Janus Henderson INVESTORS

UK ALPHA FUND

At a glance

Performance*
The Fund returned 5.30%, the Index returned 2.44% and the Peer Group returned 3.22%.

Contributors/detractors
Contributors to performance included Everplay, Bridgepoint and Mitie, while detractors were CRH, Coca-Cola HBC and Trustpilot.

Outlook
Although uncertainty remains around short-term economic conditions, we believe the portfolio is well positioned to withstand current challenging economic conditions and participate in any upswing as it might occur.

Portfolio management



Indriatti van Hien, ACA, CFA



Cassie Herlihy

Investment environment

- UK equities rose as favourable corporate results and encouraging economic news offset concerns about government borrowing, the sell-off in global bonds and higher inflation. Equities performed strongly in July; however, September brought a modest reversal.
- The UK's seventh new prime minister in 10 years, Andy Burnham, announced a number of significant policy plans in September. However, none of these policies appear likely to be implemented in the short term.
- The Bank of England (BoE) left its benchmark rate on hold at 3.75% but warned in September that a rate increase may be required if inflationary pressures linked to the Middle East conflict intensify. The annual inflation rate picked up from 2.6% in June to 3.1% in August.
- Other economic news was largely favourable. GDP grew by 0.5% over the second quarter, albeit down from the first quarter's 0.6% expansion, while monthly growth was better than anticipated in both June and July. The composite purchasing managers' index (PMI) returned to growth in July and remained in expansionary territory thereafter.
- Sterling was little changed against the US dollar overall, having hit a six-month high in August before giving up its gains in September. The gold price increased and oil prices rose sharply over the quarter.
- In this environment, the more domestic mid-cap index outperformed the more international large-cap index.

Portfolio review

Key contributors to performance were independent games publisher Everplay, alternatives asset manager Bridgepoint and support services company Mitie. Shares in Everplay rose following the strong performance of the recently released games War Dogs and Hell Let Loose Vietnam, which have driven earnings upgrades. Bridgepoint benefited from strong fundraising, rapid growth in fee-paying assets under management and a significant uplift to earnings, while investors responded positively to the acquisition of Kayne Anderson real estate, which broadened its private markets platform. Mitie's share price rallied following the recommended bid from private equity-backed OCS Group.

Conversely, detractors from performance included US buildings and materials company CRH, drinks bottling company Coca-Cola HBC and consumer reviews platform Trustpilot. Shares in CRH underperformed as investors

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.

shifted away from US infrastructure beneficiaries and became more cautious about the outlook for residential construction activity. Concerns that earnings may normalise after several years of strong pricing and infrastructure-driven demand also weighed on investor sentiment. Coca-Cola HBC's share price weakened after investors became concerned about softer trading in some key emerging markets and slower-than-expected volume trends. Trustpilot's share price fell following a set of results that were consistent with expectations, reflecting some profit-taking after a strong run and disappointment over the lack of earnings upgrades. We believe the underlying outlook remains positive, supported by strong enterprise customer growth and continued US momentum.

In terms of activity, we initiated a new position in Volex. The company designs and manufactures power supplies, and data and connectivity solutions, including cables, wire harnesses and integrated electronic assemblies for customers such as data centres, electric vehicles (EVs), consumer electronics and medical equipment. We bought the position following technical pressure on its share price after the company's move from the AIM market to the main market, and a sell-off in AI supply-chain firms, which created what we saw as a favourable entry point.

We also initiated a position in Fever Tree, a premium mixer brand. The company has a strong brand position in the UK and a significant opportunity to expand penetration in the US through its partnership with Molson Coors. We think the market may be under-appreciating its earnings potential from the US distribution agreement and profit guarantee.

We closed the position in UK private hospital provider Spire after its acquisition by a consortium backed by Toscafund Asset Management, Three Hills Capital Partners and Ares Management. After a strong run, we recycled profits out of the longstanding holding in investment platform InegraFin. We closed the position in building materials provider Travis Perkins as part of a rationalisation of our UK housing positions.

Manager outlook

Geopolitics remain challenging with ongoing conflicts in the Middle East and Ukraine and heightened tensions between China and the US. Sticky inflation, which remains above target in both the US and UK, seems likely to be exacerbated by the oil and gas supply shock stemming from the latest Gulf conflict. Damage to Middle Eastern energy infrastructure and the continued closure of the Strait of Hormuz have heightened energy price risks. Together, these factors sustain uncertainty over the path of interest rates, leaving central banks with the challenging task of containing second-round inflation amid softening labour markets globally.

In our view, the conflict in the Middle East has delayed, not derailed, the disinflationary narrative. The recent energy price shock is less severe than that experienced following the outbreak of war in Ukraine, while wage inflation is also now more benign. Moreover, with policy rates still restrictive across major economies, central banks retain scope to support demand should economic conditions deteriorate.

At home, the Prime Minister may have changed but the issues the UK economy faces remain the same and the new government faces the unenviable challenge of reviving economic growth while walking a fiscal tightrope. Energy policy and welfare reform need to be addressed to reduce the UK gilt yield premia, unlock funds for growth and ultimately attract capital flows back to the UK. Burnham's challenge will be to overcome the internal divisions in the party which have made fiscal policy choices harder and obstructed efforts to place growth at the centre of policy agendas. We see near-term fiscal uncertainty which risks further erosion of business confidence in the short-term.

Away from politics, investors continue to grapple with the AI mega theme. We believe AI will change the way economies operate, but markets have been quick to punish perceived "AI losers" and overzealous in rewarding perceived winners. We are re-examining the franchises and business models of our portfolio companies through this new lens. Characteristics such as recurring revenues now require fresh scrutiny, as we assess whether AI could automate processes, weaken pricing power or reshape revenue models.

Corporates and consumers are dealing with elevated uncertainty. This has increased savings rates and deterred investment. For now, trading among our portfolio companies has proved to be robust and both corporate and consumer balance sheets are healthier than they were ahead of the Global Financial Crisis in 2008-2009. We assume the next budget will come with tax rises, but if accompanied by a credible growth agenda this could improve sentiment, which we do not see reflected in consensus.

After what has been seemingly a lost decade in UK small- and mid-cap companies, starting with uncertainty about the EU referendum vote, we see good reasons why fortunes could change. History has shown that small- and mid-cap stocks can perform best after periods of economic dislocation. UK small- and mid-cap valuations sit below long-term averages, while earnings forecasts are stabilising after a sharp adjustment in economic activity following the change in higher interest rates seen in the last three years. Valuations also remain low versus other developed markets, even when adjusting for sectors. The persistent inbound merger and acquisition (M&A) activity the market is experiencing suggests that market players have noticed. Political and fiscal stability in the UK could prove an important catalyst.

We believe our investment process centred around cash-generative growth businesses run by experienced teams has built a portfolio well-positioned to withstand the challenging economic conditions and participate in any upswing. We remain confident in our ability to create long-term value through a consistent, rigorous investment process that has delivered powerfully over time.

Performance (%)

Returns	Cumulative				Annualised			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since inception (09/11/01)
I Acc (Net)	-1.27	5.30	11.25	14.50	15.44	3.58	5.77	6.53
Index	-1.88	2.44	9.83	16.84	15.46	10.97	8.12	7.05
Peer Group	-1.80	3.22	8.42	12.63	12.09	6.05	6.38	6.30

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)	14.50	9.48	22.73	9.34	-29.11
Index	16.84	16.17	13.40	13.84	-4.00
Peer Group	12.63	9.48	14.22	12.60	-15.41

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).

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	21 November 2001
Total net assets	294.09m
Asset class	Equities
Domicile	United Kingdom
Structure	OEIC
Base currency	GBP
Index	FTSE All-Share Index
Peer group	IA UK All Companies Equity

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. From 30 September 2025, Neil Hermon no longer manages this fund. From 30 November 2025, Cassie Herlihy now co-manages 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 FTSE All Share Index is a measure of the combined performance of a large number of the companies listed on the London Stock Exchange and includes large, medium and smaller companies. It 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 concentrated portfolio of shares (also known as equities) of companies, of any size, in any industry, in the UK. Companies will be incorporated, headquartered, or deriving significant revenue from, the UK. The portfolio may be concentrated in terms of its number of holdings and/or the size of its largest holdings. The Fund may also invest in other assets including other shares, bonds (including convertible bonds), preference shares, 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 FTSE All Share Index, which is broadly representative of the companies in which it may invest, as this can provide a useful comparator for assessing the Fund's performance. 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 UK All Companies 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 identify high quality, cash generative growth companies that may be mispriced by the market. The fund focuses on companies that have attractive market positions, healthy balance sheets, and demonstrate robust and growing levels of cash flow. Close attention is also paid to management's ability and willingness to invest capital in a sensible and consistent manner. The fund invests in small, medium and large companies with the flexibility to have a significant bias towards medium or smaller-sized companies and away from the very largest companies. These companies will typically operate in markets that the Investment Manager believes to offer sustainably high levels of growth at a reasonable price. The reference to Alpha in the Fund's name reflects the managers active approach to investment.

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. The Fund follows a growth investment style that creates a bias towards certain types of companies. This may result in the Fund significantly underperforming or outperforming the wider market. High exposure to a particular country or geographical region carries a higher level of risk than a more broadly diversified portfolio. When a portfolio is concentrated (has a significant portion of its assets invested in a limited number of holdings), an adverse event impacting even a small number of holdings could create significant volatility or 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. 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.

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