

# GLOBAL SUSTAINABLE EQUITY FUND

A: JEASX C: JECTX I: JEUIX N: JETNX R: JEGRX S: JESSX T: JETTX

## At a glance

### Performance

The Fund returned -1.72% and the MSCI World Index<sup>SM</sup> returned 3.12%.

### Contributors/detractors

Stock selection in healthcare and an underweight allocation to real estate contributed to relative performance, while stock selection in industrials and financials detracted.

### Outlook

2025 saw urgent sustainability challenges, AI-driven market shifts, and continued clean technology investment. This presents opportunities to invest in longer-term sustainability trends with the aim of realizing superior risk-adjusted returns.

## Portfolio management



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## Investment environment

- Global equity markets rose in the fourth quarter, with many indices nearing new record highs.
- The investment environment was supported by further monetary policy easing and sustained enthusiasm for the artificial intelligence (AI) trend. Both the U.S. Federal Reserve (Fed) and the Bank of England (BoE) cut interest rates during the period, with the Fed's December rate cut marking its third in four months. Meanwhile, the Fed announced a renewed Treasury purchasing program at \$40 billion per month, at the same time indicating that further rate cuts could follow in 2026.
- A softer U.S. labor market offset these supportive measures, with unemployment rising in November to a four-year high of 4.6%, as well as weaker consumer sentiment. Meanwhile, the longest U.S. government shutdown on record—lasting 43 days—finally ended in November after agreement was reached on a new spending bill.
- Under this backdrop, healthcare stood out as the best-performing sector, benefiting from the more defensive qualities amid increased market volatility and relatively attractive valuations after having underperformed for much of the year. Communication services and

financials also delivered strong returns, while real estate and utilities were the only two sectors that produced a negative return.

- Commodities emerged as one of the best-performing asset classes, driven by significant price increases for gold, silver, and copper. Gold and silver outperformed as investors sought traditional safe-haven assets. Copper prices finished the year around 40% higher and close to an all-time high, supported by favorable demand-supply dynamics and expectations of a recovery in Chinese demand.
- AI remained a dominant trend. NVIDIA became the first company to reach a \$5-trillion market capitalization, and the rally continued to broaden to the rest of the AI value chain, including memory-exposed companies.
- The momentum in AI-exposed companies was not without its challenges, however. Concerns about overstretched valuations led to bouts of volatility, while shares in some companies, such as Oracle, began to retrace earlier gains.
- Nevertheless, structural demand across the AI value chain remained robust overall, with many supportive data points reflecting the share price performance of fund holdings such as Taiwan Semiconductor

Manufacturing Company (TSMC) and Keysight Technologies.

- In summary, the quarter was characterized by resilient equity markets, supportive monetary policy, and continued momentum in trends around AI and electrification. Our focus remains on quality companies with robust competitive advantages and exposure to multi-year secular trends, positioning the portfolio to navigate both opportunities and risks in the evolving investment landscape.

### Portfolio review

Stock selection was the biggest drag on relative performance during the quarter. Shares in several of the fund's top performers from the first half of the year – such as Spotify Technology and Uber Technologies – gave back some of their earlier gains. Within financials, insurance-related holdings such as Arthur J. Gallagher & Co. continued to lag behind banks. While the insurance sector has underperformed over the year, we continue to believe they offer defensive growth characteristics, recurring revenue streams, and low leverage, which provide balance against higher-risk technology and industrial exposures. Additionally, companies perceived to be vulnerable to AI disruption – such as Wolters Kluwer and Experian – also underperformed. We remain confident in the long-term investment case for these businesses, despite market skepticism.

Although there were pockets of relative outperformance, these were insufficient to offset the negative contributions. The largest positive contributors at the stock level included TSMC, Keysight, and Knorr-Bremse.

TSMC continued its positive momentum with robust third-quarter results. The company beat revenue and margin expectations, driven by strong demand for its advanced products and cost improvements. The company also raised its full-year revenue guidance (forecast) from 30% year-on-year revenue growth to 35%, reflecting “explosive” growth in AI demand, particularly from consumer, enterprise, and sovereign AI models. As the world's leading semiconductor foundry, responsible for producing over half of the global chip supply, TSMC plays a pivotal role in enabling the rapidly expanding AI infrastructure ecosystem.

Keysight is an electronic design and testing company at the heart of the digital revolution, providing solutions to help accelerate innovation in industries such as communications, networking, electronics, semiconductor, automotive, aerospace, and battery manufacturing. The company delivered a material acceleration in order growth and guided meaningfully above consensus, with core order growth reaching double digits and broad-based strength across its segments. Keysight offers a lower-beta, defensive way to participate in the AI infrastructure build-out, with earnings momentum just starting to turn.

While Knorr-Bremse's quarterly results were consistent with forecasts, the company outperformed due to optimism that that the downturn in the truck market has bottomed and as

its management expressed strong confidence in the group's ability to deliver a 14% margin next year. The company is one of the top global manufacturers of sub-systems and components for the rail and commercial-vehicle industries. Its technology is focused on improving safety and efficiency.

The largest individual detractors included Spotify, Arthur J Gallagher, and Uber.

Although Spotify reported solid results, investor sentiment was muted due to concerns around the timing and impact of recent and upcoming pricing actions. The company delivered healthy growth in premium subscribers – particularly in emerging markets – and continued to expand its ad-supported business, with podcast-advertising margins improving. We remain confident in the long-term fundamentals, with multiple growth levers including pricing and further expansion into video and advertising. While the market may be sensitive to near-term volatility in key metrics, we believe Spotify, as the most popular audio-streaming service, has significant pricing power and platform breadth. The company has revolutionized how the world enjoys music, podcasts, audiobooks, and other forms of content, enabling greater accessibility, enhanced discovery and democratizing music distribution.

Arthur J Gallagher faced continued negative sentiment around insurance-related companies, with shares underperforming due to a combination of investors moving away from typically more defensive stocks and company-specific factors. The company's earnings were impacted by accounting noise from the AssuredPartners acquisition and a miss on brokerage organic growth, which led to questions about growth deceleration. However, the closing of the AssuredPartners deal has cleared a major overhang, and its management reiterated confidence in delivering robust revenue and earnings growth, even as property pricing softens. There is growing demand for insurance given the emergence of new risks such as climate change, cyber risk, and the risks associated with the provision of retirement and healthcare services to an aging population.

Shares in Uber suffered from negative sentiment from the accelerating shift towards autonomous vehicles and the potential entry of Amazon into rapid grocery delivery. Despite these risks, the company continues to deliver strong quarterly results and generate healthy free cash flow. As the leading ride-sharing platform globally, Uber continues to have solid fundamentals. Uber's ride-sharing products allow riders to reduce their travel costs while driving higher utilization of vehicles, fueling a circular-economy dynamic – i.e., a dynamic system aiming to eliminate waste by keeping products and materials in use through reuse, repair, refurbishment, and recycling.

### Manager outlook

The past year underscored both the urgency of sustainability challenges and the resilience of sustainable investing. Environmentally, 2025 was one of the three hottest years ever recorded, with global temperatures exceeding the threshold of 1.5 degrees Celsius set by the Paris Agreement.

Climate-driven disasters – from extreme heatwaves and wildfires to floods and super-typhoons – caused significant human and economic costs, exposing the limits of adaptation in many regions. Yet global climate policy struggled to keep pace: the 2025 United Nations Climate Change Conference (COP30) in Brazil in November ended without a clear fossil-fuel phase-out plan, reflecting divisions as some governments prioritized energy security over emissions cuts.

Social themes grew in importance. Health and nutrition emerged as critical sustainability issues, with increased scrutiny of ultra-processed foods by consumers and policymakers. We have long avoided unhealthy food businesses, and the impact of glucagon-like peptide-1 (GLP-1) drugs on consumer behavior validates this stance.

Meanwhile, calls for racial and economic justice persisted, and investors' focus on labor rights and diversity remained strong. Shareholders overwhelmingly rejected anti-ESG (environmental, social, and governance) proposals in 2025, confirming consensus that inclusive practices drive long-term value. Despite polarized discourse, environmental and social factors are increasingly central to business resilience.

2025 was defined by exponential growth in AI, with hyperscalers investing hundreds of billions as the “AI race” peaked. This surge deferred near-term decarbonization as companies scrambled for energy, raising demand and emissions. Yet renewable energy remains vital, and corporate commitment to decarbonization has not waned – it is a matter of timing, not intent.

Investor sentiment also proved resilient. Nearly 70% of investment professionals remain committed to sustainability for the long term. Regulatory momentum reinforced this, with tighter ESG disclosure mandates. The European Union's Corporate Sustainability Reporting Directive entered its first reporting phase, International Sustainability Standards Board (ISSB) standards advanced globally, and enforcement against greenwashing intensified.

However, policy approaches diverged across regions. Europe led with its Green Deal and the Carbon Border Adjustment Mechanism, effective January 2026. China scaled renewables to record levels, helping global clean-energy investment hit new highs, even as coal projects persisted for energy security. In contrast, the U.S. reversed course, exiting the Paris Agreement and pausing climate disclosure rules, although state-level initiatives partly offset federal changes. Amid this backdrop, global electric vehicle (EV) sales reached 20% of new car purchases, underscoring the momentum of electrification despite policy uncertainty. Market forces are increasingly differentiating winners and losers based on climate risk and cost competitiveness.

Looking ahead, 2026 could be the fourth year of the current bull market, supported by accommodative liquidity and robust macro conditions. Markets were narrow in 2025, and AI remains dominant, but bottlenecks in memory and power could temper growth, shifting narratives toward more linear trajectories. We are investing in enabling technologies and bottlenecks, remaining mindful of risks while maintaining diversification. Importantly, rising emissions do not signal the end of the energy transition – they highlight the need to accelerate investment in sustainable technologies. Clean technology economics have reached a tipping point, with renewables and EVs achieving cost parity, driving record investment of \$2 trillion in 2025, with solar attracting \$500 billion and EV sales surpassing 17-million units.

In summary, we believe we are at the dawn of a new age, where AI's impact across the physical world will create myriad products and markets, just as smartphones unlocked new possibilities and enterprises. This exciting phase means we want to be “long capital” while staying vigilant for shifts in growth, so we can protect and grow capital sustainably.

## Global Sustainable Equity Fund (as of 12/31/25)

### Performance - USD (%)

Returns	Cumulative			Annualized			Since Inception (06/25/20)
	4Q25	YTD	1 Yr	3 Yr	5 Yr	10 Yr	
Class I Shares	-1.72	16.83	16.83	16.56	6.88	—	11.54
Class T Shares	-1.73	16.70	16.70	16.44	6.74	—	11.38
Class N Shares	-1.67	16.98	16.98	16.71	7.00	—	11.64
Class A Shares @ NAV	-1.80	16.46	16.46	16.29	6.68	—	11.32
Class A Shares @ MOP	-7.45	9.77	9.77	14.02	5.42	—	10.13
MSCI World Index <sup>SM</sup>	3.12	21.09	21.09	21.16	12.15	—	15.28

Returns quoted are past performance and do not guarantee future results; current performance may be lower or higher. Investment returns and principal value will vary; there may be a gain or loss when shares are sold. For the most recent month-end performance call 800.668.0434 or visit [janushenderson.com/performance](http://janushenderson.com/performance).

Maximum Offering Price (MOP) returns include the maximum sales charge of 5.75%. Net Asset Value (NAV) returns exclude this charge, which would have reduced returns.

### Expense Ratios (% as of most recent prospectus)

Class I: Gross 1.89, Net 1.00 Class T: Gross 2.38, Net 1.11 Class N: Gross 1.82, Net 0.86 Class A: Gross 2.99, Net 1.22

Net expense ratios reflect the expense waiver, if any, contractually agreed to for a one-year period commencing on January 28, 2025. This contractual waiver may be terminated or modified only at the discretion of the Board of Trustees.

Not all Funds and Share classes may be available. Please consult your financial professional.

### Portfolio

Top Contributors (%)	Average Weight	Relative Contribution	Top Detractors (%)	Average Weight	Relative Contribution
Eli Lilly & Co	2.02	0.32	Spotify Technology S A	3.20	-0.68
Taiwan Semiconductor	3.80	0.21	Gallagher Arthur J &	2.74	-0.58
Argenx SE	2.28	0.20	Uber Technologies Inc	2.26	-0.44
Knorr Bremse Ag	1.22	0.18	Wolters Kluwers	1.12	-0.35
Keysight Technologies I	1.73	0.17	Experian Plc	2.17	-0.30

The holdings identified in this table, in compliance with Janus Henderson policy, do not represent all of the securities purchased, held or sold during the period. To obtain a list showing every holding as a percentage of the portfolio at the end of the most recent publicly available disclosure period, contact 800.668.0434 or visit [janushenderson.com/info](http://janushenderson.com/info).

Relative contribution reflects how the portfolio's holdings impacted return relative to the benchmark. Cash and securities not held in the portfolio are not shown.

Top Holdings (%)	Fund
NVIDIA Corp	7.03
Microsoft Corp	6.49
Taiwan Semiconductor Manufacturing Co Ltd (ADR)	3.96
McKesson Corp	3.65
AIA Group Ltd	3.37
TE Connectivity PLC	3.12
Spotify Technology SA	3.00
Arthur J Gallagher & Co	2.97
Schneider Electric SE	2.88
Mastercard Inc	2.47
<b>Total</b>	<b>38.94</b>

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## Definitions

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

Monetary Policy refers to the policies of a central bank, aimed at influencing the level of inflation and growth in an economy. It includes controlling interest rates and the supply of money.

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

**Please consider the charges, risks, expenses and investment objectives carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, please call Janus Henderson at 800.668.0434 or download the file from [janushenderson.com/info](http://janushenderson.com/info). Read it carefully before you invest or send money.**

Returns include reinvestment of dividends and capital gains.

Discussion is based on the performance of Class I Shares.

The opinions are as of 12/31/25, are subject to change and may not reflect the views of others in the organization. Janus Henderson may have a business relationship with certain entities discussed. The comments should not be construed as a recommendation of individual holdings or market sectors, but as an illustration of broader themes.

Holdings are subject to change without notice.

For equity portfolios, relative contribution compares the performance of a security in the portfolio to the benchmark's total return, factoring in the difference in weight of that security in the benchmark. Returns are calculated using daily returns and previous day ending weights rolled up by ticker, gross of advisory fees, may exclude certain derivatives and does not represent actual performance.

**There is no assurance the stated objective(s) will be met.**

**Investing involves risk, including the possible loss of principal and fluctuation of value.**

**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.

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

**Sustainable Investment Risk:** Due to its sustainable investment approach, the Fund may have a significant portion of its assets invested in securities of companies conducting similar business or businesses within the same economic sector. This may make the Fund more vulnerable to unfavorable developments in a particular sector than funds that invest more broadly. ESG considerations and exclusionary criteria may limit investments in certain industries, potentially impacting performance relative to portfolios that do not apply similar criteria. Information from issuers and third parties on ESG considerations, which management may use, is evolving and may be incomplete, inaccurate, or inconsistently applied across issuers and industries. There is also a risk that the companies identified through the investment process may fail to adhere to sustainable and/or ESG-related business practices or engage in future activities that result in the application of the exclusionary criteria, which may result in the Fund selling a security when it might otherwise be disadvantageous to do so.

**Technology industries** can be significantly affected by obsolescence of existing technology, short product cycles, falling prices and profits, competition from new market entrants, and general economic conditions. A concentrated investment in a single industry could be more volatile than the performance of less concentrated investments and the market as a whole.

**MSCI World Index**<sup>®</sup> reflects the equity market performance of global developed markets.

Index performance does not reflect the expenses of managing a portfolio as an index is unmanaged and not available for direct investment.

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