Janus Henderson INVESTORS

# HORIZON GLOBAL SMALLER COMPANIES FUND

## At a glance

**Performance***
The Fund returned 0.82%, the Index returned 0.37% and the Sector returned −0.11%.

**Contributors/detractors**
Performance in October was driven by a broad range of stocks across different areas of the market.

**Outlook**
From a fundamental perspective, global smaller companies continue to look attractive to us, particularly when considering valuations alongside the earnings growth delivered over recent reporting seasons.

## Portfolio management


**Nick Sheridan**


**Jonathan Coleman, CFA**


**Ollie Beckett**


**Yunyoung Lee, CFA**


**Sat Duhra**

## Investment environment

- The performance of global small-cap stocks was relatively muted during October.
- There was some relief from falling bond yields (rising prices) following the sharp rises seen previously, although the broader market backdrop remained uncertain.
- Higher oil prices, driven by conflict in the Middle East, continued to weigh on sentiment. Investors were also conscious of the potential political uncertainty associated with the US midterm elections in early November.
- Against this backdrop, market leadership became somewhat broader during the month. Having seen artificial intelligence (AI)-related stocks dominate both the winners and losers for much of the year, October saw a greater contribution from idiosyncratic, stock-specific developments. We view this as an encouraging development and one which we believe could ultimately provide a more favourable environment for active stock selection.

## Portfolio review

Portfolio performance during October was driven by a broad range of stocks across different areas of the market, with several company-specific developments contributing positively.

Among the strongest contributors was Frontdoor, the US home services plan provider. Operationally, the company has continued to perform very well, although its shares had previously been held back by higher bond yields and associated concerns around the health of the US housing market.

ADT, the home security business, was another significant contributor after receiving a bid at a premium of more than 40% to its share price. We had owned the shares on a mid-single-digit price-to-earnings (P/E) multiple, which we felt did not adequately reflect the attractive return profile of the underlying business.

Halozyme Therapeutics also performed strongly, with brokers continuing to be encouraged by the royalty opportunities associated with its drug-delivery technology. Halozyme's technology enables certain medicines to be administered subcutaneously (under the skin) rather than through an intravenous infusion.

**Marketing communication**
**For professional investors only**
**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 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.

Elsewhere, we experienced strong returns from Paylocity, the HR and payroll software provider, where underlying fundamentals remained strong, and Manhattan Associates, which provides software for warehouse logistics and continued to report stronger-than-expected results.

On the other side of the ledger, some of our holdings exposed to AI-related capital expenditure (capex) weakened, including Comfort Systems, Sterling Infrastructure and 5N Plus. We also experienced weakness following company-specific results from Mueller Industries. We have retained each of these positions, as we currently view the weakness as likely to be temporary rather than indicative of a change in the longer-term investment cases.

Activity predominantly involved the disposal of a Japanese REIT that has been bid for, as well as the sale of some lower-conviction smaller positions. We bought a semiconductor stock exposed to the handsets industry, as well as a Japanese real estate consultant with exposure to the hotel, logistics and healthcare segments.

## Manager outlook

Our view on the outlook for small-cap equities remains unchanged. From a fundamental perspective, global smaller companies continue to look attractive to us, particularly when considering their valuations alongside the earnings growth delivered over recent reporting seasons.

Nevertheless, the near-term outlook remains sensitive to interest rates and their potential impact on the global economy. Developments in the Middle East, and their implications for the oil price, are also likely to remain an important influence on markets. While these factors may continue to create volatility in the short term, from a fundamental perspective we believe our portfolio holdings remain attractively positioned for long-term investors.

## Performance (%)

| Returns | Cumulative | | | | Annualised | | | |
|---|---|---|---|---|---|---|---|---|
| | 1 Month | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since inception (06/08/19) |
| A2 USD (Net) | 0.82 | -2.27 | 7.44 | 10.64 | 23.92 | 9.95 | — | 14.68 |
| Index | 0.37 | -0.99 | 12.72 | 15.71 | 20.53 | 6.28 | — | 10.63 |
| Sector | -0.11 | -1.39 | 8.31 | 10.58 | 16.71 | 3.31 | — | 8.85 |

| Calendar year | YTD at Q3 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 from 06 Aug |
|---|---|---|---|---|---|---|---|---|
| A2 USD (Net) | 6.56 | 25.03 | 18.74 | 26.23 | -20.05 | 22.15 | 20.07 | 14.10 |
| Index | 12.31 | 19.88 | 8.15 | 15.76 | -18.76 | 15.75 | 15.96 | 12.61 |
| Sector | 8.43 | 17.52 | 4.84 | 15.73 | -22.44 | 14.72 | 19.65 | 12.37 |

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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.

Performance fees may be charged before the Fund's outperformance target is reached.

Performance fees are charged separately as a way of rewarding the investment manager for superior returns or for outperforming specified targets. A Performance Fee is accrued where the NAV outperforms the relevant Hurdle NAV (subject to a High Water Mark). For further explanation of the performance fee calculation methodology please see the relevant prospectus, available at www.janushenderson.com.

## Investment objective

The Fund aims to provide capital growth over the long term. Performance target: To outperform the MSCI World Small Cap Index, after 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** | 06 August 2019 |
| **Total net assets** | 2.67bn |
| **Asset class** | Equities |
| **Domicile** | Luxembourg |
| **Structure** | SICAV |
| **Base currency** | USD |
| **Index** | MSCI World Small Cap Index |
| **Morningstar sector** | Global Small/Mid-Cap 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. 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. On 24 January 2025, the Janus Henderson Global Smaller Companies Fund changed its investment strategy. Past performance shown prior to this date was achieved under circumstances that no longer apply. As at 30 June 2026, Jonathan Coleman, Aaron Schaechterle, Ollie Beckett, Yunyoung Lee and Sat Duhra were appointed as named portfolio managers of the Global Smaller Companies strategy, alongside Nick Sheridan. This appointment formalises an established and productive collaboration that has been in place since the strategy's inception. 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 80% of its assets in shares (equities) and equity-related securities of smaller companies, in any industry, in any country. The Fund may also invest in other assets including cash and money market instruments. The Investment Manager may use derivatives (complex financial instruments) to reduce risk or to manage the Fund more efficiently. The Fund is actively managed with reference to the MSCI World Small Cap Index, which is broadly representative of the companies in which it may invest, as this forms the basis of the Fund's performance target and the level above which performance fees may be charged (if applicable). 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 aims to deliver capital growth by investing in small companies listed globally. The Fund looks to identify good quality, but potentially undervalued stocks, driven by the belief that the level of real returns delivered depends on the initial price paid.

## 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. Derivatives may be used with the aim of reducing risk or managing the portfolio more efficiently. However, this introduces other risks, in particular, that a derivative counterparty may not meet its contractual obligations. 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. 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. The sustainability approach applied may exclude potential investments which do not meet certain criteria (e.g. non-financial criteria such as ESG screens). This may cause differences in performance compared to similar products that are permitted to invest in those investments.

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Source: Janus Henderson Investors, as at 31 October 2026, unless otherwise noted.

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