

Global Equity Income Fund

Market Environment

- Risk appetite was resilient in 2019. Over the fourth quarter global equities were positive (as measured by the MSCI World IndexSM), led by tentative signs of macroeconomic stabilization. This was reflected in the rotation toward more reflationary, growth-positive themes, particularly in undervalued cyclical shares.
- The UK equity market performed strongly after many quarters of underperformance due to uncertainty around Brexit and the threat of nationalization of certain assets; the market has become more optimistic on these points. The Conservative Party secured a strong majority, and this is anticipated to provide scope for a clearer path toward Brexit going forward.
- Despite the ongoing Hong Kong riots, sentiment toward Chinese equities has been bolstered by improved trade-war rhetoric and accommodative monetary policy.
- The U.S. market continued to be robust despite macro and political headwinds. The labor and consumer environments were particularly strong, offsetting low manufacturing activity.

Performance Summary

The Fund outperformed its benchmark, the MSCI World IndexSM, over the quarter ending December 31, 2019. Performance was largely dominated by a market rotation from growth stocks to value stocks, which benefited the Fund's value bias. Stock selection was the key driver to the Fund's relative outperformance. The Fund also outperformed its secondary benchmark, the MSCI World High Dividend Yield IndexSM.



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

Portfolio Discussion

The Fund continued to meet its high-income objectives, led by strong stock selection particularly in the UK and the Fund's general value tilt, which was rewarded as markets rotated from favoring quality growth and momentum to value growth.

The Fund's allocation in the UK was the strongest absolute contributor to performance. In the UK, shares bounced back as many investors gained confidence that a resolution to the Brexit issue was becoming more likely following the December general election, which saw a clear majority for the Conservative Party led by Prime Minister Boris Johnson. The British pound sterling rallied strongly over the period, further supporting shares.

Also notable was the Fund's allocation to Asia Pacific (including Japan), where holdings within the technology sector performed strongly relative to the benchmark. The Fund's positions in semiconductors and hardware contributed to performance as the market became more optimistic that the cycle is likely to turn positive in 2020. The Fund added to the sector earlier in the year, when sentiment was low, on the view that there remains structural growth potential within these industries due to ever-increasing data usage. Semiconductor and hardware companies continued to produce strong

cash flows that underpinned their attractive dividend yields. Despite recent outperformance, we continue to see valuations underappreciating the long-term growth potential.

Though contributive to absolute performance over the period, the Fund's stock selection in the communication services sector was a drag to relative performance as we didn't hold certain non- and low-yield holdings in the index that performed well during the period. Holdings in Orange (a French telecom

incumbent) and Eutelsat (a satellite company) detracted from performance following, respectively, a poor capital markets day and a weak earnings release.

Elsewhere, the Fund's overweight position in the energy sector detracted from relative performance. The global health care sector performed strongly over the period, and the Fund's underweight positioning was a strain on relative performance.

Top Contributors			Top Detractors		
	Ending Weight (%)	Contribution (%)		Ending Weight (%)	Contribution (%)
Taiwan Semiconductor Manufacturing Co Ltd (ADR)	2.46	0.79	CyrusOne Inc	1.31	-0.17
Samsung Electronics Co Ltd	3.46	0.53	Eutelsat Communications SA	0.76	-0.12
British American Tobacco PLC	2.51	0.45	Orange SA	1.27	-0.11
Las Vegas Sands Corp	1.94	0.37	Telefonica SA	1.14	-0.05
GlaxoSmithKline PLC	3.16	0.34	Lloyds Banking Group PLC	0.00	-0.05

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.

Manager Outlook

Despite the strong performance of equity markets since the financial crisis, valuations appear reasonable relative to history and bond yields. We have seen polarization of performance in equities, both within and among sectors and geographies. This is presenting opportunities in good-quality companies that are trading on low valuations with attractive dividend yields.

We continue to see scope for the UK market to outperform. UK companies are trading at low valuations relative to their own history and global equities. Stock performance has been impacted by a weak Sterling and delayed decision-making during the period of uncertainty. We see potential for more value to be unlocked once there is clarity on Brexit.

A more positive outlook for a trade deal between China and the U.S., early signs of economic indicators bottoming and global easing of monetary policies provide a supportive environment for continued improved performance in undervalued cyclical companies in the absence of a political or economic shock.

We continue to see free cash flow coming through in the form of dividends abroad and, should rates stay this low, we believe the global equity income style will provide a good solution for many seeking higher incomes from their portfolios.

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 12/31/19 the top ten portfolio holdings of Janus Henderson Global Equity Income Fund are: Samsung Electronics Co Ltd (3.48%), GlaxoSmithKline PLC (3.17%), Johnson & Johnson (3.11%), BHP Group PLC (3.01%), TOTAL SA (2.63%), British American Tobacco PLC (2.53%), Royal Dutch Shell PLC (2.48%), Taiwan Semiconductor Manufacturing Co Ltd (ADR) (2.46%), Repsol SA (2.45%) and Amcor PLC (2.08%). There are no assurances that any portfolio currently holds these securities or other securities mentioned.

The opinions are as of 12/31/19 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.

Security contribution to performance is measured by using an algorithm that multiplies

the daily performance of each security with the previous day's ending weight in the portfolio and is gross of advisory fees. Fixed income securities and certain equity securities, such as private placements and some share classes of equity securities, are excluded.

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 IndexSM reflects the equity market performance of global developed markets.

MSCI World High Dividend Yield IndexSM 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.

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