

# 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 2.95% and the MSCI World Index<sup>SM</sup> returned 7.27%.

### Contributors/detractors

Weak stock selection in information technology (IT) and financials detracted from relative performance, while holdings in artificial intelligence (AI) and electrification contributed.

### Outlook

We believe that U.S. policy changes, alongside broader global economic trends in 2025, present 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 equities continued their strong momentum over the third quarter, with the MSCI World Index reaching a record high. Two overarching trends drove returns: loosening monetary policy, and continued momentum in the AI growth story.
- Optimism for an interest-rate cut in the U.S. grew, following weaker-than-expected July jobs data, sluggish housing data, and subdued inflation. The Bank of England (BoE) lowered interest rates in August, followed by the European Central Bank (ECB). In September, the U.S. Federal Reserve (Fed) loosened monetary policy and hinted at further rate cuts this year. This optimism helped cyclical sectors, such as consumer discretionary and materials, to outperform, while more defensive sectors, such as consumer staples and healthcare, struggled amid the risk-on environment as well as uncertainty around U.S. healthcare policy.
- The AI growth story also continued to feed optimism. Several major announcements of AI infrastructure deals occurred during the quarter, including a \$300 billion multi-year deal for compute capacity between Oracle and OpenAI, and a \$100 billion investment by NVIDIA into OpenAI's data centers. Mega large-cap companies outperformed, and companies exposed to memory saw a resurgence in their share prices, as the AI boom is driving demand for high-capacity data storage solutions.

Companies exposed to electrification also outperformed, given the level of investment going toward the infrastructure build-out required to support AI deployment.

- Together with a loosening monetary policy, the momentum across the AI supply chain led IT and communication services to be the best-performing sectors over the quarter, as investors priced in multi-year visibility across the AI stack—from hyperscale cloud and networking to enterprise AI applications.

## Portfolio review

Stock selection – particularly in financials and communication services – drove relative underperformance. Some of the portfolio's top-performing companies in the first half of the year, such as Spotify and Saint-Gobain, underperformed over the quarter. Additionally, exposure to insurance companies dragged on relative returns, as the insurance industry continued to suffer a soft pricing environment and lagged banks. The lack of exposure to key AI beneficiaries also presented a further headwind. Conversely, the portfolio's underweight positions in consumer staples, healthcare, and real estate were beneficial on a relative basis.

At the stock level, the largest relative contributors included cables company Prysmian, electrical components manufacturer TE Connectivity, and TSMC.

Prysmian posted strong quarterly results, with several metrics beating expectations and the company raising its full-year guidance. As the world's largest manufacturer of copper cables, we believe the company is well positioned both to benefit from greater electrification spending, and to President Trump's announcement in July of a planned 50% tariff on copper imports into the U.S. This is because the company can source a larger proportion of its copper from the U.S., following the acquisition of Encore Wire last year, thus negating its exposure to the import tariffs, which will impact many of its competitors.

TE Connectivity reported record net sales, operating margin, and cash generation, as well as a strong increase in orders. The company is benefiting from broad-based AI strength and continued demand in renewables and hardening the electric grid. TE Connectivity is one of the global leaders in the connectors and sensors industry. It designs and manufactures devices that connect and protect the flow of power and data inside a wide variety of industries including AI, automotive, and energy. The company is also relatively well positioned to navigate tariffs, as three-quarters of its revenues are generated outside of the U.S., and two-thirds of manufacturing-to-sales is region for region.

TSMC posted solid results, underpinned by strong earnings and sustained momentum in AI. As the world's leading semiconductor foundry, responsible for producing over half of global chip supply, TSMC plays a pivotal role in enabling the rapidly expanding AI infrastructure ecosystem. Its unmatched leadership in advanced process nodes (3nm and 5nm), along with cutting-edge packaging technologies, has cemented its position as the foundry of choice for AI chipmakers. This technological edge not only reinforces its competitive moat but also positions the company to command premium pricing, with further increases anticipated in 2026 as demand intensifies. Beyond AI, TSMC's semiconductors are foundational across a diverse array of end markets, from automotive and industrial automation to medical devices and consumer electronics, ensuring resilient multi-sector growth.

The biggest relative detractors included audio-streaming service Spotify, insurance company Intact Financial, and building products company Saint-Gobain.

During the quarter, Spotify reported weak results and a more muted outlook, causing its share price to fall following a recent run of strong performance. Our investment thesis, however, is unchanged. We believe the company can harness multiple growth opportunities, including pricing structures, its premium "superfans" tier, and improvement in its ad-supported business, as well as potential expansion into new streaming sectors such as video. Spotify also introduced a range of new product features during the quarter, reinforcing its leadership as the dominant audio streaming platform. Spotify also continued to benefit from a shift in relative power in the music industry, which we think should translate into better business economics.

Despite its shares falling over the quarter, Intact reported strong earnings. The business continued to suffer from

general industry soft pricing, as well as being relatively defensive in a risk-on environment; the company historically has been a good performer for the portfolio. Intact Financial is one of Canada's largest insurers for cars, homes, and businesses, and it uses digital technology and data analytics to help customers better understand and mitigate risk. The company also is recognized as one of Canada's best employers.

Saint-Gobain suffered from the general cyclical downturn as well as uncertainty in the French economic backdrop, as the country's prime minister lost a confidence vote in September. The company reported mixed results and provided more muted guidance for full-year 2025. Several of Saint-Gobain's peers also issued profit warnings, which has further dented confidence in the sector. Our thesis is unchanged, as the company's transformation journey continues, and the capital markets day at the beginning of October is expected to provide new targets. We believe improvements from the transformation, combined with the future upturn in the industrial cycle, offer significant potential.

### Manager outlook

Looking ahead, our conviction in the enduring relevance of sustainable development themes has never been stronger. Sustainability is our guiding principle – a "north star" that helps us identify companies combining innovation with long-term value creation. In a world of rapid change, we believe businesses that take sustainability seriously and continually innovate will be the ones that thrive.

AI has emerged as a transformative force – not just another technological wave but, we believe, a new Industrial Revolution. AI is reshaping industries at an unprecedented pace, moving beyond data centers into the physical world, driving capital formation, resource demand, and the rise of intelligent machines. We see AI as a catalyst for sustainable progress, not a speculative fad. We invest in companies that harness AI to drive positive environmental and social outcomes.

We maintain balanced exposure to AI themes, classifying holdings as AI enablers, beneficiaries, bottlenecks, or immune sectors. This framework ensures diversification and resilience, allowing us to remain on the "right side of disruption." We actively engage with management teams, advocating for best practices in environmental, social, and AI governance.

Our investment process is grounded in fundamentals, with our intellectual capital focused on where we can develop a genuine edge. However, recent market dynamics have reignited debate over whether we are entering a new era of sustainable growth or witnessing the early signs of a speculative bubble. Bulls argue that strong earnings, resilient demand, the healthy balance sheets of the hyperscalers, and the transformative potential of AI are driving a new productivity cycle, which will allow the "AI trade" to continue for some time. By contrast, bears point to stretched valuations, narrow market leadership, and rising geopolitical and macroeconomic risks. The divergence in sentiment is

stark, with recent data showing both record highs in equity indices and elevated short interest in key sectors.

We acknowledge the extremity of these views and remain alert to the risks of irrational exuberance. The market can be a powerful signaling mechanism, and we monitor closely for signs of moat erosion or competitive disruption. Our approach is to stay grounded in substance and quality, investing in businesses that combine duration and innovation, and that are well positioned to navigate both hype and headwinds.

What is incontrovertible is that sustainability remains a defining force in markets and the world. By embracing AI as a catalyst for sustainable progress and maintaining discipline in our investment process, we aim to deliver persistent returns and positive impact. As Warren Buffett wisely said, “In the short run, the market is a voting machine, but in the long run, it is a weighing machine.” Our focus remains firmly on the long run – on substance, quality, and the enduring value of sustainability.

## Performance – USD (%)

Returns	Cumulative			Annualized			
	3Q25	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception (06/25/20)
Class I Shares	2.95	18.87	11.88	20.80	10.68	—	12.49
Class T Shares	2.89	18.76	11.68	20.68	10.53	—	12.33
Class N Shares	2.93	18.97	11.94	20.96	10.79	—	12.59
Class A Shares @ NAV	2.84	18.60	11.51	20.54	10.48	—	12.28
Class A Shares @ MOP	-3.07	11.78	5.10	18.19	9.18	—	11.02
MSCI World Index <sup>SM</sup>	7.27	17.43	17.25	23.71	14.41	—	15.39

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
Prysmian Spa	2.79	0.77	Spotify Technology S A	3.61	-0.63
TSMC	3.18	0.49	Intact Finl Corp	1.98	-0.50
Te Connectivityplc	2.24	0.42	Compagnie De St-Gobain	2.65	-0.41
Argenx SE	1.47	0.33	Wolters Kluwers	1.40	-0.39
Aptiv Plc	1.35	0.23	Progressive Corp Ohi	2.35	-0.35

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	6.91
Microsoft Corp	6.83
Taiwan Semiconductor Manufacturing Co Ltd (ADR)	3.57
Spotify Technology SA	3.54
McKesson Corp	3.38
Prysmian SpA	3.27
AIA Group Ltd	3.09
Arthur J Gallagher & Co	3.09
Schneider Electric SE	2.92
Cie de Saint-Gobain SA	2.52
<b>Total</b>	<b>39.12</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.

**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 09/30/25, 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.

**Industry and Sector Risk.** Investing a significant portion of its assets in companies in the same industry or economic sector can make the Fund more vulnerable to unfavorable developments than funds that invest more broadly. A more concentrated portfolio can be susceptible to factors affecting that group and may be more volatile than less concentrated investments or the market as a whole.

**Sustainable Investment Risk.** The Fund follows a sustainable investment approach by investing in companies that relate to certain sustainable development themes and demonstrate adherence to ESG practices. Accordingly, 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, which may make the Fund more vulnerable to unfavorable developments in a particular sector than funds that invest more broadly. Additionally, due to its exclusionary criteria, the Fund may not be invested in certain industries or sectors, and therefore may have lower performance than portfolios that do not apply similar criteria. In addition, because sustainable and ESG investing takes into consideration factors beyond traditional financial analysis, the investment opportunities for the Fund may be limited at times. Sustainability and ESG-related information provided by issuers and third parties, upon which portfolio management may rely, continues to develop, and may be incomplete, inaccurate, use different methodologies, or be applied differently across companies and industries. As the regulatory landscape around responsible investing continues to evolve across regions, future rules and regulations may require the Fund to modify or alter its investment process. 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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