1Q20
Fixed Income

ACTIVE FIXED INCOME ETFS

Janus Henderson
INVESTORS

Mortgage-Backed Securities in Managing Portfolio Volatility

JMBS Mortgage-Backed Securities ETF

Financial markets experienced an unprecedented selloff, with speed and magnitude of historic proportion. The spread of the COVID-19 was a shock to the global financial markets, ushering in a period of severe economic uncertainty and market volatility surged. Given this backdrop, Mortgage-Backed Securities (MBS) may offer investors a differentiated option that can diversify their core income allocation while taking on less credit risk.

Leveraging our in-house securitized product expertise, Janus Henderson has built JMBS – the first actively managed MBS Exchange Traded Fund (ETF) designed to outperform the Bloomberg Barclays U.S. MBS Index – to offer investors a way to access the potential benefits of active MBS exposure.

Why Invest in Mortgage-Backed Securities

Diversification Potential through Low Correlations

Typically, mortgage-backed securities have little to no exposure to corporate credit and are a high-quality asset class with historically low volatility and correlations to other risk assets.

-0.25 10-Year Correlation to S&P 500® Index

Source: Morningstar, Inc. Bloomberg Barclays U.S. MBS Index (as of 3/31/20).

History of Strong Risk-Adjusted Returns & Lower Volatility

Adding MBS exposure to a portfolio could significantly reduce overall portfolio volatility.

1.33 Sharpe Ratio & 2.47% Standard Deviation
Since Global Financial Crisis

Source: Morningstar, Inc. Bloomberg Barclays U.S. MBS Index (1/1/08 – 3/31/20).

Potential to Weather Tough Market Environments

Effectively backed by the U.S. government, agency MBS have tended to fare well when there has been a flight to quality.

+8.34% Return – Global Financial Crisis (2008)
+1.51% Return – Credit Sell-Off (2015)

Source: Morningstar, Inc. Bloomberg Barclays U.S. MBS Index calendar year returns.

Why Invest in JMBS

- Invests predominantly in high-quality agency MBS assets and seeks total return in excess of the MBS market without taking more risk, while maintaining substantial correlation with the Bloomberg Barclays U.S. MBS Index
- Potential for broad portfolio diversification benefits with little to no corporate credit risk
- Our experienced team differentiates itself by employing fundamental loan-level analysis and quantitative modeling in an effort to identify mispriced assets with attractive borrower behavior

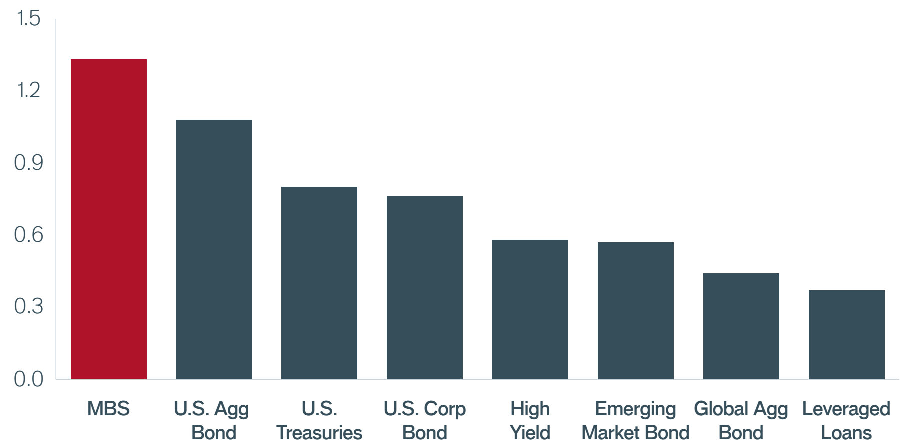
Past performance is no guarantee of future results. There is no assurance the stated objective(s) will be met.

MBS has Generated Strong Risk-Adjusted Returns

For some investors, the thought of exposure to the mortgage market may come with negative connotation, drumming up memories of the Global Financial Crisis. There is often a perceived riskiness to the asset class; however, today's reality is much different. Agency MBS, which makes up the majority of the mortgage-related market and is 100% of the Bloomberg Barclays U.S. MBS Index, carries the same credit rating as the U.S. government – meaning the risk of principal loss, although always present, is negligible. MBS generated the highest risk-adjusted return of major fixed income indices, based on Sharpe ratio, since the Global Financial Crisis.

MBS has Generated the Highest Sharpe Ratio

Sharpe Ratio Since Global Financial Crisis (1/1/08 – 3/31/20)



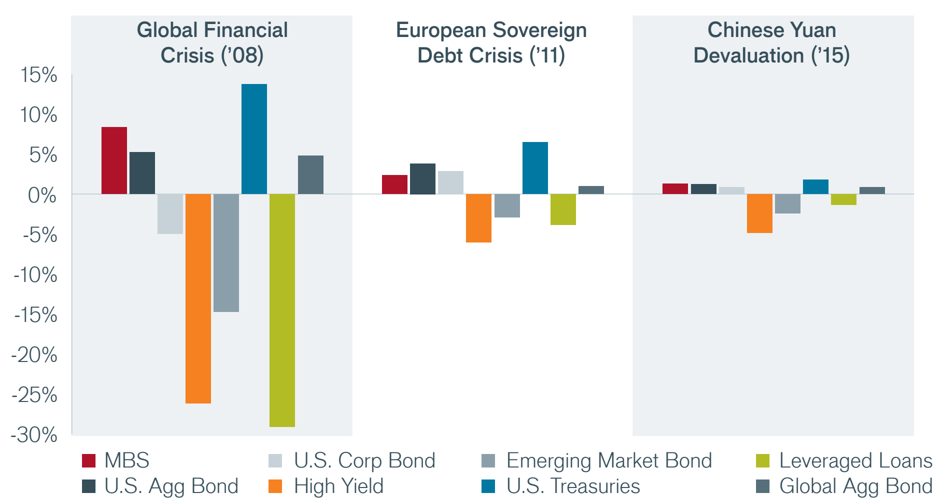
Source: Morningstar, Inc.

MBS has Held Up During Difficult Market Events

Often during periods of market stress investors look to Treasuries to protect capital. Agency MBS, which also carries the explicit or implied backing of the U.S. government, may be an attractive alternative given its potential for higher returns over the long term. In flight-to-quality events, MBS has experienced strong performance relative to other areas of the fixed income market where investors typically seek diversification.

Strong Performance During Flights to Quality

Historical Index Returns



Source: Morningstar, Inc. Global Financial Crisis (1/01/08 – 12/31/08), European Sovereign Debt Crisis (7/1/11 – 9/30/11), Chinese Yuan Devaluation (7/1/15 – 9/30/15).

Actively Seeking Higher Total Returns in High-Quality MBS Through a Lower-Cost ETF

JMBS invests primarily in high-quality, typically low-volatility agency mortgage-backed securities that have the explicit or implied guarantee of the U.S. government. JMBS seeks to outperform the total return of the Bloomberg Barclays U.S. MBS Index while maintaining a substantial correlation to the index.

The vast majority – at least 80% – of JMBS' assets are invested in securities guaranteed by U.S. government-sponsored agencies including Government National Mortgage Association (Ginnie Mae), Federal National Mortgage Association (Fannie Mae) or Federal Home Loan Mortgage Corporation (Freddie Mac). Agency-guaranteed MBS typically provide for the timely payment of mortgage principal and interest.

Modeling Borrower Behavior and Prepayment Risk to Find Opportunity

Our team differentiates itself through loan-level analysis. We believe the MBS market's sheer size in value and number of loans makes it an attractive area for active management. In our opinion, the market consistently mismodels borrower prepayment behavior, a key risk in MBS, offering active managers the opportunity to be selective and add alpha. Abundant and accessible loan-level data lends itself to quantitative modeling, which we employ to evaluate borrower behavior and the likelihood of prepayments amid changing market dynamics. Our team differentiates itself through loan-level analysis, continuously evaluating roughly $6.5 trillion in mortgages across more than 35 million loans.

Investable Universe	Analyzed By	Security Selection
35+ Million Mortgages	Location, Coupon Credit Score, Debt to Income, Cash Flow, Collateral	Bottom-up, loan-by-loan approach

We take a bottom-up, loan-by-loan approach in an effort to identify the best opportunities.

Implementing JMBS in a Portfolio

JMBS is a potentially powerful building block for a diversified fixed income portfolio. JMBS may be used for:

1. Dedicated MBS Exposure
Historically low correlations and strong risk-adjusted returns of the asset class make a strategic allocation attractive.

2. A Complement to Existing Core Fixed Income
Pair with core bond funds that may be longer duration and corporate credit-focused.

3. Rebalancing away from Non-Core Fixed Income
Investors may have over-allocated to riskier non-core fixed income given the interest rate environment and the proliferation of new investment options.

Portfolio Management
Invest alongside MBS specialists

John Kerschner, CFA
Head of U.S. Securitized Products, Portfolio Manager

Nick Childs, CFA
Portfolio Manager

JMBS Key Qualities

- High-quality holdings
- No exposure to sub-prime
- No duration bets

To learn more about **Mortgage-Backed Securities ETF**, contact your financial advisor or visit janushenderson.com/JMBS

Through quantitative modeling of borrower behavior, JMBS seeks to **outperform the total return of the Bloomberg Barclays U.S. MBS Index** while maintaining a substantial correlation to the index.

Performance (%)		1Q20	1 yr	Since Inception (9/12/18)
JMBSNV	ETF @ NAV	0.78	5.40	6.11
JMBS	ETF @ Market Price	0.47	4.97	5.92
	Bloomberg Barclays U.S. MBS Index	2.82	7.03	7.22

Total expense ratio (as of 5/1/20): 0.32%. The Fund's contractual management fee rate, which reflects the operating expenses of the Fund, is 0.30%.

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.

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Market returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. Eastern time (when NAV is normally determined for most ETFs), and do not represent the returns you would receive if you traded shares at other times. Ordinary brokerage commissions apply and will reduce returns.

Sliding Fee Schedule (%) (Daily Net Assets)	Contractual Management Fee (Annual Rate)
$0 - $500 million	0.30
Next $500 million	0.25
Over $1 billion	0.20

Effective 5/1/20, the Fund's management fee is calculated daily and paid monthly according to the schedule above.

About Our Securitized Investment Team

17

Investment Professionals
As of 3/31/20

16.3

Average Years Experience
As of 3/31/20

$14.5B

Securitized Assets
on the Fixed Income platform as of 12/31/19

Global Presence

Offices in Denver, London & Sydney

For more information, please visit **janushenderson.com.**

Janus Henderson INVESTORS

OBJECTIVE: Janus Henderson Mortgage-Backed Securities ETF (JMBS) seeks a high level of total return consisting of income and capital appreciation.

ETF shares are not individually redeemable and owners of the shares may acquire those shares from the Fund and tender those shares for redemption to the Fund in Creation Units only.

Returns include reinvestment of dividends and capital gains. Returns greater than one year are annualized.

U.S. Treasury securities are direct debt obligations issued by the U.S. Government. With government bonds, the investor is a creditor of the government. Treasury Bills and U.S. Government Bonds are guaranteed by the full faith and credit of the United States government, are generally considered to be free of credit risk and typically carry lower yields than other securities.

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

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

Investors must consider whether any product is appropriate based on that investor's specific investment objectives, financial situation, time horizon and risk tolerance.

Fixed income securities are subject to interest rate, inflation, credit and default risk. The bond market is volatile. As interest rates rise, bond prices usually fall, and vice versa. The return of principal is not guaranteed, and prices may decline if an issuer fails to make timely payments or its credit strength weakens.

Mortgage-backed securities (MBS) may be more sensitive to interest rate changes. They are subject to extension risk, where borrowers extend the duration of their mortgages as interest rates rise, and prepayment risk, where borrowers pay off their mortgages earlier as interest rates fall. These risks may reduce returns.

Funds that concentrate investments in a single sector will be more susceptible to factors affecting that sector and may be more volatile than less concentrated investments or the market as a whole.

Actively managed portfolios may fail to produce the intended results. No investment strategy can ensure a profit or eliminate the risk of loss.

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

Alpha compares risk-adjusted performance relative to an index. Positive alpha means outperformance on a risk-adjusted basis. **Correlation** measures the degree to which two variables move in relation to each other. A value of 1.0 implies movement in parallel, -1.0 implies movement in opposite directions, and 0.0 implies no relationship. **Sharpe Ratio** measures risk-adjusted performance using excess returns versus the "risk-free"rate and the volatility of those returns. A higher ratio means better return per unit of risk. **Standard Deviation** measures historical volatility. Higher standard deviation implies greater volatility.

Bloomberg Barclays U.S. Mortgage Backed Securities (MBS) Index tracks the performance of U.S. fixed-rate agency mortgage backed pass-through securities. **Bloomberg Barclays U.S. Aggregate Bond Index (U.S. Agg Bond)** is a broad-based measure of the investment grade, US dollar-denominated, fixed-rate taxable bond market. **Bloomberg Barclays Global Aggregate Bond Index (Global Agg Bond)** is a broad-based measure of the global investment grade fixed-rate debt markets. **S&P 500® Index** reflects U.S. large-cap equity performance and represents broad U.S. equity market performance. **Bloomberg Barclays U.S. Corporate High Yield Bond Index (High Yield)** measures the US dollar-denominated, high yield, fixed-rate corporate bond market. **Bloomberg Barclays U.S. Corporate Bond Index (U.S. Corp Bond)** measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate bond market. **S&P/LSTA Leveraged Loan Index (Leveraged Loans)** measures the performance of the U.S. leveraged loan market based upon market weightings, spreads and interest payments. **Bloomberg Barclays Emerging Markets Hard Currency Aggregate Index (Emerging Market Bond)** measures the US dollar-denominated, emerging markets sovereign, quasi-sovereign, and corporate debt markets. **Bloomberg Barclays US Treasury Index (Treasuries)** measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded.

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

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. Read it carefully before you invest or send money.

Janus Capital Management LLC is the investment adviser and ALPS Distributors, Inc. is the distributor. ALPS is not affiliated with Janus Henderson or any of its subsidiaries.

JNS1002
C-0520-30770 07-15-20
144-15-418844 05-20