2Q20 Global & International Equity

FUND COMMENTARY

Global Equity Income Fund

Market Environment

- Equity markets performed strongly during the second quarter in the wake of stimulus injected across the globe to support economies during the COVID-19 lockdown period. Dividend strategies, however, did not fare as well, despite the collapse in interest rates generating record demand for high-quality credit.
- To some extent, this has been the perfect crisis for technology and growth stocks, as it has played both to the cash balance sheets of the largest companies and to the fact that a number of these businesses – namely, Microsoft and the "FAANG" stocks: Facebook, Amazon, Apple, Netflix and Google (now Alphabet) – benefit from social distancing and isolation. Without these stocks, the U.S. market outperformance would have been significantly less marked relative to the global market. It also has been the worst possible crisis for value stocks, which have higher exposure to structurally declining and cyclical sectors, including oil and financials.
- This was a challenging period for income funds owing to increased dividend cancellations and cuts in response to the uncertain environment, liquidity concerns and negative public sentiment toward dividends in some countries.
- We maintained focus on companies with strong cash flow generation and solid balance sheets, which meant we were able to generate a high level of income for the Fund despite the headwinds. Given the low-yield environment, we believe the relative attractions of the portfolio are high versus other income investments.

Performance Summary

While it continued to meet its high-income objectives, the Fund underperformed its primary benchmark, the MSCI World Index℠, and outperformed its secondary benchmark, the MSCI World High Dividend Yield Index℠, in the quarter ended June 30, 2020.

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

Portfolio Discussion

The Fund's underweight position in information technology was the largest detractor from relative performance as the sector gained on the view that companies will be large beneficiaries of the pandemic due to rising remote working and accelerating digital transformations. Stock selection in the communications services sector also was a notable negative for relative returns. Within the sector, our overweight in telecommunications detracted on a relative basis. Telecommunications service providers behaved defensively during market declines in March but did not participate in the market gains during the quarter, as they are less geared for global recovery than some other sectors.

Stock selection in utilities was a driver of relative outperformance during the period, with holdings proving resilient in both up and down markets due to their defensive characteristics in an uncertain environment. We have been adding to the space over the past few months on the view that the valuations and dividend yields appear

Janus Henderson INVESTORS

attractive in the low rate environment. We see scope for utilities companies to continue to improve their sourcing of energy to more renewable solutions over time. This is further supported by government stimulus in some regions being allocated directly to clean energy initiatives.

Top Contributors	Average Weight (%)	Relative Contribution (%)
Deutsche Telekom AG	3.31	0.52
Schneider Electric	1.34	0.36
Muenchener Rueckversich	1.47	0.31
E.ON SE	1.80	0.28
UBS Group AG	1.42	0.20

Top Detractors	Average Weight (%)	Relative Contribution (%)
Direct Line Insurance Group	1.51	-0.62
SGS S.A.	1.51	-0.54
Zurich Insurance Group	1.86	-0.45
Nestle SA	2.73	-0.43
Elisa Oyj	1.34	-0.38

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

Economic indicators are sinking, yet expectations have risen due to the immense amount of stimulus injected into the economy amid the shutdowns. Against this backdrop, the world is watching as the number of COVID-19 cases picks up in various U.S. states, which is a stark reminder not only of how infectious this disease is but also that this virus is not disappearing in the heat, as some had hoped and expected.

There has been a sharp reversal in survey data to the downside and the loans and central bank actions that are driving money into the system are an attempt to stabilize it. We have not changed the portfolio to reflect a more cyclical view, but we have retained exposure to some stocks in the financials and industrials sectors that will benefit if the cycle turns faster than expected.

As companies better grasp the impact of the pandemic on their businesses and adapt to changing business models, we are seeing signs of companies being more comfortable with distributing dividends. We see this as supportive for the Fund's income generation over the remainder of the year.

Portfolio Management

Ben Lofthouse, CFA

Alex Crooke

Job Curtis

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 6/30/20 the top ten portfolio holdings of Janus Henderson Global Equity Income Fund are: British American Tobacc (3.97%), Rwe Ag (3.50%), Vodafone Group PLC (3.38%), Taiwan Semiconductor Manufacturing Co Ltd (ADR) (2.47%), E.ON SE (2.39%), AXA SA (2.31%), Industrial & Commercial Bank of China Ltd (2.30%), Schneider Electric (2.30%), Snam SpA (2.28%) and Samsung Electronics Co Ltd (2.20%). There are no assurances that any portfolio currently holds these securities or other securities mentioned.

The opinions are as of 6/30/20 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 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.

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

MSCI World Index℠ reflects the equity market performance of global developed markets.

MSCI World High Dividend Yield Index℠ reflects the performance of high dividend yield securities from global developed markets.

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