

GLOBAL SUSTAINABLE EQUITY FUND

At a glance

Performance*

The Fund returned 16.17%, the Index returned 13.16% and the Peer Group returned 12.98%.

Contributors/detractors

An overweight position in information technology, particularly companies tied to artificial intelligence (AI) infrastructure, supported relative performance. Underweight allocations to the energy, materials and consumer staples sectors also contributed.

Outlook

Geopolitical shocks and rapid AI adoption highlight the importance of resilience. We remain focused on durable companies we believe are positioned to navigate volatility and benefit from long-term structural change.

Portfolio management



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Investment environment

- Global equities delivered their strongest quarter since the fourth quarter of 2020, despite a macro backdrop that remained unsettled.
- The energy crisis that defined the end of the first quarter continued to ripple through the global economy. The US naval blockade of Iran persisted for much of the period, the Strait of Hormuz remained closed, and oil and gas prices stayed elevated, feeding through into inflation expectations, consumer spending and corporate input costs. With energy-driven price pressures unresolved, the Federal Reserve (Fed) held rates steady and signalled a higher path for interest rates. Towards the end of the quarter, a ceasefire framework between the US and Iran triggered a sharp fall in oil prices, although negotiations remained ongoing late into June and the full reopening of Gulf flows had yet to be confirmed.
- Despite this, the market response was resilient. Investors appeared to look through near-term volatility and focused instead on the durability of corporate earnings and the scale of the AI capital cycle.
- Artificial intelligence (AI) was a dominant driver of returns, led by chipmakers and companies exposed to

the infrastructure required to support AI growth. Hyperscaler capital expenditure (capex) commitments continued to rise, with combined 2026 plans now running at more than 60% growth versus 31% consensus expectations at the start of the year. This scale of spending has revived concerns about overinvestment and diminishing returns, but it also reinforces the breadth of infrastructure required across memory, chip production, storage, electrification and cooling systems. Seagate, Micron, Taiwan Semiconductor Manufacturing Company (TSMC), Prysmian and ASML were among the portfolio's strongest performers this quarter.

- The other side of the AI trade was increased concern about any business perceived to face disruption risk. Some caution is warranted, but the market reaction appears to have been broad-brush, penalising software companies, data providers, insurers, internet platforms and other businesses where investors see potential vulnerability. In many cases, we believe this gave too little credit to the strength of existing moats, including proprietary data, regulation, customer relationships, workflow integration, brand strength and operating complexity that are not easily replicated by AI. Portfolio holdings that fell into this perceived 'AI loser' bucket, including Intercontinental Exchange,

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 4. For relevant descriptions, risks and the Fund's investment policy statement, refer to Additional fund information on page 5.

S&P Global, Experian and Spotify, were among the weakest performers over the quarter.

- Initial public offering (IPO) activity also began to re-open after several muted years, with the AI ecosystem at the centre of investor demand. SpaceX completed the largest IPO on record, raising \$75 billion, while OpenAI and Anthropic both moved towards potential public listings. We participated in one IPO during the quarter, Cerebras Systems, which develops specialised AI computing hardware and infrastructure, designed to train and run AI models faster than traditional graphics processing unit (GPU)-based systems.
- Against this backdrop, information technology (IT) was the standout performer, returning more than 30%. Financials and industrials also delivered strong returns. Energy fared the worst as oil prices fell sharply late in the quarter, followed by utilities, as defensive sectors moved out of favour, and materials, as metal prices generally declined.
- In summary, the quarter reinforced a central point from our previous commentaries: sustainability is not a fair-weather philosophy, but a resilience framework. Where 2025 tested markets through climate extremes and uneven policy follow-through, 2026 year-to-date has tested them through geopolitical risk. Our focus remains on quality companies with robust competitive advantages, pricing power and exposure to multi-year secular trends, positioning the portfolio to navigate both opportunities and risks in an evolving investment landscape.

Portfolio review

The overweight position in IT, the strongest-performing sector in the index, benefited relative fund performance. Having no holdings in energy, materials and consumer staples also contributed to relative returns.

Several of the fund's highest-conviction decisions added meaningfully to performance. Over the past 12 months, portfolio turnover has been higher, as we have increased positions in companies exposed to bottlenecks in the AI infrastructure buildout. Many of our newer additions, including Seagate, Micron and KLA, were among our biggest contributors to performance this quarter. Equally important, a number of positions that we either exited or reduced subsequently underperformed, providing an additional source of relative value.

While the increased exposure to the AI supply chain proved beneficial, this was partially offset by weakness in several holdings perceived to be exposed to AI disruption, including Intercontinental Exchange, S&P Global and Experian, as well as selected internet and gaming platforms such as Spotify, Uber and Nintendo.

Outside the technology sector, the fund benefited from idiosyncratic investment theses in Keyence, BBVA and Erste Group, all of which were among the strongest contributors.

The largest positive contributors included Seagate, Micron and TSMC.

We added the position in Seagate in mid-January, and it returned more than 100% this quarter as execution remained strong, with accelerating exabyte growth, better pricing and high incremental margins. Demand for hard disk drives remains robust, supported by long-term customer agreements and rising storage needs from AI inference, multimodal models and physical AI. By increasing storage density through Mozaic and heat-assisted magnetic recording (HAMR), Seagate is improving mix, supporting pricing and creating a path to further gross margin expansion, stronger free cash flow and higher capital returns. HAMR also strengthens the sustainability case, allowing customers to store more data in the same physical footprint while reducing power, space and embodied-carbon intensity per terabyte.

We added Micron to the portfolio towards the end of 2025. This quarter, Micron's shares returned more than 240% after results reinforced the growing strategic importance of memory to the AI infrastructure buildout. Its earnings benefited from stronger pricing, improving demand and a more constructive outlook, as demand for memory continues to outpace industry supply additions. Growth is being driven by high-bandwidth memory for AI accelerators, agentic workloads and data caching. Micron's latest energy-efficient memory products also allow AI workloads to run with higher performance and lower power consumption, while long-term customer agreements may improve earnings visibility and reduce cyclicality.

Shares in TSMC continued to perform well as the market recognised its role in the AI chip buildout. There is effectively only one firm at the leading edge, and TSMC combines multi-year demand visibility, sustained wafer supply tightness, pricing power and process technology leadership. Its exposure to major AI chip players, alongside leadership in advanced process nodes and cutting-edge packaging, reinforces its position as a key foundry for AI semiconductors.

The largest detractors included McKesson, Spotify and Intercontinental Exchange (ICE).

McKesson's share price fell amid a wider derating of drug distributors, driven by GLP-1 cash-pay concerns, a switch into insurers and rising investor concerns around specialty pharmacy exposure ahead of a large wave of loss-of-exclusivity events over the next five years. The concern is that lower drug pricing could pressure distributor margins. Our investment thesis remains unchanged. We think McKesson is a leading player in a consolidated market with defensive growth characteristics, scale advantages and durable customer relationships.

Spotify detracted despite solid results, as investors focused on softer operating income guidance and increased AI product investment. The subsequent May investor day reinforced our positive view of this investment. AI could deepen Spotify's proprietary taste-data moat, improve personalisation across music, podcasts and audiobooks, and create new monetisation layers through premium features, creator tools and add-ons. If execution is strong, Spotify may shift from a perceived AI loser to an AI beneficiary, with a stronger moat, better pricing power and a clearer path to its long-term margin and free-cash-flow targets.

ICE's shares fell alongside the broader exchange group, as investors worried that regulatory changes could introduce new competition in areas such as perpetual futures. Sentiment was further pressured by AI-disruption concerns around financial data businesses, while ICE's mortgage technology business remained weak as the pathway for lower interest rates was pushed out. We believe these concerns may be overstated. ICE retains durable moats across proprietary fixed income pricing data, regulated exchange infrastructure and mortgage technology.

In trading activity, we trimmed some AI "winners" as the quarter progressed and reallocated proceeds into companies trading at more attractive valuations, including perceived 'AI losers' and businesses with strong idiosyncratic theses. We initiated positions in Tokio Marine Holdings, Baycurrent, Fair Isaac, Verisk Analytics, ServiceNow, Broadcom, Forgent Power Solutions and Waste Management Inc. We also exited Boralex, which is being taken private, as well as Xylem and Tetra Tech.

Manager outlook

Last quarter, we cautioned that energy insecurity rarely stays confined to the energy complex. Few would have expected global equities to finish higher with the Strait of Hormuz closed and Brent briefly above \$120, yet markets looked through the shock, supported by one dominant force: AI.

Leadership has been narrow. First-quarter earnings confirmed that the largest hyperscalers expect to spend roughly \$725 billion on AI infrastructure this year, around 64% above 2025, with Moody's projecting close to \$1 trillion in 2027. The market narrative has shifted towards a potential \$3-4 trillion annual capex run rate by 2030, while hyperscalers continue to describe themselves as supply-, rather than demand-, constrained.

Our focus is twofold: whether this buildout is sustainable, both in resource and return terms, and how to distinguish genuine AI beneficiaries from companies merely carried by enthusiasm. The most durable opportunities may remain in the enabling layer, where bottlenecks are most acute. High-bandwidth memory is sold out through 2026, TSMC's advanced packaging remains constrained, and power availability is increasingly the binding constraint on deployment. These supply-demand imbalances have

supported our exposure to memory, power equipment, cooling and grid infrastructure.

At the same time, we remain alert to the capital cycle. In technology-led ramps, timing mismatches between capex and realised returns can create air pockets, and today's chokepoints could eventually slow the pace of deployment. A similar pattern is visible in energy. Brent crude has fallen sharply from its 2026 peak as a US-Iran ceasefire framework took hold and shipping through the Strait of Hormuz began to resume, but tanker traffic and Gulf infrastructure remain below pre-conflict levels. Markets appear to have compressed the risk premium faster than the facts on the ground have improved.

Against this backdrop, and after strong performance from our AI positions, we have trimmed risk and redeployed into high-quality businesses that we believe have been unfairly penalised. Our underwriting has centred on long-term moat durability. We added to wider-moat businesses such as Verisk Analytics, which we believe could benefit from greater data utilisation and regulatory complexity rather than be disintermediated by them. This active discrimination between AI winners and perceived losers may be an advantage if market leadership broadens.

Environmental sustainability also remains central to the framework. An energy shock at a single chokepoint reinforces the case for diversified, domestically sited power, and the grid and renewables infrastructure required to support both energy security and AI growth. Climate volatility remains relevant too. The National Oceanic and Atmospheric Administration now assigns a 63% probability to a very strong El Niño this winter, increasing the risk of droughts, floods and cyclones. We have used weakness to add to selected insurance names, where hardening pricing and disciplined underwriting may convert climate volatility into shareholder value.

The quarter has been a real-world stress test of our framework. We favour companies with pricing power and the resilience to see shocks through, remain exposed to the structural beneficiaries of AI infrastructure and energy security, and are prepared for share price reversals where laggards may catch up. The portfolio's barbell approach of owning genuine AI beneficiaries alongside resilient, undervalued firms remains, in our view, well suited to the period ahead.

Performance (%)

Returns	Cumulative				Annualised			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since inception (31/07/91)
I Acc (Net)	0.48	16.17	10.86	14.04	12.94	7.95	13.55	9.15
Index	0.86	13.16	11.42	25.77	18.05	12.88	13.78	9.81
Peer Group	0.76	12.98	9.94	21.06	13.26	7.92	10.87	8.02

12 month rolling

	Jun 2025-Jun 2026	Jun 2024-Jun 2025	Jun 2023-Jun 2024	Jun 2022-Jun 2023	Jun 2021-Jun 2022
I Acc (Net)	14.04	4.73	20.63	13.54	-10.42
Index	25.77	7.71	21.45	13.80	-2.11
Peer Group	21.06	4.45	14.92	10.85	-9.11

Performance is on a net of fees basis, with gross income reinvested. Source: at 30/06/26. © 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.

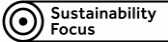
Note that any differences among portfolio securities currencies, share class currencies and costs to be paid or represented in currencies other than your home currency will expose you to currency risk. Costs and returns may increase or decrease as a result of currency and exchange rate fluctuations.

Investment objective

The Fund aims to provide capital growth over the long term (5 years or more) by investing in companies that the Investment Manager believes contribute to positive environmental or social change by reference to the sustainability themes. The Investment Manager has identified nine environmental and social sustainability themes that it believes will help drive a sustainable global economy by addressing current global challenges such as population growth, ageing population, resource constraints and climate change. The Investment Manager will invest in companies whose products and/or services are aligned with the sustainability themes.

For the fund's investment policy, refer to the Additional fund information on page 5.
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Fund details

Inception date	01 August 1991
Total net assets	1.78bn
Asset class	Equities
Domicile	United Kingdom
Structure	OEIC
Base currency	GBP
Index	MSCI World Index SM
Peer group	IA Global sector
SDR Label	

Sustainable Disclosure Requirements Label: Sustainability Focus funds invests mainly in assets that focus on sustainability for people or the planet. For benchmark/usage description, refer to Additional fund information on page 5.

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 15 December 2017, the Henderson Global Care Growth Fund changed its name and investment policy to become the Janus Henderson Global Sustainable Equity Fund. From 15 April 2025, the Fund's investment objective, policy and strategy changed. These are the views of the author at the time of publication and may differ from the views of other individuals/teams at Janus Henderson Investors. Any securities, funds, sectors or indices mentioned within this article do not constitute or form part of any offer or solicitation to buy or sell them. The information in this commentary does not qualify as an investment recommendation. Investment into the fund will acquire units/shares of the fund itself and not the underlying assets owned by the fund. Cash balances and exposures are based on settled and unsettled trades as at the reporting date.

The MSCI World Index is a measure of the combined performance of large and medium sized companies from developed stock markets around the world. 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 70% of its assets in shares (also known as equities) of companies, of any size, in any industry and in any country, provided that such companies are not excluded by virtue of the applicable exclusions and meet the Fund's sustainability standard. Whether a company provides sustainable products and/or services, and therefore whether it is a sustainable company for this Fund, will be determined by a robust evidence-based standard, which requires the majority of each company's current revenues (at least 50%) to be aligned to a single sustainability theme. The Fund may also invest up to 30% of its assets in other assets including: (a) companies that have less than 50% revenues aligned to the sustainability themes or have revenues which the Investment Manager considers as enhancing quality of life and which are not considered to conflict with the sustainability themes; (b) companies that derive at least 50% of prospective revenues from products and services that contribute to positive environmental or social change; (c) Collective Investment Schemes (including those managed by Janus Henderson); and (d) cash. The Investment Manager may use derivatives (complex financial instruments) to reduce risk or to manage the Fund more efficiently. The Fund is actively managed with reference to the MSCI World Index. The index represents the most appropriate and useful comparator for assessing the Fund's performance because there is a high degree of overlap between the constituents of the index and the initial investible universe of the Fund, but the index does not define the Fund's investment universe. The Investment Manager has discretion to choose investments for the Fund that are not in the index or with weightings that are different compared to the index. As an 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 Fund pursues its objectives by investing in sustainable companies that the Investment Manager believes contribute to positive environmental or social change and which have attractive financial prospects based on detailed analysis of financial statements and forecasted cash flows. The Fund has a bias towards "growth" equities. The "growth" approach emphasises investments in companies the Investment Manager believes have the potential for above-average earnings growth. Examples of themes the Investment Manager has identified include efficiency, cleaner energy, water management, environmental services, sustainable transport, sustainable property & finance, safety, quality of life, knowledge & technology and health. More product-specific information, including our investment principles, can be found in the Document Library of the website at www.janushenderson.com. Further information as to how Janus Henderson approach ESG, including Janus Henderson's "ESG Investment Policy", can be found at www.janushenderson.com/esg-governance.

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. Due to the Fund's Sustainability Approach, it may exclude or invest less or more in certain companies and may therefore perform differently to funds that have a similar financial objective, but that do not have a binding Sustainability Approach. Political, regulatory or investor sentiment about sustainability initiatives may change over time and impact the Fund's performance. 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. When the Fund, or a share/unit class, seeks to mitigate exchange rate movements of a currency relative to the base currency (hedge), the hedging strategy itself may positively or negatively impact the value of the Fund due to differences in short-term interest rates between the currencies. 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 June 2026, unless otherwise noted.

The Global Sustainable Equity fund avoids companies engaged in fossil fuel power generation, however, the fund may invest in companies generating power from natural gas where the company's strategy involves a transition to renewable energy. Investment in such companies is permitted where carbon intensity is aligned with a below 2°C scenario. Where carbon intensity cannot be determined, a 10% threshold for energy production from natural gas is used.

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