Janus Henderson INVESTORS

# GLOBAL SELECT FUND

## At a glance

**Performance***
The Fund returned 0.88%, the Index returned 1.60% and the Peer Group returned 0.38%.

**Contributors/detractors**
Stock selection in the industrials and healthcare sectors detracted from relative performance. Stock selection in the financials and materials sectors contributed.

**Outlook**
We remain on the lookout for high-quality international companies with strong free cash flow growth that we believe may be undervalued by the market.

## Portfolio management



**Julian McManus**



**Christopher O'Malley, CFA**

## Investment environment

- Global equities were volatile during the third quarter as escalating tensions in the Middle East disrupted shipping routes and pushed crude oil prices above $90 per barrel.
- Higher energy costs added to concerns about inflation, contributing to higher bond yields (and falling prices) and interest rate increases by the US Federal Reserve (Fed), European Central Bank (ECB) and Bank of Japan (BoJ).
- The energy sector outperformed with double-digit gains, against the backdrop of rising crude oil prices. Higher interest rates pressured utilities stocks, which was the weakest-performing sector.

## Portfolio review

Relative detractors included several artificial intelligence (AI)-related semiconductor and networking equipment companies that were strong performers in the second quarter but saw their shares fall in the third quarter, as investors questioned the sustainability of the recent AI-driven capital spending boom. This included ASML Holding, a global supplier of lithography equipment used in the production of advanced semiconductors. While its shares declined in the third quarter, it remains a strong performer year-to-date. It has also continued to report strong earnings growth and guidance (forecasts).

Contemporary Amperex Technology (CATL) was another detractor. CATL is China's leading supplier of electric vehicle (EV) batteries, but slower-than-expected vehicle sales in China have led to some near-term earnings uncertainty. However, we believe CATL remains well positioned in the EV battery market. We also see potential in its growing leadership in energy storage solutions (ESS), which improve the efficiency and reliability of renewable energy for the power grid. CATL has signed several large ESS deals, and it has benefited from an increased focus on energy storage capabilities.

Relative performance benefited from the investment in Banco Bilbao Vizcaya Argentaria (BBVA), a Spanish bank with a large business presence in Mexico. Earlier in the year, we increased the position in European banks such as BBVA after fears around the Iran war triggered a sell-off in financial stocks. We saw this as a buying opportunity and anticipated that disruption to global energy markets could lead to increased oil prices, rising inflation, and a higher interest rate environment that could favour banks. We added to the position in BBVA, which proved beneficial as the stock has been a notable contributor in recent quarters. BBVA has continued to deliver resilient financial performance, with strong net-interest income growth and expanding loan portfolios.

**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.

Glaukos was another relative contributor. The ophthalmologic medical technology company has been experiencing rising demand for key products, contributing to strong second-quarter financial performance. Revenue growth has been especially robust for its iDose TR drug delivery technology used to treat glaucoma. Revenue growth for the company's eye disease therapy Epioxa was also strong in the second quarter, even before a permanent reimbursement code went into effect in July. The company's management team raised full-year guidance, citing rising demand and expectations for market expansion for both iDose and Epioxa, particularly now that reimbursement uncertainty has dissipated.

## Manager outlook

Market performance this year has been shaped by shifting assessments of geopolitical risks, economic conditions and the strength of the AI investment cycle. Following a volatile first quarter, markets rallied in the second quarter as hopes for easing tensions in the Middle East led to lower oil prices, moderating inflation, and a renewed focus on corporate fundamentals and AI-related opportunities. Many of these trends reversed in the third quarter. Geopolitical uncertainty increased, crude oil prices rose further, and concerns about inflation led major central banks to raise policy rates. Bond yields also rose to their highest levels in several years. As a result, investor sentiment became more cautious, leading to greater market volatility and broader shifts across sectors and regions.

We expect market volatility to persist until there is greater clarity on geopolitical developments and their potential impact on the global economy. While corporate earnings and economic growth have remained relatively resilient, a prolonged conflict in the Middle East could have significant repercussions for energy markets and broader economic activity.

We remain alert to how shifting geopolitical and economic trends may impact the companies we own. However, our primary focus remains on seeking to use market volatility to our advantage as we seek out companies with durable competitive advantages, solid balance sheets, experienced leadership teams and strong free-cash-flow growth that we believe are undervalued by the market. We continue to find opportunities across industries and regions, including in European banks, that may benefit from higher interest rates, reduced regulation and ongoing industry consolidation. We remain optimistic about long-term opportunities driven by innovation, particularly digitalisation and AI. At the same time, we have seen increased concerns over the impact of AI-related spending on corporate balance sheets and cash flows, and the ability of companies to generate attractive returns on these investments. Given these concerns, we remain selective in our AI-related investments, finding opportunities with international technology and memory chip manufacturers that have been trading at much lower valuations relative to their US counterparts.

## Performance (%)

| Returns | Cumulative | | | | Annualised | | | |
|---|---|---|---|---|---|---|---|---|
| | 1 Month | 3 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since inception (10/05/10) |
| I Acc (Net) | 0.37 | 0.88 | 10.68 | 13.02 | 16.48 | 7.86 | 11.57 | 12.79 |
| Index | 0.96 | 1.60 | 14.79 | 18.76 | 18.84 | 12.41 | 12.67 | 11.98 |
| Peer Group | -0.62 | 0.38 | 10.36 | 13.28 | 13.82 | 7.61 | 9.92 | 9.55 |
| I Acc (Gross) | — | — | — | — | — | 8.78 | 12.53 | 13.75 |
| Target | — | — | — | — | — | 15.22 | 15.49 | 14.78 |

| 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) | 13.02 | 14.25 | 22.40 | 4.09 | -11.28 |
| Index | 18.76 | 17.38 | 20.43 | 11.04 | -3.71 |
| Peer Group | 13.28 | 11.82 | 16.42 | 7.72 | -9.15 |

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. Performance target: To outperform the MSCI All Countries World Index by 2.5% 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 February 1982 |
| **Total net assets** | 712.39m |
| **Asset class** | Equities |
| **Domicile** | United Kingdom |
| **Structure** | Unit Trust |
| **Base currency** | GBP |
| **Index** | MSCI All Country World Index℠ |
| **Peer group** | IA Global sector |

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 29 November 2023, the Fund changed its name and investment strategy. Past performance shown before 29 November 2023 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 MSCI All Countries World Index is a measure of the combined performance of large and medium sized companies from both developed and emerging stock markets around the world. 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 a portfolio of shares (also known as equities) of companies, of any size, in any industry, in any country. The Fund may also invest in other assets including cash and money market instruments. The Investment Adviser 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 All Countries World 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 Adviser has discretion to choose investments for the Fund with weightings different to the index or not in the index. Asan additional means of assessing the performance of the Fund, the IA Global sector average, which is based on a peer group of broadly similar funds, may also provide a useful comparator.

## Investment strategy

The Investment Adviser seeks to grow capital by investing in companies with strong or improving cash flow. The Fund considers both growth criteria (i.e. where company earnings are expected to grow at an above-average rate), and value criteria (i.e. where share prices are expected to increase), to select the best companies to invest in. The investment process looks to identify meaningful differences between the Investment Adviser's analysis and the market's expectations. Taking a disciplined approach to portfolio construction and risk management, the Investment Adviser aims to ensure that stock selection is the primary driver of returns.

## 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. Emerging markets expose investors to higher volatility and greater risk of loss than developed markets; they are susceptible to adverse political and economic events, and may be less well regulated with less robust custody and settlement procedures. 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**

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