Janus Henderson INVESTORS

GLOBAL SMALLER COMPANIES FUND

At a glance

Performance*
The Fund returned −3.48%, the Index returned −3.69%

Contributors/detractors
Performance was driven primarily by stock-specific developments. Sterling Infrastructure, Bel Fuse and Collegium Pharmaceutical detracted. DPM Metals, SPS Commerce and Halozyme Therapeutics contributed.

Outlook
We believe global small-cap companies remain well positioned, provided economies avoid a significant and prolonged monetary policy tightening cycle.

Portfolio management


Nick Sheridan


Jonathan Coleman, CFA


Aaron Schaechterle


Ollie Beckett


Yunyoung Lee, CFA

Investment environment

- Global small-cap equities fell in the third quarter, as concerns about increased inflationary pressures, monetary policy tightening, and higher government bond yields weighed on investor sentiment.
- Performance was subdued in July, as investors reassessed the artificial intelligence (AI) investment theme, while an upsurge in fighting between the US and Iran drove up energy prices.
- Optimism about AI spurred a rally in the first half of August, helped by hopes of a US-Iran diplomatic breakthrough. However, sentiment became more subdued as the peace process remained unresolved, while hawkish comments from US Federal Reserve (Fed) Chair Kevin Warsh also unnerved investors.
- In September, continued tensions in the Middle East pushed oil prices above $100 per barrel and global bond markets sold off. The Fed's first rate hike since 2023, and indications of further increases, added pressure.
- Against this backdrop, global small-cap equities underperformed their larger-cap counterparts. US small caps were particularly weak and lagged international markets.
- While the near-term backdrop has become more volatile, economic activity remains broadly supportive and has continued to provide a constructive foundation for corporate earnings.

Portfolio review

Performance was driven primarily by stock-specific developments. The biggest detractors were concentrated among our AI infrastructure holdings. Shares in Sterling Infrastructure and Bel Fuse gave back some of their gains from earlier in the year, as enthusiasm surrounding the AI investment cycle moderated. We had been actively managing exposure to this theme for some time and made some additional reductions in early July. These actions were intended to help maintain appropriate portfolio diversification and to avoid undue reliance on a single investment theme. While Sterling Infrastructure reported results that demonstrated strong growth and compelling returns, heightened caution around the AI trade saw modest shortfalls in margins and backlog become the focus. Following discussions with its management, we remain comfortable that these represented manageable shortfalls rather than any change to the long-term investment case.

Collegium Pharmaceutical was another notable detractor. The company owns a portfolio of pain-management products that face ongoing generic competition, and we

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.

had expected growth from its ADHD franchise to help offset these pressures. However, the results it released during the quarter suggested that declines in the legacy portfolio were accelerating more rapidly than anticipated. As a result, we reduced the position.

On the positive side, one of the largest contributors was DPM Metals, which benefited from continued robust cash generation and a supportive gold price backdrop. We also saw some strength from selected software holdings, including SPS Commerce and Paylocity. The former provides software solutions that help small- and medium-sized enterprises (SMEs) coordinate logistics activities, while Paylocity is well positioned in HR, payroll and tax administration software. In addition to their idiosyncratic, bottom-up attributes, these stocks offer a counterbalance to our "AI winner" stocks that we own related to the build-out of data centres.

Elsewhere, shares in Halozyme Therapeutics performed well following a series of positive royalty developments. Halozyme's drug-delivery technology enables certain medicines to be administered subcutaneously rather than via intravenous infusion, improving convenience for both patients and healthcare providers.

Early in the quarter, we selectively reduced positions in certain AI infrastructure beneficiaries and redeployed capital into software companies and other areas that had lagged the market, but where we believed the underlying fundamentals remained attractive. We also sold Chugoku Marine Paints and Open House, completing the portfolio repositioning initiated during the June rebalance. We exited a longstanding and highly profitable investment in Banco Comercial Português and initiated a position in Avanza, the Swedish digital savings and investment platform. We believe the company is favourably positioned to potentially continue gaining market share through its strong customer proposition, attractive cost structure and favourable demographic trends.

Later in the period, our quarterly review process resulted in us making several new additions, including Manhattan Associates, a provider of cloud-native supply chain and ecommerce software, Koninklijke BAM Groep, which operates in the European construction market, and Cactus, a specialist supplier to the energy industry whose wellhead technologies have a strong reputation for reliability and safety. Within consumer discretionary, we established a position in Lovisa, the vertically integrated fashion jewellery retailer. We believe the company's capital-light business model, international expansion opportunities and favourable returns profile create the potential for long-term value creation. We also added several financial companies, including Bendigo and Adelaide Bank, Bank of East Asia and Esquire Financial.

Manager outlook

Investor sentiment towards small-cap equities has weakened as bond yields have risen rapidly. While we recognise this concern, we believe the asset class remains well positioned, provided economies avoid a significant and prolonged monetary policy tightening cycle. Valuations across global small-cap markets appear attractive to us, both relative to history and compared with larger-cap equities. In addition, economic activity appears resilient. Purchasing Managers' Indices (PMIs) in the US remain consistent with economic expansion, while manufacturing activity in Europe has also shown signs of improvement, despite an uncertain political backdrop. In this environment, we remain focused on identifying high-quality businesses with durable competitive advantages, strong returns on capital and attractive long-term opportunities.

Performance (%)

Returns	Cumulative				Annualised			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since inception (26/02/25)
I Acc (Net)	-2.62	-3.48	8.95	11.66	—	—	—	18.05
Index	-2.12	-3.69	14.11	17.55	—	—	—	17.04

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)	11.66	—	—	—	—
Index	17.55	—	—	—	—

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 capital growth over the long term (5 years or more). 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	26 February 2025
Total net assets	236.53m
Asset class	Equities
Domicile	United Kingdom
Structure	OEIC
Base currency	GBP
Index	MSCI World Small Cap 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. 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. As of 30th June, Nick Sheridan, Jonathan Coleman, Aaron Schaechterle, Ollie Beckett, Yunyoung Lee and Sat Duhra will now manage 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 MSCI World Small Cap Index is a measure of the performance of small-sized companies from developed stock markets around the world. It is the performance target for the Fund 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 net assets in listed shares (also known as equities) or equity-related instruments of small capitalisation companies, in any industry, in any country. Equity-related instruments may include depositary receipts. In this context, small capitalisation companies are those whose market capitalisation, at the time of initial purchase, are within the range of market capitalisations of companies included in the MSCI World Small Cap Index The Fund may also invest in other assets including Collective Investment Schemes (including those managed by Janus Henderson), 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. The Investment Manager has discretion to choose investments for the Fund with weightings different to the index or not in the index with a maximum of 20% of the Funds net assets in non index companies.

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. 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

Source: Janus Henderson Investors, as at 30 September 2026, unless otherwise noted.
Please read all scheme documents before investing. Before entering into an investment agreement in respect of an investment referred to in this document, you should consult your own professional and/or investment adviser. Marketing Communication. Past performance does not predict future returns. 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. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law change. If you invest through a third party provider you are advised to consult them directly as charges, performance and terms and conditions may differ materially. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment. It does not form part of any contract for the sale or purchase of any investment. Any investment application will be made solely on the basis of the information contained in the Prospectus (including all relevant covering documents), which will contain investment restrictions. This document is intended as a summary only and potential investors must read the prospectus, and where relevant, the key investor information document before investing. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes. Issued by Janus Henderson Investors. Janus Henderson Investors is the name under which investment products and services are provided by Janus Henderson Investors International Limited (reg no. 3594615), Janus Henderson Investors UK Limited (reg. no. 906355), Janus Henderson Fund Management UK Limited (reg. no. 2678531), Tabula Investment Management Limited (reg. no. 11286661), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Janus Henderson Investors Europe S.A. (reg no. B22848 at 78, Avenue de la Liberté, L-1930 Luxembourg, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier). Janus Henderson® and any other trademarks used herein are trademarks of Janus Henderson Group Ltd. or one of its subsidiaries. © Janus Henderson Group Ltd.