

Contrarian Fund

Market Environment

- The S&P 500[®] Index posted a positive return for the quarter. The index retreated in September after reaching all-time highs, and markets remained locked in a tug-of-war amid divergent macroeconomic themes.
- While demand remained strong in the U.S., the spread of the COVID Delta variant and broadening supply chain disruptions dampened economic growth and led to upward inflationary pressures.
- During the quarter, the Federal Reserve (Fed) indicated that it could begin to taper its asset purchases that were put in place during the global pandemic.
- However, consumer balance sheets remained generally strong – bolstered by stimulus, strong capital markets and a robust housing market – with the potential to fuel growth as the Delta variant wanes and supply chains are repaired.

Performance Summary

The Fund underperformed its benchmark, the S&P 500 Index, for the quarter ended September 30, 2021. Our exposure to small- and mid-cap stocks was a headwind during the period as large-cap growth stocks led the market. Stock selection also detracted from performance, as did our overweight allocation to the materials sector.



For detailed performance information, please visit janushenderson.com/performance.

Portfolio Discussion

Copper miner Freeport McMoRan was among the top detractors. During the quarter, economically sensitive stocks with global exposure suffered as the market digested the impact of the COVID Delta variant. Additionally, concerns around the Chinese property market surfaced as one of the largest property developers in China, Evergrande, dealt with its balance sheet problems. Long term, however, we remain constructive on Freeport. As the global economy transforms its power consumption away from fossil fuels and toward electric generation, copper will be a key input as new technologies are significantly more reliant on copper than those that they will replace.

Gaming REIT VICI Properties was also among the top detractors. During the quarter, the company announced its acquisition of MGM Growth Properties, which post-close could potentially make in our view, VICI one of the largest triple-net REITs in the U.S. While we believe this is a positive long-term development for VICI, the acquisition required a large equity issuance to fund, which hurt stock performance in the short-term. Rising interest rates during the period were also a headwind in general for interest-rate sensitive equity REITs.

Horizon Therapeutics was among the top contributors to performance. In previous quarters, Horizon was negatively impacted as the government utilized some of the company's production capacity to make COVID-19 vaccines. During the period, the company reported second quarter results that showed demand continued to be strong

for its drug Tepezza, used to treat thyroid eye disease. This reinforced the belief that the supply disruptions were the primary cause of lower results in the previous two quarters, and that the company can continue to meet growing demand as it resumes full production capacity.

Casino operator Caesars Entertainment was also among the top contributors. The company reported strong results during

the quarter and demand in its regional and Las Vegas markets remained resilient despite the Delta variant surge. Late in the period, the company's stock rose after it announced the sale of the international assets of recently acquired William Hill for a price that was above expectations.

Top Contributors	Average Weight (%)	Relative Contribution (%)	Top Detractors	Average Weight (%)	Relative Contribution (%)
Horizon Therapeutics Plc	4.90	0.73	Freeport-McMoRan Inc.	3.87	-0.45
Caesars Entertainment Inc	4.29	0.49	VICI Properties Inc	4.58	-0.37
The Beauty Health Company	0.86	0.36	Zendesk Inc	1.70	-0.34
Morgan Stanley	4.27	0.29	Howmet Aerospace Inc	3.03	-0.33
Core & Main Inc	0.96	0.28	Lam Research Corp	2.20	-0.28

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. 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.

Manager Outlook

Despite the fact that the Delta variant, broadening supply chain disruptions and inflationary pressures dampened growth during the quarter, the American consumer continues to be in a healthy position, which we think creates a favorable environment for continued macroeconomic recovery. Fiscal stimulus, strong capital markets, a robust housing market and rising wages have led to elevated savings rates and generally strong consumer balance sheets. Against this backdrop, we expect strong gross domestic product (GDP) growth in 2022, as consumer spending – which makes up the majority of GDP – can fuel growth as the Delta variant wanes and supply chains are repaired.

At the same time, we are mindful that the economic recovery could remain choppy. During the quarter, the Fed indicated it could begin to taper its asset purchases later this year. This creates the prospect for increased market volatility going forward. The processes of economic reopening and repairing supply chains will likely be uneven, which could also lead to wider market swings.

While the core of our process is identifying companies with misunderstood business models, the temporary impact of the Delta variant in the third quarter provided us with opportunities to increase the position size of some stocks in the undervalued assets portion of the Fund. We will continue to use this versatility to lean into areas of the market that do not necessarily look like the crowded areas that other investors have rushed toward. As always, we seek to be flexible in our approach to identifying stocks to create a high-conviction portfolio of uncorrelated sources of risk and return.

Portfolio Management



Nick Schommer, CFA

For more information, please visit janushenderson.com.

Janus Henderson
INVESTORS

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.

Past performance is no guarantee of future results. Call 800.668.0434 or visit janushenderson.com/performance for current month-end performance.

Discussion is based on the performance of Class I Shares.

As of 9/30/21 the top ten portfolio holdings of Janus Henderson Contrarian Fund are: Crown Holdings Inc (7.04%), Caesars Entertainment Inc (5.71%), Horizon Therapeutics Plc (5.25%), VICI Properties Inc (4.60%), Freeport-McMoRan Inc (4.46%), Morgan Stanley (3.62%), Boston Scientific Corp (3.54%), Analog Devices Inc (3.19%), Amazon.com Inc (3.19%) and Snap Inc (3.15%). There are no assurances that any portfolio currently holds these securities or other securities mentioned.

The opinions are as of 9/30/21, 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.

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 will differ from actual performance.

Smaller capitalization securities may be less stable and more susceptible to adverse developments, and may be more volatile and less liquid than larger capitalization securities.

Growth stocks are subject to increased risk of loss and price volatility and may not realize their perceived growth potential.

Investing involves market risk and it is possible to lose money by investing. Investment return and value will fluctuate in response to issuer, political, market and economic developments, which can affect a single issuer, issuers within an industry, economic sector or geographic region, or the market as a whole.

Value stocks can continue to be undervalued by the market for long periods of time and may not appreciate to the extent expected.

Funds classified as "nondiversified" can take larger positions in a smaller number of issuers than "diversified" funds, which could lead to greater volatility.

S&P 500® Index reflects U.S. large-cap equity performance and represents broad U.S. equity market performance.

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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