

# Global Income Managed Volatility Fund

Performance Commentary (Class I Shares)

as of 12/31/19

## Summary

- The Janus Henderson Global Income Managed Volatility Fund underperformed the MSCI World High Dividend Yield Index<sup>SM</sup> for the quarter.
- Global equity markets continued to make strong gains during the fourth quarter and finished the year with a return in excess of 28%. Yield oriented stocks lagged on average during the quarter and year.
- Defensive segments underperformed in the strongly rising market during the quarter. Lower-beta and lower-volatility stocks underperformed their higher-beta and higher-volatility counterparts during the quarter. From a sector perspective, the defensive utilities sector was the weakest performer during the period.
- The Fund was negatively impacted by its overall defensive positioning during the quarter. Specifically, an average overweight to lower beta stocks and the defensive utilities sector detracted from the Fund's relative performance.
- Global Income 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 mitigation and in periods of lower volatility, the portfolio will focus on alpha generation.

Performance (%)	4Q19	1 yr	3 yr	5 yr	10 yr	Since Inception (12/15/11)
Class I Shares	2.02	16.37	9.58	8.46	–	9.56
Class T Shares	2.00	16.30	9.40	8.28	–	9.36
Class A Shares @ NAV	1.98	16.15	9.29	8.17	–	9.26
Class A Shares @ MOP	-3.88	9.49	7.16	6.89	–	8.46
MSCI World Index <sup>SM</sup>	8.56	27.67	12.57	8.74	–	11.63
MSCI World High Dividend Yield Index <sup>SM</sup>	7.10	23.15	10.38	7.31	–	9.48

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 0.78% and Net 0.60% | Class T Shares: Gross 0.92% and Net 0.75% | Class A Shares: Gross 1.05% and Net 0.84%.

Net expense ratios reflect the expense waiver, if any, contractually agreed to through at least 10/28/20.

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.

## Global Income Managed Volatility Fund (as of 12/31/19)

### Quarterly Performance Attribution by Standard Deviation (%)

Std. Dev. Range	Global Income Managed Volatility Fund			MSCI World High Dividend Yield 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)	16.67	6.64	12.32	14.16	8.48	13.90	-1.84	-0.10	-0.12	-0.22
Quintile 2	9.28	5.53	4.64	10.56	17.64	10.67	-12.11	-0.39	-0.32	-0.72
Quintile 3	8.47	9.41	-1.12	9.59	15.18	9.76	-5.77	-0.14	-1.03	-1.17
Quintile 4	6.61	27.63	1.92	7.11	29.89	4.77	-2.26	0.06	-0.79	-0.73
Quintile 5 (low)	6.22	45.00	1.11	6.15	25.43	4.15	19.57	-0.60	-1.37	-1.97
<b>Total</b>	<b>5.47</b>	<b>100.00</b>	<b>-</b>	<b>7.53</b>	<b>100.00</b>	<b>7.28</b>	<b>-</b>	<b>-1.22</b>	<b>-3.81</b>	<b>-5.03</b>

- As of December 31, 2019, the Fund's estimated volatility reduction is 27% versus the MSCI World High Dividend Yield Index.
- The portfolio's overall volatility positioning detracted from relative performance during the quarter.

### Quarterly Performance Attribution by Beta (%)

Beta Range	Global Income Managed Volatility Fund			MSCI World High Dividend Yield 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)	1.75	4.76	8.95	1.61	22.09	6.26	-17.33	0.14	0.10	0.24
Quintile 2	1.14	13.44	7.33	1.19	26.95	12.31	-13.51	-0.63	-0.64	-1.27
Quintile 3	0.88	14.71	0.22	0.82	24.53	4.27	-9.81	0.30	-0.60	-0.31
Quintile 4	0.58	22.62	1.00	0.60	13.46	7.14	9.16	-0.02	-1.38	-1.40
Quintile 5 (low)	0.28	44.47	1.37	0.31	12.03	4.32	32.44	-0.96	-1.29	-2.26
<b>Total</b>	<b>0.63</b>	<b>100.00</b>	<b>-</b>	<b>1.00</b>	<b>100.00</b>	<b>7.28</b>	<b>-</b>	<b>-1.21</b>	<b>-3.82</b>	<b>-5.03</b>

- An average overweight to lower beta stocks (quintile 5) detracted from the Fund's relative performance during the quarter.
- The estimated beta of the Fund of 0.63 and reflects the current defensive positioning of the Fund.

### Quarterly Performance Attribution by Market Capitalization (%)

Market Capitalization Range	Global Income Managed Volatility Fund		MSCI World High Dividend Yield Index		Avg. Weight Difference	Attribution		
	Avg. Weight	Total Return	Avg. Weight	Total Return		Allocation Effect	Residual (Selection Effect)	Total Effect
Over \$100B	11.94	3.00	43.06	5.53	-31.12	0.52	-0.30	0.21
\$25B to \$100B	43.73	1.78	36.50	8.66	7.23	0.09	-2.97	-2.88
\$15B to \$25B	13.15	2.99	8.93	8.25	4.22	0.04	-0.68	-0.64
\$2B to \$15B	31.18	2.29	11.50	8.78	19.68	0.28	-2.00	-1.72
<b>Total</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>7.28</b>	<b>-</b>	<b>0.93</b>	<b>-5.95</b>	<b>-5.03</b>

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

# Global Income Managed Volatility Fund (as of 12/31/19)

## Quarterly Performance Attribution by Sector (%)

GICS Sector	Global Income Managed Volatility Fund		MSCI World High Dividend Yield Index		Avg. Weight Difference	Attribution		
	Avg. Weight	Total Return	Avg. Weight	Total Return		Allocation Effect	Residual (Selection Effect)	Total Effect
Communication Services	12.26	2.33	9.41	5.23	2.85	-0.06	-0.38	-0.44
Consumer Discretionary	11.32	1.24	6.68	10.67	4.64	0.14	-0.98	-0.84
Consumer Staples	10.14	2.23	14.77	3.86	-4.63	0.17	-0.17	0.00
Energy	3.23	10.72	6.85	3.10	-3.63	0.14	0.22	0.36
Financials	8.30	1.30	11.84	6.78	-3.54	-0.01	-0.45	-0.45
Health Care	4.28	10.26	19.11	13.42	-14.82	-0.85	-0.13	-0.98
Industrials	10.99	3.89	10.58	9.63	0.41	0.00	-0.61	-0.61
Information Technology	1.01	5.30	6.64	3.12	-5.63	0.23	0.02	0.24
Materials	1.05	21.00	5.59	9.43	-4.55	-0.10	0.11	0.01
Real Estate	4.98	0.07	1.27	6.03	3.72	-0.05	-0.30	-0.35
Utilities	32.44	-0.13	7.26	1.94	25.18	-1.27	-0.70	-1.96
<b>Total</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>7.28</b>	<b>-</b>	<b>-1.66</b>	<b>-3.37</b>	<b>-5.03</b>

- An average overweight to the defensive utilities sector, as well as an average underweight to health care, detracted from relative performance during the quarter.

## Quarterly Performance Attribution by Country (%)

Country	Global Income Managed Volatility Fund		MSCI World High Dividend Yield Index		Avg. Weight Difference	Attribution		
	Avg. Weight	Total Return	Avg. Weight	Total Return		Allocation Effect	Residual (Selection Effect)	Total Effect
Australia	2.71	8.79	1.48	6.75	1.23	-0.01	0.05	0.04
Austria	0.03	5.43	0.07	12.99	-0.04	0.00	0.00	-0.01
Belgium	0.04	-1.76	0.14	6.90	-0.09	0.00	-0.01	-0.01
Canada	4.56	3.29	4.15	3.47	0.40	-0.01	-0.02	-0.03
Denmark	0.30	4.45	0.04	4.45	0.26	-0.01	0.00	-0.01
Finland	0.24	10.38	1.00	12.66	-0.76	-0.04	-0.01	-0.05
France	1.07	3.34	5.20	7.58	-4.13	-0.01	-0.05	-0.06
Germany	0.35	12.34	4.56	11.96	-4.21	-0.21	0.00	-0.20
Hong Kong	16.50	0.88	2.07	6.23	14.43	-0.14	-0.89	-1.03
Ireland	0.02	4.88	0.20	27.86	-0.18	-0.03	0.00	-0.04
Israel	0.15	3.13	0.11	3.13	0.04	0.00	0.00	0.00
Italy	0.30	4.61	0.45	5.68	-0.15	0.00	-0.01	0.00
Japan	13.77	4.72	6.53	8.89	7.24	0.11	-0.56	-0.45
Netherlands	0.30	-0.55	1.35	-1.26	-1.04	0.08	0.00	0.07
New Zealand	0.95	5.40	0.12	4.98	0.83	-0.03	0.00	-0.03
Norway	0.54	6.22	0.41	3.23	0.13	0.00	0.02	0.01
Portugal	0.05	-5.89	0.23	9.36	-0.17	-0.01	-0.01	-0.01
Singapore	1.70	6.75	1.31	7.39	0.39	0.00	-0.01	-0.01
Spain	0.43	0.63	1.54	4.37	-1.11	0.04	-0.02	0.01
Sweden	0.10	16.23	0.26	12.07	-0.16	-0.01	0.00	-0.01
Switzerland	0.80	10.76	6.13	10.17	-5.33	-0.14	0.00	-0.14
United Kingdom	1.76	18.35	8.18	13.91	-6.42	-0.40	0.08	-0.32
United States	53.33	0.74	54.48	5.85	-1.15	0.01	-2.77	-2.76
<b>Total</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>7.28</b>	<b>-</b>	<b>-0.82</b>	<b>-4.21</b>	<b>-5.03</b>

- An average underweight to the U.K. detracted from the Fund's relative performance during the quarter.

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

**Janus Henderson**  
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.

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

**MSCI World Index<sup>SM</sup>** reflects the equity market performance of global developed markets. **MSCI World High Dividend Yield Index<sup>SM</sup>** reflects the performance of high dividend yield securities from global developed 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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