1Q20
U.S. Equity

FUND COMMENTARY

Enterprise Fund

Market Environment

- Stocks experienced heightened volatility as the COVID-19 coronavirus outbreak that began in China spread worldwide, disrupting travel and supply chains, curtailing economic activity and triggering an equity sell-off of historic proportions in March.
- Oil prices also fell sharply in March as global demand weakened even as rival oil-exporting countries flooded the market with supply.
- The Federal Reserve responded to the coronavirus crisis by cutting interest rates to zero and expanding its asset buying. Congress also passed a $2 trillion economic stimulus package.

Performance Summary

The Fund declined and underperformed its benchmark, the Russell Midcap® Growth Index, for the quarter ended March 31, 2020. Stock selection in the information technology sector was a notable detractor from relative results. An underweight in communications services aided relative performance.

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

Portfolio Discussion

During this challenging period, we were disappointed that our disciplined investment approach and our focus on resilient business models did not better insulate our performance. In part this was due to the unique nature of the coronavirus epidemic, which has impacted certain sectors and companies that usually would be well insulated from the effects of a traditional economic downturn.

Our relative performance was also hindered by our cautious approach to higher-valuation, higher-risk stocks in sectors such as biotechnology and Software as a Service (SaaS). We have believed for some time that these companies, many of which remain unprofitable, were trading at unsustainably high valuations. Yet these momentum-driven stocks outperformed during the quarter, not only before but also through the March downturn, a development we would not have expected in a typical recession. Some of these companies were viewed to be direct beneficiaries of the coronavirus crisis, while others were perceived to be better suited to an increasingly virtual economy. While we appreciate the fundamental outlook for many of these businesses, we continue to believe their valuations are unsustainable.

Several of our individual holdings were also hard hit by the COVID-19 crisis, notably Norwegian Cruise Line. While the cruise business may be economically sensitive, our analysis of past recessions gave us confidence in the resilience of Norwegian's business model as a cost-effective vacation option. Unfortunately, cruise ships became vectors in the developing pandemic, creating a cloud that could hang over the industry for some time. Moreover, Norwegian's fixed-cost structure and debt levels made us less confident in its ability to weather a sustained industry downturn, and we opted to exit the position.

Janus Henderson INVESTORS

ON Semiconductor, another detractor, sells semiconductors to a diversified group of end markets, including automobiles, industrial equipment and medical devices. The company reported a disappointing fourth quarter punctuated by lower margins and has since suffered additional setbacks after the global economic slowdown weakened demand in several end markets. While the stock was a detractor, we are encouraged by the company's long-term efforts to shift toward a more profitable mix of business and improve its pricing and margins. We continue to hold the stock.

Positive contributors included companies that either operate in a more virtual arena or have subscription-based business models and recurring revenue streams. NICE Systems provides technology solutions enabling businesses to improve customer service, fight fraud and ensure compliance. In our view, NICE is well positioned to help businesses use software and data analytics to virtualize business operations while its solid recurring revenues may cushion near-term financial performance.

Recurring revenues also benefited long-term holding Crown Castle, another top contributor. Crown Castle owns cell phone towers where telecommunication carriers house their equipment. The demand for bandwidth and rollout of advanced 4G and 5G communications is increasing investment in telecommunications infrastructure, supporting Crown Castle's business.

Top Contributors	Average Weight (%)	Relative Contribution (%)
Crown Castle International Corp	1.87	0.37
NICE Ltd (ADR)	2.35	0.27
Constellation Software Inc/Canada	2.35	0.27
STERIS PLC	1.65	0.19
Atlassian Corporation Plc	1.15	0.17

Top Detractors	Average Weight (%)	Relative Contribution (%)
ON Semiconductor Corp	1.53	-0.52
Norwegian Cruise Line Holdings	0.67	-0.51
WEX Inc	1.67	-0.45
Cimpress Plc	1.02	-0.45
Sensata Technologies Holding Plc	1.51	-0.43

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

Looking ahead, we caution that markets could remain volatile as investors try to assess the likely progression and severity of the pandemic and associated economic fallout as well as the ability of governments and health systems to cope. While we are aware of near-term risks, we believe our competitive advantage lies in our low portfolio turnover and our long-term time horizon. We remain focused on identifying companies we believe will thrive over a three- to five-year period, well beyond this crisis, and are on the lookout for new investment opportunities this volatility may create.

At the same time, we recognize the near-term challenges many companies face, and we have redoubled our efforts to stress test our investments. Our aim is to maximize potential return while minimizing risk across several vectors, including the durability of balance sheets and the resilience of financial performance and business operations. We are also considering how suited business models might be to what the economy may look like on the other end of this crisis. We are looking for companies that are tennis balls and not eggs — meaning they can bounce back from adversity due to strength in their business models, balance sheets and competitive advantages. This is the best path we see to pursue long-term risk-adjusted returns for our investors.

Portfolio Management

Brian Demain, CFA

Cody Wheaton, CFA

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

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.

Closed to certain new investors.

As of 3/31/20 the top ten portfolio holdings of Janus Henderson Enterprise Fund are: Constellation Software Inc/Canada (2.68%), NICE Ltd (ADR) (2.64%), Aon PLC (2.35%), Crown Castle International Corp (2.28%), Global Payments Inc (2.28%), SS&C Technologies Holdings Inc (2.26%), Cooper Cos Inc (2.14%), Microchip Technology Inc (2.07%), Boston Scientific Corp (2.01%) and PerkinElmer Inc (1.98%). There are no assurances that any portfolio currently holds these securities or other securities mentioned.

The opinions are as of 3/31/20 and are subject to change without notice. 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.

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.

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.

Derivatives can be highly volatile and more sensitive to changes in economic or market conditions than other investments. This could result in losses that exceed the original investment and may be magnified by leverage.

Russell Midcap® Growth Index reflects the performance of U.S. mid-cap equities with higher price-to-book ratios and higher forecasted growth values.

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

Janus Henderson Distributors