Janus Henderson INVESTORS

GLOBAL SHORT DURATION INCOME FUND (GBP)

At a glance

Performance*
The Fund returned 0.47%, the Index returned 0.95%

Contributors/detractors
Yield curve positioning detracted from performance as yields rose and corporate bond spreads widened. Income from the fund's short-duration corporate credit holdings contributed, as did securitised assets.

Outlook
We favour conservative duration positioning, while seeking to harvest levels of carry that have largely been absent from the front end of the curve for years.

Portfolio management



Daniel Siluk



Addison Maier

Investment environment

- Global bond markets weakened over the quarter, as yields rose sharply (and prices fell) after the US Federal Reserve (Fed) raised interest rates and oil prices rose again following the collapse of a fragile US-Iran ceasefire.
- The Fed held the federal funds rate steady in July, then raised it by 25 basis points (bps) in September from 3.75% to 4.00%, its first hike in more than three years. Chair Kevin Warsh said inflation had been too high for too long. Futures markets are pricing in one more hike this year and at least another two in 2027.
- US hiring slowed over the summer before rebounding in August, when a higher-than-expected 162,000 jobs were added and unemployment held at 4.1%. US year-over-year inflation eased from 3.5% in June to 3.4% in both July and August but remains elevated.
- Elsewhere, the European Central Bank (ECB) raised its main policy rate by 25 bps to 2.50%, as did the Bank of Japan to 1.25%—its highest level since 1995. The Reserve Bank of Australia raised its cash rate to 4.6%, the highest since 2011.
- Globally, the yield differential (spread) between corporate and government bonds widened.

Portfolio review

The strategy aims to invest in higher-quality, shorter-dated credit that we believe offers attractive income generation (carry) as the securities near maturity. The positive quarterly return was mainly due to the income (or carry) generated by the fund's core allocation to short-duration corporate bonds. Positioning in securitised assets also contributed. In contrast, yield-curve positioning detracted from performance as yields rose and spreads on corporate bonds widened, particularly in September.

We left duration (interest-rate risk) broadly unchanged at around 0.7 years amid continuing uncertainty around interest rates. The combination of above-target inflation and strong growth in the US justifies keeping duration low in our view, so that income can reset higher more quickly. Now that rates have backed up, we believe the extra yield on offer may bode well for future returns.

Like other central banks, the Fed must contend with inflationary factors outside its control. A fresh escalation of the US-Iran conflict could push oil prices higher, potentially hurting growth, while a full reopening of the Strait of Hormuz could bring them sharply lower. Other inflationary forces look more entrenched, including supply-side price pressures from deglobalisation, or could yet prove double-edged, such as the artificial intelligence (AI) investment wave. While the build-out of AI infrastructure is fuelling demand for land, labour and resources, and competition

Marketing communication
Past performance does not predict future returns.
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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.

for capital, its disinflationary potential has yet to be tested. We are also watching the pace of this investment closely, in case it slows significantly.

With capital preservation central to the fund, we prefer not to get ahead of the market by adding too much duration too early. Typically, we seek to source duration opportunistically in regions where slowing growth and falling inflation may signal a rate cut. Over the past several months, conditions have coalesced around the need for more restrictive policy in most developed economies in Europe and Asia. Nonetheless, beyond our core US market, in Canada, New Zealand and Europe, we continue to find opportunities in short-dated government bonds where central banks could have room to cut sharply if economic growth faltered. These markets are more sensitive to oil prices, however, so we size these positions carefully.

Manager outlook

Global fixed-income markets have entered a more volatile phase after the Fed lifted interest rates for the first time in more than three years. With the US economy showing resilience, we believe the pressure is not coming from any change in credit fundamentals, which appear to remain largely sound.

Aside from facing a possible cycle of further modest rate hikes, markets are adjusting to life under Fed Chair Warsh, as he seeks to earn credibility through delivery rather than the forward guidance investors have grown accustomed to. By unanimously raising interest rates in September, the nascent Warsh Fed signalled that its inflation-fighting credibility comes first. Although rate rises are unlikely to curb inflation driven by oil or investment in infrastructure for AI, the Fed must still keep inflation expectations in check. Therefore, it appears to be choosing to pay now, in terms of rate market volatility and potential economic pain, rather than risk paying more later by allowing inflation expectations to become unanchored. However, markets are likely to need more clarity around the pace and extent of rate hikes before they can invest with confidence. The September rate hike is a step, not an “all clear” sign.

Still, with front-end yields moving quickly to anticipate tighter monetary policy, bond investors may be able to earn attractive income streams without increasing interest-rate exposure. With the yield curve steep at its shortest end, short-dated bonds may also benefit as they move closer to maturity. Across geographies, we believe relatively conservative duration positioning is merited until the market gains greater visibility into how geopolitics, technology, and fiscal discipline are likely to impact the future investment environment.

Performance (%)

Returns	Cumulative				Annualised			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since inception (25/02/19)
I Acc (Net)	-0.22	0.47	2.32	3.68	5.49	3.46	—	2.82
Index	0.33	0.95	2.88	3.95	4.63	3.68	—	2.53
I Acc (Gross)	—	—	—	—	—	4.03	—	3.39
Target	—	—	—	—	—	5.75	—	4.59

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)	3.68	5.93	6.89	3.80	-2.71
Index	3.95	4.60	5.34	4.15	0.42

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 generate a positive return (more than zero), after the deduction of costs and charges, over a rolling 12 month period. An absolute return performance is not guaranteed over this specific, or any other, time period and consequently capital is in fact at risk. Performance target: To outperform the ICE Bank of America 3 month Sterling Government Bill Index by at least 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	25 February 2019
Total net assets	32.28m
Asset class	Fixed Income
Domicile	United Kingdom
Structure	OEIC
Base currency	GBP
Index	ICE Bank of America 3 month Sterling Government Bill Index

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 02 December 2024 the fund changed its name to the Janus Henderson Global Short Duration Income Fund (GBP), the Investment Policy and Investment Strategy also changed. Past performance shown prior to this date was 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.
The ICE Bank of America 3-Month Sterling Government Bill Index is an unmanaged index that is comprised of a single UK Gilt issue with approximately three months to final maturity. 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.

Investment policy

"The Fund invests at least 80% of its assets in a global portfolio of short duration* bonds of any quality, including high yield (non-investment grade) bonds and asset-backed and mortgage-backed securities, issued by governments or companies. The Fund may invest directly or via derivatives (complex financial instruments). * In this case the \"short duration\" of the bonds means that they can have a reduced sensitivity to interest rates and may therefore be less likely to experience large fluctuations in value. The overall duration of the Fund is typically less than two years and may at times also be negative. The Fund has no pre-established maturity standards, but the weighted average maturity of the portfolio as a whole is expected to be below five years. The Fund may also invest in other assets including bonds of other types from any issuer, Collective Investment Schemes (including those managed by Janus Henderson), preference shares, cash, and money market instruments. In certain market conditions, the Fund may invest more than 35% of its assets in government bonds issued by any one body. The Fund will not invest more than 15% of its assets in high yield (non-investment grade) bonds and will never invest in bonds rated lower than B- or B3 (credit agency ratings), or if unrated deemed to be of a comparable quality by the Investment Manager. 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, to manage the Fund more efficiently, or to generate additional capital or income for the Fund. The Fund is actively managed with reference to the ICE Bank of America 3 month Sterling Government Bill Index as this forms the basis of the Fund's performance target. The Investment Manager has a high degree of freedom to choose individual investments for the Fund. "

Investment strategy

The Investment Manager aims to provide consistent positive absolute returns in excess of cash with low volatility and capital stability across economic and credit cycles. Exposure to shorter maturity investment grade bonds across global fixed income markets creates steady income generation which is balanced with tactical trades that aim to dampen overall volatility and take advantage of any market mispricing and dislocations. The Fund is benchmark agnostic seeking the best risk adjusted opportunities across sectors and countries.

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. Some bonds (callable bonds) allow their issuers the right to repay capital early or to extend the maturity. Issuers may exercise these rights when favourable to them and as a result the value of the Fund may be impacted. 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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