

# Emerging Markets Managed Volatility Fund

Performance Commentary (Class I Shares)

as of 9/30/19

## Summary

- The Janus Henderson Emerging Markets Managed Volatility Fund outperformed the MSCI Emerging Markets Index<sup>SM</sup> for the quarter.
- Emerging equity markets continued to experience heightened volatility and sold off during the quarter, lagging their developed markets counterparts. Risk was generally “off” during the quarter, with lower beta stocks and defensive sectors outperforming.
- The Fund benefited from its overall defensive positioning and favorable selection effects within the financials sector during the quarter.
- Emerging Markets Managed Volatility strategy’s optimization approach, which targets an excess return while minimizing the absolute risk, involves a dynamic adjustment to the market environment whereby the strategy adjusts the volatility reduction to market conditions. In periods of volatile markets, the portfolio will focus on volatility reduction, offering a smoother ride and an increased downside protection, and in periods of lower volatility, the portfolio will focus on alpha generation.

Performance (%)	3Q19	YTD	1 yr	3 yr	5 yr	10 yr	Since Inception (12/17/14)
Class I Shares	-1.56	4.80	0.58	7.27	–	–	4.71
Class T Shares	-1.75	4.82	0.61	7.17	–	–	4.61
Class A Shares @ NAV	-1.76	4.43	0.28	6.98	–	–	4.43
Class A Shares @ MOP	-7.42	-1.58	-5.52	4.89	–	–	3.14
MSCI Emerging Markets Index <sup>SM</sup>	-4.25	5.89	-2.02	5.97	–	–	4.35

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: Class I Shares: Gross 4.79% and Net 1.08% | Class T Shares: Gross 4.51% and Net 1.21% | Class A Shares: Gross 4.41% and Net 1.25%.

Net expense ratios reflect the expense waiver, if any, contractually agreed to through 11/1/19.

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

**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.**

# Emerging Markets Managed Volatility Fund (as of 9/30/19)

## Quarterly Performance Attribution by Standard Deviation (%)

Std. Dev. Range	Emerging Markets Managed Volatility Fund			MSCI Emerging Markets Index			Avg. Weight Difference	Attribution		
	Avg. Std. Dev.	Avg. Weight	Total Return	Avg. Std. Dev.	Avg. Weight	Total Return		Allocation Effect	Residual (Selection Effect)	Total Effect
Quintile 1 (high)	20.68	11.28	5.08	17.31	10.62	-5.68	0.66	-0.04	1.31	1.27
Quintile 2	13.06	9.36	2.95	14.60	15.19	-6.01	-5.83	0.10	0.87	0.97
Quintile 3	11.04	12.33	-1.81	14.23	24.44	-4.17	-12.11	-0.01	0.31	0.31
Quintile 4	8.24	16.72	-5.43	12.16	24.46	-1.97	-7.74	-0.16	-0.63	-0.79
Quintile 5 (low)	5.62	50.23	-1.82	7.89	25.20	-4.13	25.03	-0.04	1.14	1.10
<b>Total</b>	<b>6.95</b>	<b>100.00</b>	<b>-</b>	<b>11.62</b>	<b>100.00</b>	<b>-4.11</b>	<b>-</b>	<b>-0.12</b>	<b>3.01</b>	<b>2.90</b>

- As of September 30, 2019, the Fund's estimated volatility reduction is 40%.
- The portfolio's overall volatility positioning slightly detracted from relative performance during the quarter.

## Quarterly Performance Attribution by Beta (%)

Beta Range	Emerging Markets Managed Volatility Fund			MSCI Emerging Markets Index			Avg. Weight Difference	Attribution		
	Avg. Beta	Avg. Weight	Total Return	Avg. Beta	Avg. Weight	Total Return		Allocation Effect	Residual (Selection Effect)	Total Effect
Quintile 1 (high)	1.62	5.72	-3.31	1.74	19.39	-5.39	-13.67	0.19	0.12	0.31
Quintile 2	1.18	3.51	3.17	1.18	25.80	-2.39	-22.29	-0.43	0.23	-0.21
Quintile 3	0.87	7.45	-4.20	0.90	16.37	-4.01	-8.92	-0.01	-0.01	-0.02
Quintile 4	0.62	15.62	-0.68	0.66	20.90	-5.53	-5.27	0.10	0.77	0.88
Quintile 5 (low)	0.35	67.59	-0.99	0.40	17.43	-3.35	50.16	0.28	1.63	1.91
<b>Total</b>	<b>0.56</b>	<b>100.00</b>	<b>-</b>	<b>1.00</b>	<b>100.00</b>	<b>-4.11</b>	<b>-</b>	<b>0.14</b>	<b>2.75</b>	<b>2.90</b>

- An average overweight to lower beta stocks (quintile 5) and underweight to higher beta stocks (quintile 1) contributed to the Fund's relative performance during the quarter.
- The estimated beta of the Fund is 0.56 and reflects the current defensive positioning of the Fund.

## Quarterly Performance Attribution by Market Capitalization (%)

Market Capitalization Range	Emerging Markets Managed Volatility Fund		MSCI Emerging Markets Index		Avg. Weight Difference	Attribution		
	Avg. Weight	Total Return	Avg. Weight	Total Return		Allocation Effect	Residual (Selection Effect)	Total Effect
Over \$100B	2.47	-6.15	26.76	-1.04	-24.29	-0.79	-0.13	-0.92
\$25B to \$100B	19.16	-0.09	23.58	-5.19	-4.42	0.06	0.96	1.02
\$15B to \$25B	15.96	-3.72	12.49	-5.52	3.47	-0.05	0.33	0.28
\$2B to \$15B	62.25	-0.68	36.19	-4.84	26.07	-0.20	2.59	2.39
Under \$2B	0.09	23.10	0.93	-11.51	-0.84	0.07	0.02	0.09
<b>Total</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-4.11</b>	<b>-</b>	<b>-0.90</b>	<b>3.80</b>	<b>2.90</b>

- The Fund's overall active size positioning detracted from the Fund's relative performance during the quarter.

# Emerging Markets Managed Volatility Fund (as of 9/30/19)

## Quarterly Performance Attribution by Sector (%)

GICS Sector	Emerging Markets Managed Volatility Fund		MSCI Emerging Markets Index		Avg. Weight Difference	Attribution		
	Avg. Weight	Total Return	Avg. Weight	Total Return		Allocation Effect	Residual (Selection Effect)	Total Effect
Communication Services	14.40	-1.42	11.75	-5.09	2.64	-0.04	0.54	0.50
Consumer Discretionary	9.21	-4.02	13.58	-2.75	-4.37	-0.08	-0.16	-0.24
Consumer Staples	16.41	5.23	6.78	-0.75	9.63	0.31	0.95	1.26
Energy	3.19	-4.22	7.69	-3.70	-4.51	0.01	-0.01	-0.01
Financials	23.98	-2.25	24.77	-7.85	-0.79	0.02	1.40	1.43
Health Care	3.15	-6.30	2.63	-6.58	0.51	-0.01	0.00	-0.01
Industrials	7.35	-1.60	5.33	-5.06	2.02	-0.03	0.27	0.24
Information Technology	4.77	1.32	14.37	5.93	-9.60	-0.97	-0.21	-1.17
Materials	4.29	-3.91	7.27	-10.55	-2.98	0.20	0.31	0.51
Real Estate	2.29	-3.40	2.94	-8.71	-0.65	0.03	0.13	0.17
Utilities	10.91	-1.77	2.83	-3.49	8.08	0.02	0.16	0.18
<b>Total</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-4.11</b>	<b>-</b>	<b>-0.51</b>	<b>3.40</b>	<b>2.90</b>

- While an average underweight to the information technology sector was a headwind, the Fund benefited from favorable selection effects within the financials sector during the quarter.

## Quarterly Performance Attribution by Country (%)

Country	Emerging Markets Managed Volatility Fund		MSCI Emerging Markets Index		Avg. Weight Difference	Attribution		
	Avg. Weight	Total Return	Avg. Weight	Total Return		Allocation Effect	Residual (Selection Effect)	Total Effect
Argentina	0.09	-9.37	0.27	-46.81	-0.19	0.11	0.04	0.15
Brazil	11.44	8.26	7.78	-4.54	3.66	-0.03	1.41	1.38
Chile	1.43	-9.53	0.93	-7.28	0.50	-0.02	-0.02	-0.04
China	14.23	-2.73	31.96	-4.67	-17.73	0.13	0.37	0.50
Colombia	0.19	-2.91	0.42	-6.09	-0.23	0.00	0.01	0.01
Czech Republic	0.95	-12.04	0.15	-9.50	0.80	-0.05	-0.03	-0.07
Egypt	0.00	0.00	0.15	7.44	-0.15	-0.02	0.00	-0.02
Greece	0.12	-1.96	0.29	-2.72	-0.17	0.00	0.00	0.00
Hungary	0.02	-2.24	0.30	-3.92	-0.28	0.00	0.00	0.00
India	12.73	-1.47	8.71	-5.15	4.02	0.00	0.48	0.49
Indonesia	2.06	-0.19	2.14	-5.17	-0.08	0.01	0.10	0.11
Korea	3.82	-8.87	11.84	-4.45	-8.02	0.03	-0.18	-0.16
Malaysia	8.95	-6.86	2.12	-6.31	6.83	-0.17	-0.05	-0.22
Mexico	4.17	0.03	2.49	-1.64	1.67	0.03	0.07	0.10
Pakistan	0.00	0.00	0.03	1.27	-0.03	0.00	0.00	0.00
Peru	0.06	-10.28	0.39	-9.26	-0.33	0.01	0.00	0.02
Philippines	1.96	-19.16	1.13	-4.56	0.84	-0.02	-0.30	-0.32
Poland	0.02	-12.46	1.04	-11.69	-1.02	0.09	-0.01	0.08
Qatar	2.47	-3.21	1.00	-0.22	1.46	0.07	-0.09	-0.02
Russia	2.83	-0.28	3.98	-0.91	-1.16	-0.04	0.02	-0.02
Saudi Arabia	0.00	0.00	1.86	-9.43	-1.86	0.19	0.00	0.19
South Africa	1.77	-6.93	5.58	-12.44	-3.81	0.33	0.09	0.42
Taiwan	18.58	1.23	11.17	5.87	7.42	0.74	-0.84	-0.10
Thailand	6.37	-0.71	2.96	-5.89	3.41	-0.09	0.31	0.22
Turkey	0.04	-1.64	0.55	11.65	-0.51	-0.08	0.00	-0.08
United Arab Emirates	5.43	1.51	0.74	-0.16	4.68	0.17	0.09	0.26
<b>Total</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-4.11</b>	<b>-</b>	<b>1.37</b>	<b>1.52</b>	<b>2.90</b>

- The Fund's overall active country positioning contributed to relative performance during the quarter.

Source: FactSet. See last page for important disclosures.

For more information, please visit [janushenderson.com](http://janushenderson.com).

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INVESTORS

Past performance is no guarantee of future results.

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.

Intech's focus on managed volatility may keep the Fund from achieving excess returns over its index. The strategy may underperform during certain periods of up markets, and may not achieve the desired level of protection in down markets.

Increased portfolio turnover may result in higher expenses and potentially higher net taxable gains or losses.

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

**MSCI Emerging Markets Index<sup>SM</sup>** reflects the equity market performance of emerging markets. **Alpha** compares risk-adjusted performance relative to an index. Positive alpha means outperformance on a risk-adjusted basis. **Beta** measures the volatility of a security or portfolio relative to an index. Less than one means lower volatility than the index; more than one means greater volatility. **Standard Deviation** measures historical volatility. Higher standard deviation implies greater volatility.

**Attribution** is used as a tool to explain the sources of a portfolio excess return versus a specific benchmark and during a specific period. The most widely used attribution methodology is a Return Decomposition Model based on weights and returns of a portfolio and index's underlying holdings. This attribution framework can be defined over a specific period, benchmark, grouping (sector, market cap, country, beta quintiles, standard deviation quintiles) and currency. **Allocation Effect** measures whether the

overweight or underweight of a segment relative to the index contributed positively or negatively to the overall portfolio's relative return over a specific period. For example, if the portfolio is underweight a segment of the market that underperformed, the allocation effect will be positive. If the portfolio is overweight a segment of the market that underperformed or underweight a segment of the market that outperformed, the allocation effect will be negative. **Residual (Selection Effect)**, measures if the securities that a portfolio hold within a given segment have contributed to or detracted from the overall portfolio's relative performance. A positive selection effect means that the portfolio return within a specific segment was greater than the benchmark within the same segment. The "selection" of the stocks in the portfolio for that segment outperformed similar securities in the benchmark. Intech refers to "selection effect" as "residual" given our process selects stocks based on relative volatility and correlation characteristics as opposed to a traditional manager where "selection effect" measures the manager skill to select stocks that outperform. **Total Effect** is the sum of the allocation and selection effects.

Performance attribution is equity only and does not include cash. Total returns are gross of advisory fees and may differ from actual returns as they are based on end-of-day holdings in the fund. Companies in the fund and index are divided into quintiles based upon their standard deviation and beta during the period. Sector weights based on GICS. Country weights based on MSCI classifications.

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