Technology (CATL) detracted from relative fund performance, while investments in Lite-On Technology and Allegro.eu contributed.

**Outlook**
We continue to see long-term investment opportunities in emerging market equities, supported by secular growth trends.

## Portfolio management



**Matthew Culley**



**Doug Turnbull**

## Investment environment

- Emerging market equities were volatile as geopolitical tensions pushed oil prices higher, contributing to increased inflation, higher interest rates, and tighter central bank policies.
- While enthusiasm for artificial intelligence (AI) remained strong, concerns about valuations and the sustainability of the recent rapid pace of AI-related capital spending weighed on some AI-related shares. This contributed to divergent performance between the technology-heavy markets of Taiwan, where shares outperformed, and South Korea, where stocks ended the period lower.
- Chinese equities rose amid hopes for potential government intervention to support the equity market. Indian equities ended the quarter lower overall as high energy prices added to economic uncertainty.

## Portfolio review

Relative performance was hindered by our position in Silergy, a China-facing but globally relevant analog semiconductor maker. Silergy produces integrated circuits used in power management. The company has seen accelerating demand for its products from the automotive, data centre and industrial segments, while tight supply conditions have supported pricing and margins. Its shares sold off in July, along with other global semiconductor shares, as investors grew more cautious about the expected pace of AI-related capital spending. However, we continue to see opportunity for Silergy, especially given expectations for resilient demand for analog semiconductors and the growing market penetration of electric vehicles (EVs) in China.

Contemporary Amperex Technology (CATL) was another relative detractor. CATL is China's leading supplier of EV batteries, but slower-than-expected vehicle sales in China have led to some near-term earnings uncertainty. However, we believe CATL remains well positioned in the EV battery market. We have also seen potential around its growing leadership in energy storage solutions (ESS), which improve the efficiency and reliability of renewable energy for the power grid. CATL has signed several large ESS deals, and it has been a beneficiary of increased focus on energy storage capabilities.

Relative contributors included Lite-On Technology, a Taiwan-based manufacturer of semiconductor components, power management modules, server racks, and other equipment required for the data centre build-out. The company has benefited from the expansion of its cloud computing business, which now accounts for about half of its revenues. The company reported very strong financial

**Marketing communication**
**For professional investors only**
**Past performance does not predict future returns.**
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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.

results, fuelled by surging global demand for AI infrastructure and advanced data centre power products. From a competitive standpoint, we believe the company is gaining traction in the data centre business because of its supply chain diversification and deep customer partnerships.

Allegro.eu was another relative contributor. Allegro.eu owns a leading online shopping platform in Poland and ecommerce websites in Europe. We continue to observe strong fundamentals for the company, supported by resilient sales growth, increased logistics investments and improved economic trends in Eastern Europe.

## Manager outlook

As we look ahead, we remain constructive on the long-term outlook for the AI investment cycle, as tight supply chains across parts of Asia continue to support pricing power for companies operating at critical points in the AI ecosystem. At the same time, we recognise that we may experience periods of volatility and market consolidation as the AI story continues to evolve. At this stage of the investment cycle, we believe the duration of spending is more important than its magnitude. Spending levels are already high, and investor concerns have increasingly centred on sustainability rather than scale. While these concerns pressured AI-related shares in the third quarter, we believe some moderation may support a more sustained investment cycle while giving companies time to address potential constraints related to financing, infrastructure, power availability, labour, and policy uncertainty. Given our conviction around the importance of this investment theme, we remain fully invested in opportunities tied to AI-related capital spending, which we believe could be a key driver of emerging market growth going forward.

The remainder of the portfolio is more thematically diverse, reflecting areas where we have identified what we see as underappreciated and mispriced growth opportunities. Recently, many of our most compelling ideas have come from China, where select industries have continued to benefit from strong structural growth despite a challenging economic backdrop. However, these holdings have also faced pressure from higher oil prices, rising bond yields, and growing concerns about a stagflationary environment.

As a result of these crosscurrents, neither major component of the portfolio performed as we would have liked in the third quarter, resulting in disappointing short-term performance. We recognise that greater exposure to typically more defensive sectors such as energy and financials may have proved beneficial in the recent environment. However, while such investments may outperform at times, we do not believe they represent the most effective way to capture the long-term winners that have historically driven emerging market equity returns.

Consequently, we continue to focus on companies we believe are well positioned for long-term outperformance, including those benefiting from secular trends such as AI and increased electrification. We remain committed to regularly revisiting our investment theses, updating our models, and challenging our assumptions to help ensure that every position remains justified. This disciplined approach has helped us stay invested in successful holdings when fundamentals remain supportive, rather than exiting positions simply because share prices have risen or because stocks experience short-term volatility. Through this disciplined, patient, and fundamentals-driven approach, we believe we can seek to provide investors with strong long-term performance.

## Performance (%)

| Returns | Cumulative | | | | Annualised | | |
|---|---|---|---|---|---|---|---|
| | 1 Month | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
| A2 EUR (Net) | -1.07 | -4.72 | 21.42 | 26.95 | 17.14 | 5.48 | 5.25 |
| Index | 1.69 | 0.28 | 27.58 | 33.67 | 21.22 | 9.38 | 8.97 |
| Sector | 1.27 | -0.36 | 26.30 | 31.88 | 19.50 | 7.94 | 7.69 |
| A2 EUR (Gross) | — | — | — | — | — | 7.31 | 7.09 |
| Target | — | — | — | — | — | 11.57 | 11.15 |

| Calendar year | YTD at Q3 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A2 EUR (Net) | 21.42 | 16.55 | 12.31 | 3.10 | -21.99 | 8.03 | 11.37 | 9.70 | -13.66 | 13.39 | 13.80 |
| Index | 27.58 | 17.76 | 14.68 | 6.11 | -14.85 | 4.86 | 8.53 | 20.62 | -10.27 | 20.58 | 14.51 |
| Sector | 26.30 | 15.85 | 12.89 | 6.43 | -16.75 | 4.97 | 7.20 | 20.99 | -12.28 | 18.57 | 12.57 |

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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.

## Investment objective

The Fund aims to provide a return, from a combination of capital growth and income over the long term. Performance target: To outperform the MSCI Emerging Markets Index by 2% 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** | 29 September 2000 |
| **Total net assets** | 82.61m |
| **Asset class** | Equities |
| **Domicile** | Luxembourg |
| **Structure** | SICAV |
| **Base currency** | USD |
| **Index** | MSCI Emerging Markets Index℠ |
| **Morningstar sector** | Global Emerging Markets Equity |
| **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.

# 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 3 August 2015 the Fund changed its investment policy. Past performance shown before this shown before 3 August 2015 was achieved under circumstances that no longer apply. From 18 February 2022, the Janus Henderson Latin American Fund merged into the Janus Henderson Emerging Markets Fund. From 1 September 2025, Daniel Graña no longer manages this fund. Douglas Turnbull now co-manages the fund. This is a Luxembourg SICAV Fund, regulated by the Commission de Surveillance du Secteur Financier (CSSF). 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 two-thirds of its assets in shares (equities) and equity-related securities of companies, of any size, in any industry, in emerging markets. Companies will have their registered office in or do most of their business (directly or through subsidiaries) in emerging markets. 'Emerging markets' may be countries in the MSCI Emerging Markets Index, those included in the World Bank definition of developing (low and lower middle income) economies, or which are, in the Investment Manager's opinion, developing. The Fund may invest in companies of any size, including smaller capitalisation companies, in any industry. The Fund may also invest in other assets including companies outside emerging markets, cash and money market instruments. 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 MSCI Emerging Markets 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 Investment Manager has discretion to choose 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 Investment Manager seeks consistent risk-adjusted returns (an expression of an investment's return through how much risk is involved in producing that return) by looking to identify the most attractive opportunities within countries across various stages of economic and political development. This diverse landscape requires the Investment Manager to utilise an array of perspectives to fully evaluate these opportunities. By combining fundamental company research, market and economic analysis, a keen focus on corporate governance and quantitative input, the portfolio attempts to capture price inefficiencies across the market-cap spectrum. Where the Fund invests in sectors dominated by state-owned entities, companies within the sectors may be excluded if they are assessed by the Investment Manager as having poor corporate governance.

## 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. Emerging markets expose investors to higher volatility and greater risk of loss than developed markets; they are susceptible to adverse political and economic events, and may be less well regulated with less robust custody and settlement procedures. 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. 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. The Fund may incur a higher level of transaction costs as a result of investing in less actively traded or less developed markets compared to a fund that invests in more active/developed markets. 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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