

MARKET GPS

# INVESTMENT OUTLOOK

MID-YEAR 2026

Expert views to help navigate the investment landscape.

YOUR  
BRIGHT  
FUTURE



OUR  
INVESTMENT  
EXPERTISE

**WHAT'S INSIDE:**

- + **MACRO OVERVIEW**
- + **PORTFOLIO TRENDS**
  - > Equities
  - > Fixed Income
  - > Solutions

At the mid-point of 2026, markets continue to digest the impacts of geopolitical conflict, the path of inflation, and the expanding reach of artificial intelligence (AI). But **what does this mean for investors?** Our **Market GPS Investment Outlook Mid-Year 2026** explores the macro backdrop, provides actionable portfolio positioning allocation themes, and seeks to help investors position for a brighter future.

## Positioning for a diversified opportunity set

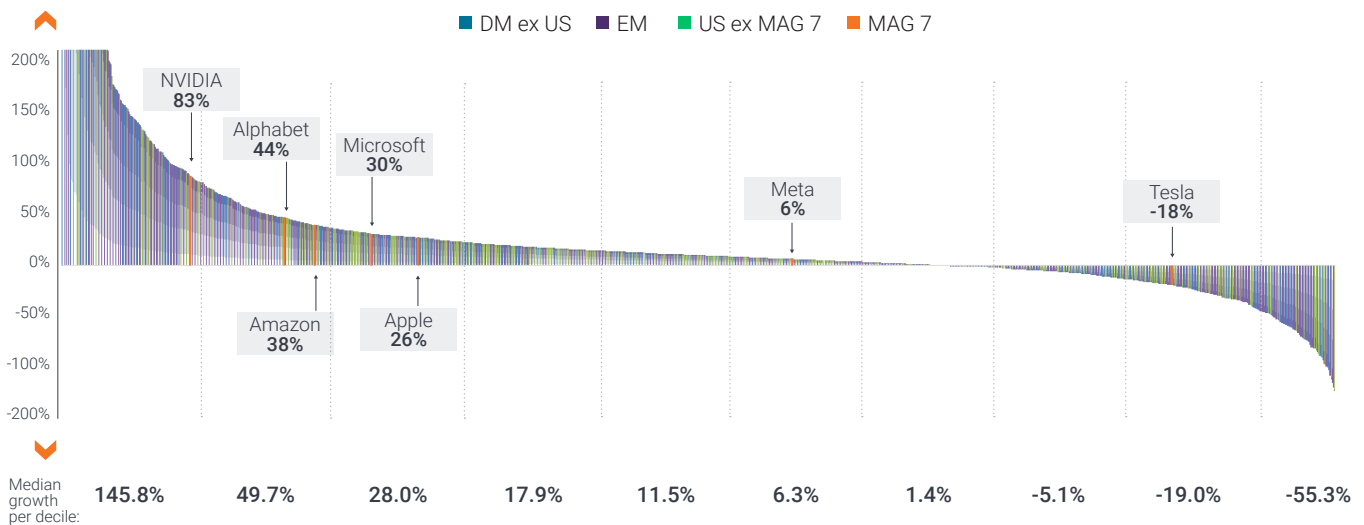
Given the macro backdrop and landscape of opportunities, **Richard Bernstein, Global Head of Macro and Customized Investing**, explains the importance of portfolio diversification – in both investment strategies and individual holdings.

We continue to view **global equity markets as ripe with opportunities**. The historically narrow market of the past several years, in which a select few companies have led market performance, has left many growing companies in the dust. These **ignored growth opportunities seem undervalued**, and some even offer attractive dividends.

The chart below shows the earnings growth of each company in the MSCI All-Country World Index (ACWI), highlighting the earnings growth of the so-called Magnificent 7 stocks (Mag 7) compared to stocks in other regions.

### + Equity opportunities extend beyond the Mag 7.

MSCI ACWI earnings growth by company, by region



Source: Bloomberg, as of 31 May 2026. **There is no guarantee that past trends will continue, or forecasts will be realized.**

## Positioning for a diversified opportunity set (CONTINUED)

Although some of the Mag 7 companies exhibit strong growth, the group's potential is not at all unique, and the odd color pattern of the bars demonstrates that robust **growth is more widely available than many investors expect.**

In our view, investors should focus on broadening equity investment themes within their portfolios. AI is, of course, an economy-changing technology, but investors' portfolios will likely benefit from being less myopic, particularly with the many growth stories presenting opportunity both in the U.S. and around the world.

We also continue to believe inflation could be a more sizable risk than current consensus suggests. This implies **fixed income portfolios may benefit from a focus on shorter-duration instruments and superior income,** rather than overall total return.

Enhanced cash, securitized strategies, and opportunistic fixed income strategies seem most relevant for a potentially changing inflation paradigm.

Building wealth requires discipline, but investors often get distracted by headlines and rapid-fire themes to the detriment of longer-term, more stable returns. It seems counterintuitive that investors have become more focused on short-term trading of single stocks when innovation in risk-controlled and diversifying wealth-building strategies is multiplying.

Overall, we believe **investors should view the second half of 2026 as an opportunity to further reset portfolios** to diversify both their holdings and their investment strategies.

The following themes highlight the investable opportunities as Janus Henderson sees them for the second half of 2026.

### EQUITIES

- **AI:** Expanding reach, deepening dispersion
- **Innovation:** Monetizing the acceleration
- **Ex-U.S.:** Balanced opportunity set, attractive valuations

### FIXED INCOME

- **Securitized credit:** Income with resilience
- **Multi-sector:** Diversification matters

### SOLUTIONS

- **Evolution of asset management:** Solving for client outcomes



“ In our view, investors should focus on **broadening equity investment themes within their portfolios.** While boring, dividends are beautiful, and growth may be more widely available than many investors expect.”

– Richard Bernstein, Global Head of Macro and Customized Investing

## AI: Expanding reach, deepening dispersion

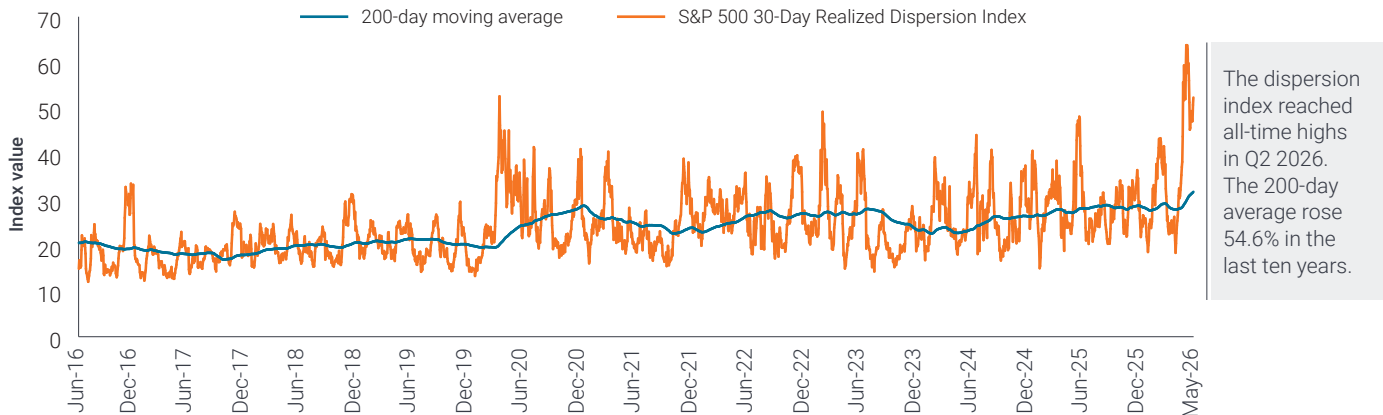
From hardware and infrastructure to cross-industry company implementations, **AI is permeating all areas of the market and transforming the investment landscape.**

AI infrastructure demand is outpacing supply, and capital expenditure across hyperscalers is expected to reach US\$837 billion for 2026.<sup>1</sup> Meanwhile, U.S. productivity rose 2.9% year over year in Q1, the strongest increase in two years,<sup>2</sup> suggesting AI adoption is showing in the data. These trends point to **compelling growth prospects in companies supporting the AI buildout** and those integrating AI into core operations.

But AI is also creating disruption, particularly agentic AI, which can tackle production-level workloads. Enter software, with this year's volatile share prices reflecting a collapse in the cost of building applications. As the ability to implement digital labor at scale is assessed, pressure is spreading to other industries. Deep research and **active stock selection will be key as the divide widens** between companies able to harness AI for foundational advantages and those vulnerable to disintermediation.

### ✦ Rising dispersion between winners and losers presents opportunity for active stock selection.

S&P 500® 30-Day Realized Dispersion Index



As of 31 May 2026. **The S&P 500 30-Day Realized Dispersion Index** measures the historical, weighted variation of individual S&P 500 stock returns relative to the overall index over a rolling 30-calendar-day period. High dispersion means individual stocks are moving in very different directions, while low dispersion means they are moving together. **There is no guarantee that past trends will continue, or forecasts will be realized. Past performance does not predict future returns.**

## Investor considerations

- ✦ **Infrastructure – the US\$106 trillion opportunity:** The AI buildout has extended into power, utilities, materials, and energy. A cumulative US\$106 trillion will be needed for new and updated infrastructure through 2040.<sup>3</sup> Demand is already exceeding supply across semiconductors, memory, cooling systems, optical, and power equipment. Companies operating at these bottlenecks, where capital expenditure shows no sign of slowing, merit consideration.
- ✦ **Evaluate disruption risk:** Some companies are using AI to strengthen their business, while others risk being left behind. As software becomes cheaper and AI tools more capable, undifferentiated business models face growing pressure. Companies with sustainable competitive moats, specialized products, unique data, high customer-switching costs, or complex regulations appear better placed.
- ✦ **Be selective at the company level:** Businesses are taking different approaches to AI adoption, automation, and monetization, which will likely equate to wider gaps in earnings and share price performance. In this environment, it will be critical to harness expertise to determine the quality of a company's AI strategy, the credibility of its path to earnings growth, and the strength of its competitive position.

<sup>1</sup>Source: Bloomberg Intelligence as of 1 June 2026. Data for 2026 reflects estimates and includes AWS, Microsoft, Google, Meta, Total China Hyperscale, and Tier 2 Neoclouds.

<sup>2</sup>Source: U.S. Bureau of Labor Statistics. As of 7 May 2026.

<sup>3</sup>Source: McKinsey & Company, "The infrastructure moment," 9 September 2025.

## Innovation: Monetizing the acceleration

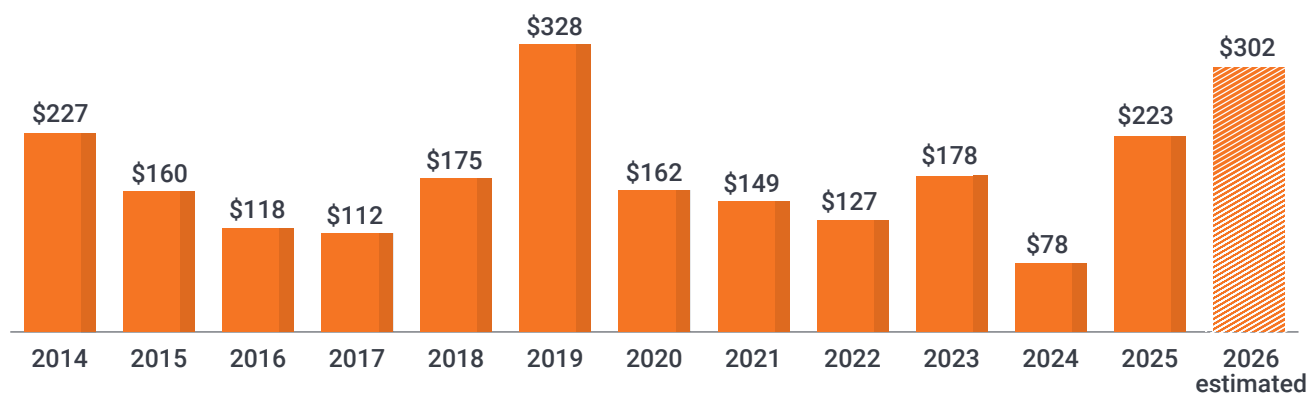
Companies globally are **funding innovation at unprecedented levels**, and strong earnings across the capitalization spectrum suggest it's bearing fruit.

Smaller companies are often at the forefront of innovation and have three structural shifts in their favor: They operate where the middle of the value chain and the **AI revolution** intersect; more locally focused supply chains position them as beneficiaries of **nearshoring**; and biotech firms sit at the forefront of **medical breakthroughs** amid major advances in gene therapies and disease targeting.

AI disruption, supply chain realignment, and drug patent cliffs are creating a buy-versus-build mentality across industries. In a palatable interest rate environment, Q1 merger and acquisition (M&A) volumes registered US\$861 billion, the strongest first quarter in five years.<sup>4</sup> Robust activity is anticipated throughout 2026, providing tailwinds for innovative target companies. But **if inflation becomes entrenched and rates rise, there are reasons to remain constructive**. Notably, past periods of higher rates, including the 1970s and early 2000s, have coincided with strong small-cap performance.<sup>5</sup>

### + Biopharma is on pace for its second-strongest year of M&A on record as companies seek innovation to offset patent cliffs.

M&A dollar volume in the biopharma sector (US\$ billions)



Source: Stifel, S&P, CapitalIQ, and DealForma. Data as of 31 March 2026. Full-year 2026 data is annualized.

**There is no guarantee that past trends will continue, or forecasts will be realized.**

## Investor considerations

- **Catalysts across biopharma:** Through Q1, all biopharma transactions have been below US\$10 billion, creating potential for a record-breaking year of M&A if larger deals come to market.<sup>6</sup> The sector has an expected 1,200 potential "events" this year<sup>7</sup> – from anticipated FDA decisions to trial enrollments and data readouts – that discerning investors may be able to capitalize on.
- **Beneficiaries of structural change:** Smaller companies have a relatively large presence in the industrials and materials sectors, providing valuable exposure to both the AI buildout and nearshoring trends. Innovative solutions may present attractive investment opportunities.
- **Opportunity in M&A:** Historically, companies lower in market capitalization have benefited disproportionately from M&A, including acquisition premiums that have averaged more than 30% of the target company's share price over time.<sup>8</sup> Investors uncovering the businesses driving change should be well positioned to benefit.

<sup>4</sup> Source: S&P Global, "Global M&A by the Numbers: Q1 2026," 20 April 2026.

<sup>5</sup> Source: Bloomberg, Furey Research Partners, Ibbotson, Janus Henderson Investors.

<sup>6</sup> Source: Stifel, "Q1 2026 Biopharma Market Update," 7 April 2026.

<sup>7</sup> Source: Bloomberg, 31 May 2026.

<sup>8</sup> Source: Bloomberg, Factset, JP Morgan calculations, Janus Henderson Investors analysis, as of 7 November 2025. Stocks below US\$100m total capitalization are excluded.

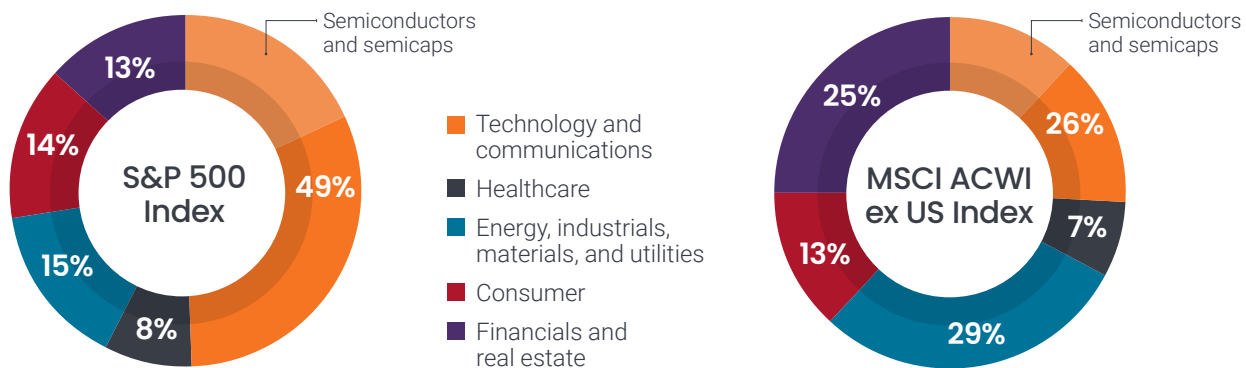
## Ex-U.S.: Balanced opportunity set, attractive valuations

After an extended run of U.S. market leadership, equities outside of the U.S. had a standout year in 2025, delivering their strongest returns since 2009. The MSCI ACWI ex USA Index rose 33% versus an 18% gain for the S&P 500 Index. Meanwhile, a closer examination of the past five years shows the ex-U.S. benchmark outperformed the broader U.S. equity market in 28 of 60 months.<sup>9</sup> This **highlights the role ex-U.S. equities can play as a counterbalance to U.S. market exposure.**

While U.S. markets should continue to benefit from powerful secular themes, other markets offer **a more balanced investable universe** that can enhance overall diversification. Europe, in particular, is well placed to benefit from increased defense spending and banking sector profitability at levels not seen for a decade. More broadly, leading semiconductor and memory chipmakers at the heart of the AI infrastructure buildout are based outside the U.S.

### ✦ A balanced opportunity set outside the U.S.

S&P 500 Index and MSCI ACWI ex USA Index GICS sector weightings



Source: S&P Global, MSCI. Data as of 31 May 2026.

## Investor considerations

- An attractive mix of growth- and value-oriented sectors:** Greater weightings toward cyclical sectors – such as financials, industrials, energy, and materials – could offer differentiated returns while complementing tech-heavy U.S. exposure.
- A narrowing gap:** Profit expectations are accelerating across most major regions. While the U.S. remains strong, earnings momentum for the broader global equity market is improving, suggesting that the gap between U.S. large-cap earnings momentum and the rest of the world is narrowing. Relative momentum tends to be a key driver of relative equity performance. The dividend yield on the ex-U.S. index – an often-overlooked component that can help smooth and enhance total returns over time – is also more than double that of the S&P 500.
- The compelling case for Europe:** The rearmament cycle presents a multi-year tailwind for well-positioned defense firms. European banks are benefiting from a focus on domestic growth and deregulation. Combined, these present tailwinds for allocations to the region.

<sup>9</sup> Source: Bloomberg, 31 May 2021 to 31 May 2026. Data based on monthly total return (price change + dividends) in the MSCI ACWI ex USA Index and the S&P 500 Index. **Past performance is no guarantee of future results.**

## Securitized credit: Income with resilience

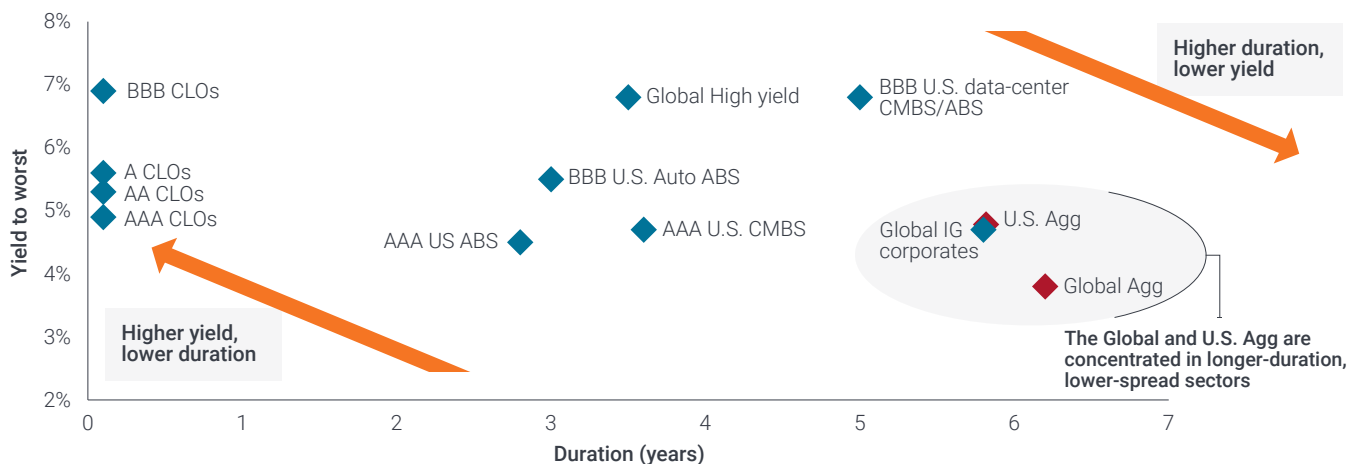
**Benchmark indices** such as the Bloomberg Global Aggregate Index (Global Agg) and the Bloomberg U.S. Aggregate Bond Index (U.S. Agg) are proverbial one-trick ponies. With their weightings concentrated in longer-duration, lower-spread sectors, and negligible securitized credit exposure, they are **disproportionately skewed toward a high degree of interest-rate, or duration, risk**.

Longer-duration bonds are typically more sensitive to volatility in interest rates, all else equal. And in contrast to many securitized credit sectors, the Aggregate indices capture very little credit spread income relative to their duration.

With the Federal Reserve and most major global central banks currently on pause or leaning more hawkish in response to higher oil prices, this landscape takes on new significance for portfolio positioning. For investors seeking resilient income, **securitized credit presents a robust asset mix** to help meet yield and duration targets.

### + Securitized sectors may help enhance return consistency by increasing income per unit of duration risk.

Yield relative to duration risk



Source: Bloomberg, JP Morgan, Janus Henderson Investors, as of 31 May 2026. Indices used to represent each asset class are as per disclosures on page 11. **There is no guarantee that past trends will continue, or forecasts will be realized. Past performance does not predict future returns.**

## Investor considerations

- **A diverse toolkit:** With a market capitalization of approximately US\$6 trillion<sup>10</sup> and subsectors offering exposure to consumer credit, real estate markets, and corporate loans, the U.S. securitized credit market provides a diverse toolkit for investors building a fixed income portfolio to navigate shifting landscapes.
- **Mitigating rate sensitivity:** Securitized credit provides investors with higher credit-quality exposure near the front of the yield curve. This positioning may offer attractive income with limited rate sensitivity as most major central banks adopt a more hawkish tilt amid elevated inflation linked to higher energy prices. In fact, these characteristics contributed to smoother return streams in the recent volatility of April 2025 and Q1 2026.<sup>11</sup>
- **Income optimization:** Given their inherently low duration, attractive spread income, and strong credit quality, allocations to one or more securitized credit sectors may help investors maximize income per unit of risk by better balancing duration and credit-spread exposure.

<sup>10</sup> Source: Bank of America, as of 31 December 2025.

<sup>11</sup> Source: Bloomberg, Janus Henderson Investors, as of 31 May 2026.

## Multi-sector: Diversification matters

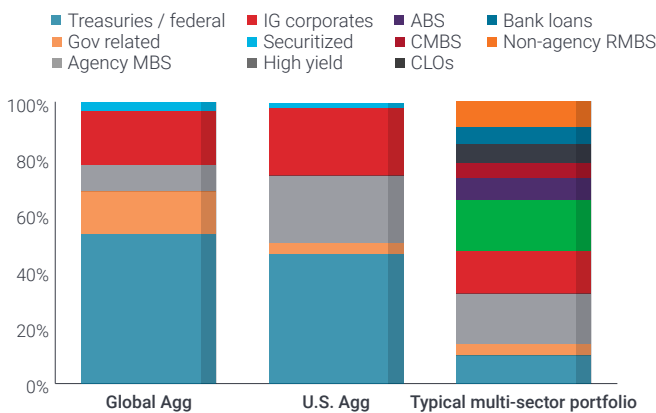
Portfolio diversification is a critical watchpoint for fixed income investors. Because they are not tied to benchmark sector weights – which are typically heavy on Treasuries, government bonds, and government agency bonds – multi-sector funds can access a wide spectrum of fixed income opportunities and income sources. That **broader set of levers can be positioned to help support more stable returns** when rate volatility and macro uncertainty are elevated.

Many multi-sector portfolios are designed to adjust to changing market conditions. Whereas an inflexible allocation grows more costly when volatility rises, **a multi-sector approach that is able to swiftly rotate across sectors, regions, and structures may be better positioned to generate income** without taking uncompensated risk.

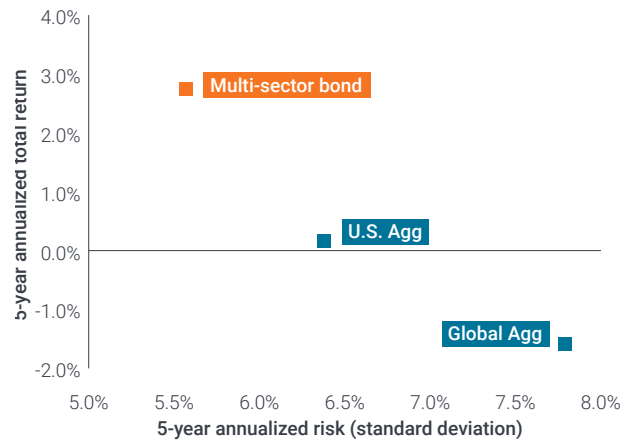
A multi-sector fund can typically allocate to higher-carry areas such as high-yield corporate bonds, loans, securitized credit, and emerging markets debt, thereby adding more distinct yield sources that may help smooth returns when interest rates swing.

### + Multi-sector portfolios may capture a broader set of return opportunities.

Typical portfolio allocation



5-year risk-adjusted returns



Source: Bloomberg, Morningstar, Janus Henderson Investors as of 31 May 2026. Janus Henderson makes no representation as to whether any illustration/example mentioned is now or was ever held in any portfolio. Illustrations are only for the limited purpose of analyzing general market or economic conditions and demonstrating the research process. (RHS) Chart represents Bloomberg index data for U.S. and Global Agg and Morningstar peer group data for multi-sector bond category. **Past performance is no guarantee of future returns.**

## Investor considerations

- **Yield amid uncertainty:** Today's fixed income landscape is characterized by tight spread levels, volatile rates, and evolving growth and inflation signals. Diversified multi-sector approaches with dynamic credit allocations and exposures to an array of underlying return drivers may help investors generate yield while effectively navigating the fluid macro backdrop.
- **Selectivity is key:** While fundamentals and technicals for credit remain strong, historically tight spread levels warrant a prudent approach to seeking yield. The predominant theme within corporate credit continues to be dispersion, whereby avoiding troubled sectors and staying up in quality is key to navigating a volatile environment.
- **Active flexibility matters:** In shifting markets, when uncertainty is high, multi-sector managers can pivot across sectors, maturities, and credit quality rather than staying locked into benchmark constraints. That flexibility may help manage drawdowns, avoid stressed pockets, and potentially capitalize on dislocations as conditions change.

# Evolution of asset management: Solving for client outcomes

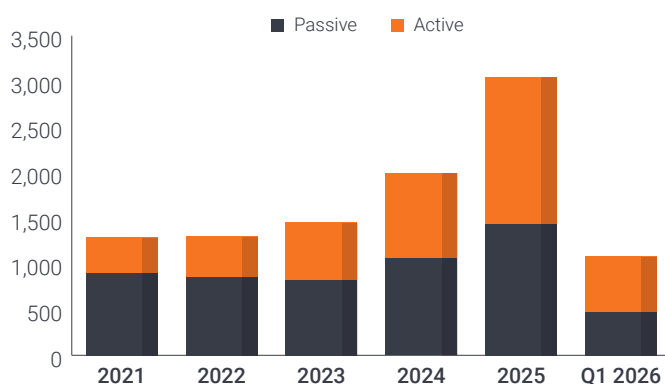
The asset management industry is evolving, with innovation in investment approaches and vehicle design. Growth in less traditional strategies and structures suggests **clients are embracing these solutions as they partner with asset managers to build more resilient portfolios.**

Within exchange-traded funds (ETFs), the wrapper is proving as effective for alpha-seeking strategies as for indexing. Active's share of flows jumped from 9% in 2021 to 27% in 2025, hitting 31% in Q1.<sup>12</sup> For investors seeking diversified income, derivative income products, such as equity-linked notes (ELNs), are gaining traction, particularly in the ETF format. Assets are up 17-fold from 2021.<sup>13</sup> For advisors, third-party model portfolios, often with underlying ETF exposure, have become a core component of portfolio construction, reaching US\$645 billion in Q1 2025.<sup>14</sup>

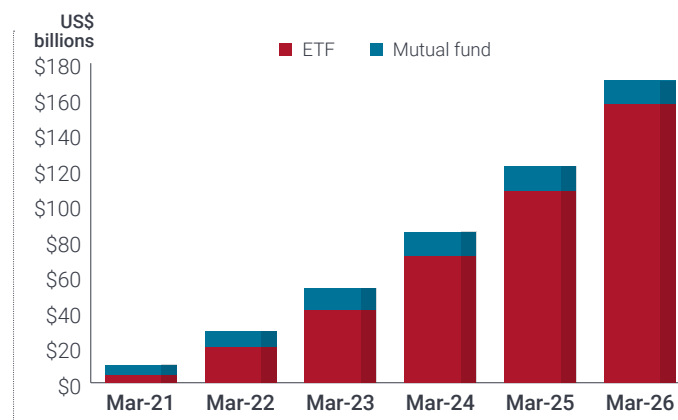
Meanwhile, interval funds, with near-daily issuance and predetermined redemption times, are broadening access to private markets. The U.S. saw 31 launches in 2025 and another seven in Q1 2026.<sup>15</sup>

## ✦ Active ETFs are solving for underserved asset classes and outcome-oriented strategies.

Global ETF launches: Active takes the lead



Derivative income AUM: One of the fastest-growing ETF categories



Source: Morningstar Direct, as of 31 May 2026. **There is no guarantee that past trends will continue, or forecasts will be realized.**

## Investor considerations

- **The structured product lever:** Bond and equity derivative hybrids, such as ELNs, typically seek enhanced income generation within a clearly defined set of parameters to mitigate downside risk. For investors seeking to align risk tolerance with income needs, these vehicles offer a strong complement to traditional income sources.
- **Private markets made accessible:** Allocations to private credit have accelerated, yet risk profiles vary widely across the asset class. Interval funds provide more accessibility to less-liquid, typically higher-yielding assets, including direct lending and asset-backed finance. These semi-liquid vehicles may be well-suited for investors seeking diversification without the lockups of traditional private funds.
- **Scalable solutions:** Model portfolios are becoming a cornerstone of portfolio construction in modern advisory practices. Turnkey asset allocation products and bespoke design in both fundamental and quantitative solutions make scalable personalization achievable.

<sup>12,13,15</sup> Source: Morningstar Direct, data to 31 March 2026.

<sup>14</sup> Source: Morningstar Direct, 2025 US Model Portfolio Landscape, data as of 31 March 2025.

## Investing together for a brighter future

The themes in this outlook are based on insight gained from partnering with clients around the world. Janus Henderson's Global Portfolio Construction and Strategy (PCS) Team has **consulted with over 7,000 global clients** and **analyzed more than 25,000 model portfolios**.



### Expert perspective

Powerful proprietary tools allow our investment and PCS teams to spot opportunities and uncover risks.



### Genuine partnership

Through one-on-one consultations, dedicated strategists gather insights and tailor solutions to client needs.



### Practical insights

We produce research-driven, data-based insights designed to support informed financial decisions.

To explore more of **Janus Henderson's insights** on the themes driving markets, visit [janushenderson.com](https://janushenderson.com).

# Definitions, indices, and risks

**Securitized credit: Resilient income (from page 7)** Indices used to represent asset classes: CLOs = JP Morgan AAA/AA/A/BBB CLO indices, Global high yield = Bloomberg Global High Yield Index, AAA US CMBS = Bloomberg Commercial Mortgage Backed Securities Investment Grade AAA Index, AAA US ABS = Bloomberg US Aggregate Asset Backed Securities AAA Index, Global Investment-Grade (IG) corporates = Bloomberg Global Aggregate Corporate Index, US Agg = Bloomberg US Aggregate Bond Index, Global Agg = Bloomberg Global Aggregate Bond Index Unhedged. BBB US data-center CMBS/ABS and BBB US Auto ABS represented by indicative market pricing.

## DEFINITIONS

**Agency mortgage-backed securities (MBS):** A security which is secured (or "backed") by a collection of mortgages. Investors receive periodic payments derived from the underlying mortgages, similar to the coupon on bonds.

**Agentic AI:** AI systems that can independently set goals, make plans, and execute multi-step tasks to achieve an objective without constant human oversight. Instead of merely responding to prompts, it uses reasoning to take proactive, autonomous action.

**Asset-backed securities (ABS):** A financial security that is "backed" (or collateralized) with existing assets (such as loans, credit card debts or leases), usually ones that generate some form of income (cash flow) over time.

**Carry:** Excess income earned from holding a higher yielding security relative to another.

**Collateralized loan obligations (CLOs):** A bundle of generally lower quality leveraged loans to companies that are grouped together into a single security, which generates income (debt payments) from the underlying loans.

**Commercial mortgage-backed securities (CMBS):** Fixed-income securities backed by a pool of commercial mortgage loans.

**Credit spread** is the difference in yield between securities with similar maturity but different credit quality. Widening spreads generally indicate deteriorating creditworthiness of corporate borrowers and narrowing indicate improving.

**Cyclical stocks:** Companies that sell discretionary consumer items (such as cars), or industries highly sensitive to changes in the economy (eg. mining).

**Dispersion:** The extent to which a distribution of data points is stretched or squeezed. If the data points cluster around certain values, dispersion is low. If they are spread out, dispersion is high. For example, dispersion in stocks measures the range of returns for a group of stocks. Higher dispersion opens up opportunities for stock pickers to outperform by selecting the winners and avoiding the losers.

**Dividend yield:** The annual dividend per share divided by the current share price, this metric indicates the potential annual income from a stock's dividends.

Duration measures a bond price's sensitivity to changes in interest rates. The longer a bond's duration, the higher its sensitivity to changes in interest rates.

**Earnings growth rate** refers to the annualized rate of growth of earnings for a stock or stocks in a portfolio over a given forward looking or trailing period.

**Fundamentals:** Information that contributes to the valuation of a security, such as a company's earnings or the evaluation of its management team.

**Hyperscalers** are large cloud service providers that build and operate data centers to deliver scalable computing, storage, and networking.

Interval funds are closed-end mutual funds that periodically offer to repurchase shares from shareholders but don't trade on the secondary market.

**Monetary policy:** Policies of a central bank, including setting interest rates and controlling the supply of money, aimed at influencing the level of inflation and growth in an economy. Tightening/hawkish policy refers to central bank activity aimed at curbing inflation and slowing growth by raising interest rates and reducing the supply of money.

**The "Magnificent Seven" (Mag 7)** refers to a group of seven U.S. technology stocks: Alphabet (GOOGL), Amazon (AMZN), Apple (AAPL), Meta Platforms (META), Microsoft (MSFT), Nvidia (NVDA), and Tesla (TSLA).

**Multisector bond portfolios**, as defined by Morningstar, seek income by diversifying their assets among several fixed-income sectors, usually U.S. government obligations, U.S. corporate bonds, foreign bonds, and high-yield U.S. debt securities.

**Price-to-earnings (P/E) ratio** measures share price compared to earnings per share for a stock or stocks in a portfolio.

**Secular themes:** Long-term investment themes with strong growth potential, such as climate change, AI, clean energy, or changing demographics.

**Volatility** measures risk using the dispersion of returns for a given investment.

**Yield:** Income on a bond over a set period, expressed as a percentage.

**Yield to worst (YTW)** is the lowest yield a bond can achieve provided the issuer does not default and accounts for any applicable call feature (ie, the issuer can call the bond back at a date specified in advance). At a portfolio level, this statistic represents the weighted average YTW for all the underlying issues.

**Yield curve:** A yield curve plots the yields (interest rate) of bonds with equal credit quality but differing maturity dates.

## INDICES

**Bloomberg Global Aggregate Corporate Bond Index** measures global investment grade, fixed-rate corporate bonds.

**Bloomberg Global Aggregate Bond Index** is a broad-based measure of the global investment grade fixed-rate debt markets.

**Bloomberg Global High Yield Index** is a broad-based measure of the global high-yield fixed income markets.

**Bloomberg US Aggregate Asset-Backed Securities (ABS) AAA Index** is a broad-based flagship benchmark that measures the investment grade, US dollar denominated, fixed-rate taxable bond market. The index only includes AAA rated ABS securities.

**Bloomberg US Aggregate Bond Index** is a broad-based measure of the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

**Bloomberg US Commercial Mortgage Backed Securities (CMBS) Investment Grade AAA Index** measures the Aaa-rated market of US Agency and US Non-Agency conduit and fusion CMBS deals with a minimum current deal size of US\$300mn.

**J.P. Morgan AAA CLO Index** tracks the market for AAA rated U.S.-dollar denominated broadly syndicated arbitrage CLOs.

**J.P. Morgan AA CLO Index** tracks the market for AA rated U.S.-dollar denominated broadly syndicated arbitrage CLOs.

**J.P. Morgan A CLO Index** tracks the market for A rated U.S.-dollar denominated broadly syndicated arbitrage CLOs.

**J.P. Morgan BBB CLO Index** tracks the market for BBB rated U.S.-dollar denominated broadly syndicated arbitrage CLOs.

**MSCI All Country World ex USA Index<sup>SM</sup>** reflects the equity market performance of global developed and emerging markets, excluding the U.S.

**MSCI All Country World Index<sup>SM</sup>** reflects the equity market performance of global developed and emerging markets.

**S&P 500<sup>®</sup> 30-Day Realized Dispersion Index** measures the historical, weighted variation of individual S&P 500 stock returns relative to the overall index over a rolling 30-calendar-day period. High dispersion means individual stocks are moving in very different directions, while low dispersion means they are moving together.

**S&P 500<sup>®</sup> Index** reflects U.S. large-cap equity performance and represents broad U.S. equity market performance.

## RISK DISCLOSURES

**Past performance does not predict future returns. Investing involves risk, including the possible loss of principal and fluctuation of value.**

**Actively managed portfolios** may fail to produce the intended results. No investment strategy can ensure a profit or eliminate the risk of loss.

**Alternative investments** include, but are not limited to, commodities, real estate, currencies, hedging strategies, futures, structured products, and other securities intended to be less correlated to the market. They are typically subject to increased risk and are not suitable for all investors.

**Artificial intelligence ("AI") focused companies**, including those that develop or utilize AI technologies, may face rapid product obsolescence, intense competition, and increased regulatory scrutiny. These companies often rely heavily on intellectual property, invest significantly in research and development, and depend on maintaining and growing consumer demand. Their securities may be more volatile than those of companies offering more established technologies and may be affected by risks tied to the use of AI in business operations, including legal liability or reputational harm.

**Asset-backed lending** involves loans secured by assets, where the loan value is based on the value of the collateral offered. Asset backed lending carries risks such as collateral depreciation, borrower default, and potential liquidity constraints during market downturns.

**Collateralized Loan Obligations (CLOs)** are debt securities issued in different tranches, with varying degrees of risk, and backed by an underlying portfolio consisting primarily of below investment grade corporate loans. The return of principal is not guaranteed, and prices may decline if payments are not made timely or credit strength weakens. CLOs are subject to liquidity risk, interest rate risk, credit risk, call risk and the risk of default of the underlying assets.

# Janus Henderson

## INVESTORS

**Derivatives** can be more volatile and sensitive to economic or market changes than other investments, which could result in losses exceeding the original investment and magnified by leverage.

**Diversification** neither assures a profit nor eliminates the risk of experiencing investment losses.

**Equity securities** are subject to risks including market risk. Returns will fluctuate in response to issuer, political and economic developments.

**Fixed income securities** are subject to interest rate, inflation, credit and default risk. The bond market is volatile. As interest rates rise, bond prices usually fall, and vice versa. The return of principal is not guaranteed, and prices may decline if an issuer fails to make timely payments or its credit strength weakens.

**Foreign securities** are subject to additional risks including currency fluctuations, political and economic uncertainty, increased volatility, lower liquidity and differing financial and information reporting standards, all of which are magnified in emerging markets.

**Growth stocks** are subject to increased risk of loss and price volatility and may not realize their perceived growth potential.

**Healthcare industries** are subject to government regulation and reimbursement rates, as well as government approval of products and services, which could have a significant effect on price and availability and can be significantly affected by rapid obsolescence and patent expirations.

**Interest rate movements** will affect a fund's share price and yield.

**Interval and Tender Offer Closed-end Funds** should be viewed as a long-term investments and are only suitable for investors who can bear the risks associated with this limited liquidity. Liquidity in any given quarter is not guaranteed.

**Private credit** refers to direct lending or debt financing outside of traditional banking, typically involving non-publicly traded companies, and comes with increased risk including limited liquidity, reliance on the borrower's financial health, and less regulatory oversight compared to traditional bank lending.

**Securitized products, such as mortgage- and asset-backed securities**, are more sensitive to interest rate changes, have extension and prepayment risk, and are subject to more credit, valuation and liquidity risk than other fixed-income securities.

**Smaller-capitalization securities** may be less stable and more susceptible to adverse developments and may be more volatile and less liquid than larger capitalization securities.

**Value stocks** can continue to be undervalued by the market for long periods of time and may not appreciate to the extent expected.

The views presented are as of the date published. They are for information purposes only and should not be used or construed as investment, legal or tax advice or as an offer to sell, a solicitation of an offer to buy, or a recommendation to buy, sell or hold any security, investment strategy or market sector. Nothing in this material shall be deemed to be a direct or indirect provision of investment management services specific to any client requirements. Opinions and examples are meant as an illustration of broader themes, are not an indication of trading intent, are subject to change and may not reflect the views of others in the organization. It is not intended to indicate or imply that any illustration/example mentioned is now or was ever held in any portfolio. No forecasts can be guaranteed and there is no guarantee that the information supplied is complete or timely, nor are there any warranties with regard to the results obtained from its use. Janus Henderson Investors is the source of data unless otherwise indicated, and has reasonable belief to rely on information and data sourced from third parties. Past performance does not predict future returns. Investing involves risk, including the possible loss of principal and fluctuation of value.

Not all products or services are available in all jurisdictions. This material or information contained in it may be restricted by law, may not be reproduced or referred to without express written permission or used in any jurisdiction or circumstance in which its use would be unlawful. Janus Henderson is not responsible for any unlawful distribution of this material to any third parties, in whole or in part. The contents of this material have not been approved or endorsed by any regulatory agency.

Janus Henderson Investors is the name under which investment products and services are provided by the entities identified in the following jurisdictions: (a) **Europe** 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); (b) the **U.S.** by SEC registered investment advisers that are subsidiaries of Janus Henderson Group plc; (c) **Canada** through Janus Henderson Investors US LLC only to institutional investors in certain jurisdictions; (d) **Singapore** by Janus Henderson Investors (Singapore) Limited (Co. registration no. 199700782N). This advertisement or publication has not been reviewed by Monetary Authority of Singapore; (e) **Hong Kong** by Janus Henderson Investors Hong Kong Limited. This material has not been reviewed by the Securities and Futures Commission of Hong Kong; (f) **South Korea** by Janus Henderson Investors (Singapore) Limited only to Qualified Professional Investors (as defined in the Financial Investment Services and Capital Market Act and its sub-regulations); (g) **Japan** by Janus Henderson Investors (Japan) Limited, regulated by Financial Services Agency and registered as a Financial Instruments Firm conducting Investment Management Business, Investment Advisory and Agency Business and Type II Financial Instruments Business; (h) **Australia and New Zealand** by Janus Henderson Investors (Australia) Limited (ABN 47 124 279 518) and its related bodies corporate including Janus Henderson Investors (Australia) Institutional Funds Management Limited (ABN 16 165 119 531, AFSL 444266) and Janus Henderson Investors (Australia) Funds Management Limited (ABN 43 164 177 244, AFSL 444268); (i) the **Middle East** by Janus Henderson Investors Middle East Limited (DIFC branch), regulated by the Dubai Financial Services Authority as a Category 4 licensed entity. This document relates to a financial product which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). The DFSA has no responsibility for reviewing or verifying any prospectus or other documents in connection with this financial product. Accordingly, the DFSA has not approved this document or any other associated documents nor taken any steps to verify the information set out in this document, and has no responsibility for it. The financial product to which this document relates may be illiquid and/or subject to restrictions on its resale. Prospective purchasers should conduct their own due diligence on the financial product. If you do not understand the contents of this document you should consult an authorised financial adviser. No transactions will be concluded in the Middle East and any enquiries should be made to Janus Henderson. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

Outside of the U.S., Australia, Singapore, Taiwan, Hong Kong, Europe and UK: For use only by institutional, professional, qualified and sophisticated investors, qualified distributors, wholesale investors and wholesale clients as defined by the applicable jurisdiction. Not for public viewing or distribution. Marketing Communication.

Janus Henderson® and any other trademarks used herein are trademarks of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc.

### Marketing communication | Not for onward distribution

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.