

ALL STOCKS CREDIT FUND

At a glance

Performance*

The Fund returned 3.06%, the Index returned 2.64% and the Peer Group returned 2.84%.

Contributors/detractors

The fund's credit beta positioning relative to the benchmark contributed to performance. Security selection slightly detracted, mainly due to issuer choices among water utilities, although financial services companies contributed.

Outlook

While UK gilt markets have been volatile, the changes in leadership in government have been absorbed relatively calmly, with investors focused on continuity of fiscal discipline.

Portfolio management



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Investment environment

- Sterling-denominated corporate bond markets delivered modestly positive returns, outperforming government bonds as improving risk sentiment supported credit spreads.
- Although the UK domestic political situation deteriorated, with Prime Minister Keir Starmer resigning, sterling corporate bonds were supported by the ongoing resilience of the US economy, a sharp fall in oil prices as the US/Iran conflict showed signs of de-escalation, and diminishing concerns about a global recession.
- UK economic data presented an inconclusive picture. First-quarter GDP growth was revised up to 0.6%, although monthly data showed a subsequent contraction of 0.1% in April. Inflation rose to 3.3% in March before easing to 2.8% in April and May, its lowest level in over a year.
- The Bank of England (BoE) held interest rates steady, initially signalling a tightening bias before softening its stance as expectations of higher inflation moderated.
- In contrast to credit markets, UK government bonds were impacted by concerns about global inflation and domestic political instability.

- Although the benchmark 10-year gilt yield fell (meaning prices rose) by 16 basis points (bps) to 4.76%, it rose to its highest level since the Global Financial Crisis in 2008. In the US, the 10-year Treasury yield rose 15 bps (meaning prices fell) to 4.47%.

Portfolio review

The fund's credit beta position relative to the benchmark was the biggest contributor to performance. Elsewhere, the small overweight duration position also contributed as government bond yields fell. Sector allocation was broadly neutral. Overweight positions in real estate and retail were positive, although this was somewhat offset by the overweight position in technology and sub-market exposure to oil and gas. Security selection slightly detracted from performance, mainly due to issuance choices among water utilities. Conversely, selection within financial services companies, such as business development companies (BDCs), was an area of strength. With regard to single issuers, Athene delivered one of the strongest performances as concerns around private credit receded and led to positive spread performance. Investors were also reassured by Athene's continued stable earnings from a diversified asset base, in addition to the company's management team taking proactive steps to emphasise its balance sheet strength, liquidity and resilience across

Marketing communication

For professional investors only

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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.

previous credit cycles. Falling gilt yields also benefited the position in a longer-dated bond issued by Church Commissioners of England, while education platform Pearson delivered a positive trading update, noting strong sales growth that supported corporate earnings visibility.

By contrast, the position in Southern Water detracted. The UK water utilities sector had been recovering well since the peak of concerns around lack of cash flow to address ageing infrastructure, pollution and regulatory scrutiny. However, renewed political uncertainty, combined with spiking gilt yields earlier this year, dampened enthusiasm for utilities. Despite this, we remain constructive on the sector and continue to believe that policy clarity, clearer regulation, cash injections and self-help measures have reduced near-term credit risk for many investment-grade water issuers.

During the quarter, portfolio activity has trended towards a more defensive, higher-quality bias. Having leaned into credit risk during periods of spread widening, we progressively trimmed credit beta, taking profits across a range of issuers that had performed well in the rebound. These included entities exposed to private credit, such as Athene, Ares Capital Corporation and Blackstone Private Credit Fund.

Additions were focused on higher-quality, favoured issuers offering what we saw as relative value. An example has been debt issued by housing associations, where valuations still look attractive to us. We increased the position to a small overweight, implementing new positions in Clarion Housing Group and Sanctuary and increasing exposure to Southern Housing, prompted by its plans to deleverage. We funded these moves by exiting Karbon. In banks, we participated in a new subordinated issue from NatWest and senior issuance from Lloyds. Elsewhere, we found opportunities to diversify the portfolio by investing in several competitively priced, off-benchmark issues such as PayPal and IDS Financing, a global logistics group. On the secondary market, we added a small position in Magnum Ice Cream Company (MICC) bonds at an attractive valuation. Recently 'spun off' from Unilever, we believe MICC could potentially be taken private, which could trigger a protective change of control clause, enabling the bonds to be redeemed at 101%.

While the various profit-taking among more cyclical areas brought down the fund's credit beta exposure, we also tactically traded credit protection via the iTraxx Crossover credit default swap (CDS) index. These instruments enabled us to efficiently adjust the risk position, but we also used them to sell protection (to go long) to take advantage of the need for 'insurance' when we felt that fears around the oil price spike's potential impact on

European credit were overdone. We then took profits from our long position during the quarter, and the fund remained unhedged either way, with the small overweight beta exposure reflected through security selection rather than use of CDS.

Manager outlook

The recovery in investor sentiment has led to sterling-denominated investment grade bond spreads narrowing to relatively tight levels, with valuations offering limited compensation for the risks. We think investors are likely to remain sensitive to the evolving dynamic between monetary policy, politics and fiscal credibility. In the US, expectations for rate cuts have been pushed out as inflation has proved more persistent, leading investors to reassess how restrictive the US Federal Reserve (Fed) may need to remain. Communication from Kevin Warsh, the new Fed Chair, has been perceived as less transparent and modestly more hawkish than anticipated, fuelling concerns over the 'higher for longer' interest rate narrative. Despite this, underlying economic resilience has been notable. Consumer demand has held up well, supporting corporate earnings and generally healthy balance sheets across investment grade issuers.

In the UK, the Labour Party faces increasing electoral pressure following a weak showing in the May local elections, highlighting a shift away from a traditional two-party system towards a more fragmented political landscape, with rising support at both ends of the spectrum. While gilt markets have been volatile, the leadership changes have been absorbed relatively calmly, with investors focused on continuity of fiscal discipline. Andy Burnham has signalled adherence to existing fiscal parameters, helping to anchor expectations. However, structural challenges remain, with a growing need to balance fiscal restraint with higher spending demands, particularly in defence and infrastructure, a theme echoed across Europe.

Nevertheless, corporate fundamentals remain broadly supportive and we are seeing little sign of investor demand for investment grade credit abating. We think a small overweight credit beta position remains appropriate for now, but believe we should continue to be selective in how we implement this, balancing quality with exposure further down the curve where risk-adjusted carry may remain more attractive. Our focus remains on achieving a balanced portfolio, with a diversified spread of high-quality issuers with resilient cash flows and strong liquidity, while remaining selective within higher-beta segments.

Performance (%)

Returns	Cumulative				Annualised			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since inception (04/09/00)
I Acc (Net)	0.85	3.06	1.24	4.45	6.38	-0.80	1.74	3.85
Index	0.69	2.64	0.98	4.29	6.42	-0.51	1.70	4.56
Peer Group	0.83	2.84	1.17	4.54	6.90	0.21	2.25	3.73
I Acc (Gross)	—	—	—	—	—	-0.29	2.27	4.40
Target	—	—	—	—	—	0.48	2.71	5.60

12 month rolling

	Jun 2025-Jun 2026	Jun 2024-Jun 2025	Jun 2023-Jun 2024	Jun 2022-Jun 2023	Jun 2021-Jun 2022
I Acc (Net)	4.45	5.22	9.54	-7.29	-13.92
Index	4.29	5.33	9.72	-6.93	-13.12
Peer Group	4.54	5.75	10.53	-4.81	-13.13

Performance is on a net of fees basis, with gross income reinvested. Source: at 30/06/26. © 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 income and capital growth over the long term. Performance target: To outperform the Markit iBoxx GBP Non-Gilts all maturities Index by 1% 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	18 December 1997
Total net assets	150.31m
Asset class	Fixed Income
Domicile	United Kingdom
Structure	OEIC
Base currency	GBP
Index	Markit iBoxx GBP Non-Gilts all maturities Index
Peer group	IA Sterling Corporate Bond

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 30 June 2025, Carl Jones now manages this fund. 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 Markit iBoxx Non-Gilts all maturities Index is a measure of the combined performance of investment grade corporate bonds issued in pounds sterling. It forms the basis of the Fund's performance target and provides a useful comparison against which the Fund's performance can be assessed over time.

The Investment Association (IA) groups funds with similar geographic and/or investment remit into sectors. The Fund's ranking within the sector (as calculated by a number of data providers) can be a useful performance comparison against other funds with similar aims.

Investment policy

The Fund invests at least 80% of its assets in Sterling-denominated investment grade (equivalent to BBB - rated or higher) corporate bonds. The Fund may also hold other assets including bonds of other types from any issuer, Collective Investment Schemes (including those managed by Janus Henderson), 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 Markit iBoxx GBP Non-Gilts all maturities Index, which is broadly representative of the bonds 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. As an additional means of assessing the performance of the Fund, the IA Sterling Corporate Bond sector average, which is based on a peer group of broadly similar funds, may also provide a useful comparator.

Investment strategy

The Investment Manager seeks to provide a total return in excess of that generated by the benchmark over a market cycle by investing primarily in sterling denominated investment grade rated corporate bonds. The investment process combines asset allocation views with rigorous fundamentally driven security selection from the credit analysts.

Fund specific risks

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. High exposure to a particular country or geographical region carries a higher level of risk than a more broadly diversified portfolio. 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. 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.

Janus Henderson
— INVESTORS —

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

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