Janus Henderson INVESTORS

ALL STOCKS CREDIT FUND

At a glance

Performance*
The Fund returned −2.41%, the Index returned −1.74% and the Peer Group returned −2.05%.

Contributors/detractors
The fund's small long-duration position relative to the benchmark detracted from performance. Security selection contributed overall, with selections among financial services adding to returns.

Outlook
We remain constructive on sterling-denominated investment grade credit. We prefer issuers with robust balance sheets and improving fundamentals and avoid highly-leveraged businesses and issuers facing refinancing or competitive pressures.

Portfolio management


James Briggs, ACA, CFA


Tim Winstone, CFA


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Investment environment

- Sterling-denominated corporate bond markets fell as geopolitical tensions, rising energy prices and concerns over fiscal sustainability drove a sharp repricing in global government bond markets.
- Renewed US-Iran tensions reignited uncertainty over oil supplies, which prompted concerns around inflation and a higher-for-longer interest rate environment. Meanwhile, concerns over debt servicing costs and fiscal deficits, particularly in France, added further pressure to government bond yields.
- This also impacted UK markets, where political uncertainty remained a feature too. Andy Burnham became the UK's seventh prime minister in 10 years in July, although he adopted a more fiscally prudent stance than investors had initially feared.
- The Bank of England (BoE) kept its benchmark interest rate unchanged at 3.75% during the quarter.
- Against this backdrop, 10-year gilt yield rose (meaning prices fell) 67 basis points (bps) to 5.42%, while the 10-year Treasury yield rose around 85 bps to 5.29%.
- Sterling investment grade credit was more resilient, supported by generally strong corporate earnings and positive economic growth, but was not entirely immune to the weakness. Credit spreads widened across the board, with financials underperforming non-financials, and unsurprisingly, subordinated debt lagging senior issues.
- In financials, spreads among insurers widened the most while financial services issuance widened the least. Among non-financials, consumer services was one of the most resilient sectors, while telecommunications lagged.

Portfolio review

The small long-duration position relative to the benchmark was the biggest detractor given the sell-off across government bond markets. Elsewhere, the overweight credit beta position also hindered performance as credit spreads widened over the reporting period. Sector allocation detracted as the positive effects from the small overweight exposure to retail and the sub-market position in insurance were more than offset by the overweight exposures to technology and banks. Conversely, security selection was the biggest positive contributor, mainly due to issuance choices across utilities. Security selection among financial services was also a noteworthy

Marketing communication
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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.

contributor, although was more challenged across technology and banks.

With regards to single issues, the off-benchmark position in US sub-investment grade CoreWeave detracted due to investor anxiety around the scale of its debt-funded artificial intelligence (AI) infrastructure investment programme, and the potential consequences should the demand for AI plateau. The fund's position in sterling-denominated Google bonds also detracted following Amazon's sterling-denominated issuance. What we saw as an attractively priced new deal provided an alternative high-quality technology credit and prompted a relative value repricing across the sector. The position in Credit Agricole detracted as French banks came under pressure from domestic political uncertainty and a lack of consensus over tackling the spiralling sovereign debt problem.

Conversely, Southern Water was one of the largest contributors to performance as the political headwinds subsided a little and investors re-focused on recent improvements in the UK water utility sector. The fund's avoidance of EDF also contributed to relative performance as the utility firm was caught up in the concerns around the French political and fiscal instability situation, as well as recently announcing disappointing corporate earnings results.

As with the volatility earlier this year, we dialled up credit beta but continued to use market weakness selectively, adding risk where spreads offered what we saw as more attractive compensation. We participated in Amazon's sterling issuance, taking advantage of a decent new-issue concession and the opportunity to gain exposure to a highly-rated US issuer without taking an off-benchmark position. Elsewhere in technology, we topped up the position in CoreWeave following the spread weakness. We also took advantage of the indiscriminate sell-off across French banks and bought into the tier 2 subordinated debt of Groupe BPCE, one of the largest and most liquid French banking groups, that came to market at an attractive price to us. Also in the subordinated financials space, we invested in an attractively priced hybrid bond issued by Bupa, the health insurer, which we consider a defensive holding with robust fundamentals. We also added an off-benchmark position in euro-denominated Renault, one of our favoured auto issues. We initiated a new position in German national champion Deutsche Telekom, which we think is well positioned to weather the challenges in the telecoms space and which provides diversification, including some exposure to the US market.

Having reduced risk over the summer months, when spreads were tight and ahead of the expected increase in supply in the new issues market, we sold very little to accommodate these additions. Having said that, we took partial profits in Anglian Water and South West Water, reducing the overweight position ahead of the Labour Party conference given lingering (albeit reduced) uncertainty around potential nationalisation policy. We exited Charter Communications, as competitive pressures, subscriber challenges and the threat from fixed wireless continued to weigh on its outlook.

Manager outlook

We remain constructive on sterling-denominated investment grade credit. Although geopolitical uncertainty, energy prices and the financing requirements associated with AI investment continue to pose risks, underlying corporate fundamentals remain broadly resilient. Recent spread widening has improved valuations, while the higher yields available offer attractive carry and greater protection against further market volatility.

For government bonds, the outlook is more finely balanced. UK inflation has shown signs of moderating, and the BoE may have scope to ease policy again if economic activity weakens. However, the speed and scale of the recent rise in global yields demonstrate how vulnerable gilts remain to external developments and changing inflation expectations. We therefore remain mindful of the contribution of duration to overall portfolio risk.

Credit valuations have become a little more compelling from near-historic tight levels, and we have modestly increased beta while retaining a selective approach to issuer and sector exposure. We continue to prefer issuers with robust balance sheets and improving fundamentals, such as the UK water utility sector, which continues to be attractively valued in our view. We remain cautious towards highly leveraged telecommunications businesses and issuers facing significant refinancing or competitive pressures.

Compared to the US, and more latterly, Europe, primary issuance in the UK continues to be moderate, but substantial investor cash balances and rising coupon income should continue to support demand. If supply exceeds demand or spreads widen further, this could create attractive opportunities to add exposure at more favourable levels. We will continue to balance carry and income opportunities against geopolitical and market risks, with rigorous security selection and relative value remaining central to performance.

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)	-1.34	-2.41	-1.20	1.38	4.86	-1.10	0.80	3.71
Index	-1.14	-1.74	-0.78	1.78	5.01	-0.66	0.97	4.44
Peer Group	-1.21	-2.05	-0.90	1.53	5.45	-0.10	1.43	3.61
I Acc (Gross)	—	—	—	—	—	-0.60	1.32	4.26
Target	—	—	—	—	—	0.33	1.98	5.49

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)	1.38	3.07	10.35	4.44	-21.43
Index	1.78	3.70	9.72	6.96	-21.92
Peer Group	1.53	3.98	11.07	7.10	-20.78

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 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	108.69m
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. 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.

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

Janus Henderson
INVESTORS

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