Janus Henderson INVESTORS

DIVERSIFIED GROWTH FUND

At a glance

Performance*
The Fund returned −0.80%, the Index returned 0.94%

Contributors/detractors
The fund's fixed income holdings detracted from performance. The US Treasury position detracted the most, while TOPIX Index futures were the largest contributor.

Outlook
Strong growth and above-target inflation support corporate earnings growth expectations, but may be headwinds for bond markets, especially when combined with heavy issuance.

Portfolio management



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Investment environment

- Global equity markets rose in the third quarter. Strong corporate results and bouts of enthusiasm for artificial intelligence (AI) outweighed concerns about high oil prices, increased inflationary pressures, monetary policy tightening and surging government bond yields.
- The S&P 500 Index rose 2.3% in US dollar terms. The gains, which lifted the benchmark to an all-time high in August, came despite significant pressure from soaring Treasury yields and a Federal Reserve (Fed) interest-rate hike. The economy appeared largely resilient, expanding more than expected in the second quarter.
- The FTSE All-Share Index rose 2.4% in sterling terms on the back of strong July and August performance. GDP grew by 0.5% over the second quarter, albeit down from the first quarter's 0.6% expansion, while monthly growth was better than anticipated in both June and July. Meanwhile, the MSCI Europe ex UK Index fell 2.0% in euro terms due to the region's vulnerability to higher energy prices.
- The TOPIX Index rose 3.7% in yen terms. The government's pro-growth agenda aided sentiment, along with AI enthusiasm. The yen strengthened against the US dollar, particularly at the end of July when Japanese and US authorities intervened to bolster the currency.
- The MSCI AC Asia Pacific ex Japan Index fell 0.1% (in US dollar terms). A slump in semiconductor stocks drove down equities in July, while renewed interest in AI sparked a rebound in August. The MSCI China Index was up 3.7% in dollar terms, helped by a rally in July, when investors speculated that authorities had intervened to support the equity market.
- Energy was by far the strongest sector as oil prices rose sharply. Information technology (IT) followed due to robust corporate results and excitement about AI, which offset periods of weakness, particularly in July. Meanwhile, healthcare benefited from its defensive characteristics during periods of risk aversion. The utilities sector was weakest, followed by industrials. Utility stocks were challenged by surging bond yields, as well as concerns about regulatory scrutiny of electricity price rises in the US. Real estate also underperformed due to its sensitivity to higher interest rates.
- In fixed income, the 10-year Treasury yield ended 85 basis points (bps) higher at 5.29% as elevated energy prices, above-target inflation and hawkish commentary from Fed policymakers prompted investors to price in a tighter monetary policy outlook. The 10-year German bund yield rose 73 bps to 3.59%, while the equivalent UK gilt yield climbed 67 bps to 5.42%. The pace of increase accelerated in September.

Marketing communication
Past performance does not predict future returns.
References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned. There is no guarantee that past trends will continue, or forecasts will be realised.
*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.

- In commodities, oil prices rose strongly and passed US$100 per barrel in September before backtracking due to ongoing supply disruptions caused by the US/Iran conflict. WTI crude ended around 30% higher while Brent rose over 40%. Gold prices leapt to a three-month high towards the end of August, but subsequently fell due to the US dollar's strength and elevated bond yields, finishing the quarter moderately higher overall. Copper also rose over the period.
- In September, the Fed increased interest rates by 25 bps and indicated that further tightening remained possible by emphasising the need to achieve "price stability".
- The European Central Bank raised interest rates in the final month of the quarter and signalled that further monetary policy tightening may be needed. The Bank of England (BoE) left its benchmark rate on hold at 3.75% but warned in September that a rate increase may be required if inflationary pressures linked to the Middle East conflict intensify. The Bank of Japan (BoJ), which adopted a somewhat hawkish posture, delivered a 25 bps interest-rate hike in September, raising its key short-term rate to 1.25% – a 31-year high.

Portfolio review

Holdings in equities and fixed income detracted, while alternatives had a positive impact.

Equity holdings fell 0.3%. North American equities detracted the most, while Europe ex UK and global emerging markets were also negative. However, allocations to Japanese and, to a lesser extent, UK equities contributed positively.

Fixed income holdings fell 1.4%, mainly due to the allocation to government bonds amid a rising yield backdrop. Emerging market debt and investment grade bonds also detracted.

Alternatives contributed 0.3%, led by exposure to real assets. Gold also made a modest favourable impact, while alternative strategies weighed on performance.

At the position level, TOPIX Index futures were the biggest contributor, while US Treasury exposure detracted the most.

Manager outlook

Rising bond yields have continued to reflect the strength of global economic growth, inflation remaining above target in many countries, and demand for capital across both governments and firms. The manufacturing upswing continues, with significant investment in AI infrastructure further boosting global demand. Supply shocks, particularly from the war in the Middle East, and resilient demand continue to keep inflation above the 2% targets commonly used by major central banks. While the combination of factors that drove the very high inflation in 2022 is not in place, inflation continues to run hotter than policymakers would like.

While these factors continue to support corporate profit growth, they are combining with significant demand for borrowing to drive up the real cost of debt. Governments continue to run large deficits, given there is no immediate crisis to address, and the massive AI investment is increasingly funded by debt. Investors are asking governments and companies to pay more to borrow, tightening financial conditions. An increasing number of central banks are responding to the prolonged inflation impulse by increasing interest rates to help slow demand.

Strong earnings growth has continued to lift equities, even as rising real bond yields weigh on valuations. While we expect to see more regional earnings growth divergence in 2027, momentum appears to remain solid for the time being. US profit growth appears likely to decelerate into 2027, with the largest companies contributing to the slowdown. In contrast, earnings growth in emerging markets has continued to broaden beyond the most direct AI spending beneficiaries. While longer-term measures of sentiment and positioning are elevated, we believe strong earnings growth may continue to support stock markets, and that a backdrop of strong growth and above-target inflation may make owning fixed income less desirable at present. However, we think we may now be much closer to a level of yields that could be attractive enough to bring in fresh investor interest.

Performance (%)

Returns	Cumulative				Annualised			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since inception (06/04/11)
I Acc (Net)	-1.09	-0.80	5.05	8.21	7.90	2.92	4.43	4.07
Index	0.31	0.94	2.83	3.87	4.61	3.73	2.09	1.58
I Acc (Gross)	—	—	—	—	—	3.69	5.28	5.12
Target	—	—	—	—	—	7.88	6.17	5.64

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)	8.21	5.42	10.12	2.46	-10.30
Index	3.87	4.60	5.38	4.13	0.74

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 return, from a combination of capital growth and income, with volatility lower than that of the MSCI ACWI Index, over the long term. Performance target: To outperform SONIA by 4% 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	01 March 2011
Total net assets	91.41m
Asset class	Multi-Manager
Domicile	United Kingdom
Structure	OEIC
Base currency	GBP
Index	SONIA

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. 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 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. From 19 April 2021 the benchmark changed from 3 month GBP LIBOR Interest Rate to SONIA (Sterling Overnight Index Average). The Fund's investment policy and performance target changed. The past performance shown before this change was therefore achieved under circumstances that no longer apply. 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.
SONIA stands for Sterling Overnight Index Average. SONIA reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions. The Bank of England is the administrator for SONIA and they are responsible for its governance and publication every London business day. It is the basis for the performance target of the fund.

Investment policy

The Fund invests in Collective Investment Schemes (other funds including those managed by Janus Henderson and Exchange Traded Funds) to provide diversified global exposure to a range of assets including shares (equities) of companies, bonds issued by companies and governments, and to a lesser extent, alternative assets such as property and commodities. The Fund may also invest in other assets including shares (equities), bonds, cash and money market instruments. The Investment Manager may use derivatives (complex financial instruments) 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 SONIA, as this forms the basis of the Fund's performance target. For currency hedged Share Classes, the rate that corresponds with the relevant Share Class currency is used as the basis of the performance comparison. The Investment Manager has complete discretion to choose investments for the Fund.

Investment strategy

The Investment Manager follows a strategy that combines strategic asset allocation (based on long-term return, risk and correlation expectations of various asset classes), dynamic asset allocation (giving the strategy the flexibility to reflect the team's shorter term market views and to react quickly in times of market stress), and careful underlying fund and instrument selection. The investment process is underpinned by a robust, multi-faceted approach to risk management. The strategy results in a portfolio with exposure to a wide variety of asset classes, both traditional and alternative, in the expectation that investors will benefit from the significant diversification benefits multi-asset investing provides.

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. An issuer of a bond (or money market instrument) may become unable or unwilling to pay interest or repay capital. If this happens or the market perceives this may happen, the value of the bond will fall. When interest rates rise (or fall), the prices of different securities will be affected differently. In particular, bond values generally fall when interest rates rise (or are expected to rise). This risk is typically greater the longer the maturity of a bond investment. 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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