

FUND COMMENTARY

Global Select Fund

Market Environment

- Despite volatility, global equities ended the third quarter with marginal gains.
- The market was consistently inconsistent as it reacted to crosscurrents of information that intermittently sparked confidence and concern among investors. Sources of volatility included U.S.-China trade, Brexit uncertainty and the prospect of a global recession.
- Economic data were mixed, with stable employment numbers, especially in the U.S., offset by weaker manufacturing activity in Europe and lower industrial indicators in the U.S. and Japan.
- Central bankers across the globe responded to slowing growth by easing monetary policy. In the U.S. the Federal Reserve reduced interest rates twice, each time by a quarter of a percentage point.
- Against this backdrop, investors began to favor value stocks over growth stocks during the period's closing weeks.

Performance Summary

For the quarter ended September 30, 2019, the Fund posted a small gain and outperformed its benchmark, the MSCI All Country World IndexSM. Helping to lift relative performance was strong stock selection, particularly within the consumer discretionary and industrials sectors. Investors' preference for stocks typically viewed as more defensive also benefited Fund performance, as our portfolio includes growth stocks as well as value stocks.



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

Portfolio Discussion

Consumer discretionary stocks remained an area of focus in the Fund. Although the sector as a whole was down for the quarter, our holdings within this group continued to benefit from a healthy U.S. consumer. Top individual performers included Pulte Homes, a U.S. homebuilder that benefited from lower interest rates and a subsequent increase in housing demand. The market's rotation toward value also supported stock gains. The company continues to report impressive financial metrics, including strong earnings growth, healthy cash flow and a solid balance sheet.

Our industrials names also contributed solidly to Fund results. While uncertainty and skittishness caused investors to pile into defensive sectors such as utilities, our outperformance in this sector was driven primarily by stock selection. Standout performers include NRG Energy, which is one of many holdings in the Fund that we believe has a provocative valuation and can exceed the market's expectations for growth. The company trades at double-digit free-cash-flow yield, continues to grow earnings and free cash flow and is committed to increasing shareholder value.

There were, however, areas of relative weakness in the Fund. Concerns about slowing global economic growth coupled with anxiety about the U.S.-China trade relationship

led to a sector-wide downturn in materials. Our largest individual detractor was Canadian metals and mining company Teck Resources, which declined despite reporting impressive quarterly results. Our research indicates that the underlying fundamentals of Teck Resources remain strong. The company generates stable cash flow, enjoys strong earnings, is disciplined in its capital expenditures and has good shareholder practices.

Although our financials holdings reported solid metrics during the quarter, they declined along with the broader sector in

response to lower interest rates. The stock of Hong Kong-based life insurance company AIA Group also was impacted by anti-government demonstrations in Hong Kong that led to a decline in visitors from mainland China. Chinese visitors use AIA Group's products as a hedge against the falling yuan and a route outside China's restrictive capital controls. We are comfortable maintaining our position in the stock, but will continue to closely monitor developments in Hong Kong and at AIA.

Top Contributors	Ending Weight (%)	Contribution (%)
NRG Energy Inc	4.40	0.50
PulteGroup Inc	2.78	0.38
ASML Holding NV	2.24	0.37
Tower Bersama Infrastructure Tbk PT	0.79	0.30
Coca-Cola Co	3.92	0.28

Top Detractors	Ending Weight (%)	Contribution (%)
Teck Resources Ltd	1.02	-0.43
Anthem Inc	1.70	-0.29
AIA Group Ltd	2.05	-0.28
Uber Technologies Inc	0.39	-0.20
Amazon.com Inc	1.21	-0.18

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

Mixed economic data make it difficult to project where the global economy is headed. While Europe, the U.S. and Japan all have experienced a contraction in their manufacturing sectors, employment levels in the U.S. remain strong and those in Europe appear stable. Early signs of stabilization in the semiconductor supply chain, which we view as an indicator of global economic health, also are encouraging. Meanwhile, trade tensions and political turbulence continue to challenge economic growth and equity markets. In response to the economic slowdown, central bankers have eased monetary policy, yet it is unclear whether negative and low rate policies are accomplishing policymakers' objectives.

Meanwhile, in Europe, Brexit continues to be an overhang. Notably, our holdings in this region have limited domestic, European exposure and are concentrated in businesses that have a global footprint and that we believe are leaders in their respective industries.

We are also comfortable with our Chinese holdings, despite concerns about how trade tensions and tariffs may affect the world's second largest economy. The country has shown adeptness at responding to external shocks, and the trade war may provide yet another example.

Going forward, we are confident that our investment approach will continue to serve us well. In particular, we believe our process of building high-conviction positions at times of uncertainty then holding these positions as the market comes to appreciate the long-term growth potential of these stocks will allow us to deliver the investment results our investors expect and deserve.

Portfolio Management



George Maris, CFA



Julian McManus



Garth Yettick, 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 9/30/19 the top ten portfolio holdings of Janus Henderson Global Select Fund are: NRG Energy Inc (4.41%), Citigroup Inc (4.31%), Coca-Cola Co (3.92%), Alibaba Group Holding Ltd (ADR) (3.88%), Microsoft Corp (3.17%), Goldman Sachs Group Inc (3.13%), PulteGroup Inc (2.78%), Safran SA (2.73%), Parker-Hannifin Corp (2.41%) and Merck & Co Inc (2.30%). There are no assurances that any portfolio currently holds these securities or other securities mentioned.

The opinions are as of 9/30/19 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.

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

MSCI All Country World IndexSM reflects the equity market performance of global developed and emerging 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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