4Q20 Global & International Equity

FUND COMMENTARY

Global Technology and Innovation Fund

Market Environment

- Technology stocks rallied over the period, slightly outpacing broader equities, as investors were buoyed by developments regarding COVID-19 vaccines.
- In anticipation of the economy's reopening, more cyclically exposed technology names rallied, among them smaller-cap tech stocks. Similarly, value tech stocks tended to outperform the more growth-oriented names that propelled the sector for much of 2020.
- On a subsector level, the semiconductor complex generated strong returns while gains in some previously high-flying cloud computing and Internet names were more muted.

Performance Summary

The Fund outperformed its primary benchmark, the S&P 500® Index, but underperformed its secondary benchmark, the MSCI All Country World Information Technology Index℠, for the quarter ended December 31, 2020. The Fund seeks to invest in companies in which technology is integral to their business models regardless of sector. This portfolio construction drove performance relative to our secondary benchmark. Over the longer term, we believe harnessing an investment universe complementary to that of the technology benchmark should lead to superior risk-adjusted returns.

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

Portfolio Discussion

The Fund's performance was influenced by the rotation toward names more leveraged to economic cyclicality. We believe that the tech sector is undergoing a generational shift as forces such as cloud computing, artificial intelligence (AI) and the Internet of Things (IoT) usher in a digital global economy. Accordingly, stocks associated with these themes comprise a material share of our allocation. As vaccine developments garnered headlines, more cyclically exposed tech stocks rose on the expectation that the global economy would soon find firmer footing.

In 2020, e-commerce and cloud computing giant Amazon was a dominant stock as in-person shopping was curtailed and businesses scrambled to integrate the cloud into their operations. Amazon lagged during the autumn as the "reopening trade" gathered pace. We maintain a favorable view of the stock but recognize challengers have emerged to its e-commerce franchise and regulatory scrutiny of the firm has intensified.

Two other stocks that were indirectly impacted by brighter economic prospects were American Tower and Equinix. These REITs faced pressure due to the period's steady rise in Treasury yields. Higher yields tend to diminish the attractiveness of REIT's dividend streams.

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INVESTORS

Salesforce.com was another detractor, but largely due to its own making. Earlier in the year, management implied that no acquisitions were in the pipeline and the company would focus on delivering organic growth. Then it announced its purchase of Slack Technologies – its largest-ever acquisition. While Salesforce.com has successfully integrated past deals, we did not consider Slack an optimal target given its formidable competitors and the relatively high premium paid. We maintain a favorable view of Salesforce.com, but trimmed our exposure to better reflect changes in what we consider to be its intrinsic value.

Semiconductor equipment maker Lam Research – a top performer for the period – was a beneficiary of the rotation toward cyclicals. The company has significant exposure to the memory market, which is already showing signs of improved demand. Social networking company Snap aided performance as it delivered an impressive earnings report. Traction for several new products are hitting what we consider escape velocity and its younger demographic indicates greater promise for novel applications like augmented reality. Given these developments, we believe that Snap is starting to effectively monetize its platform.

In contrast to Amazon, MercadoLibre (MELI) – Latin America's leading e-commerce platform – continued its strong run. We believe the company's resilience is due its longer growth ramp relative to developed market peers due to the lower level of e-commerce adoption in the region. Furthermore, MELI stands to benefit from its own logistics network and payments offerings.

Top Contributors	Average Weight (%)	Relative Contribution (%)
Lam Research Corp	2.81	0.54
Snap Inc	0.91	0.47
Zendesk Inc	2.15	0.47
Microsoft Corp	9.24	0.37
MercadoLibre Inc	1.03	0.34

Top Detractors	Average Weight (%)	Relative Contribution (%)
Amazon.com Inc	4.72	-0.60
Facebook Inc	4.09	-0.46
Salesforce.com Inc	3.41	-0.45
Equinix Inc	1.46	-0.33
American Tower Corp	1.13	-0.27

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 all that has occurred in the past year, we believe the mega-themes that are guiding the global economy toward a digital future not only remain intact but have accelerated in some cases. As societies locked down, companies reacted to maintain customer engagement and back-office operations, often seeking to determine how the cloud could help them maintain business continuity.

Companies have now entered what we consider a more "proactive" stage of digital deployment. With expectations of a hybrid structure of remote work growing and an ever-greater number of commercial transactions occurring online, management teams are now tasked with adjusting their business models to thrive in this new environment.

The new year also stands to be promising for cyclical growers. Despite their cyclical nature, companies such as chipmakers and payments processors are beneficiaries of this digital sea change as we expect their cyclical lows to be incrementally higher as their products proliferate through the global economy.

There is a tension between secular growth and cyclical growth stocks. We recognize that valuations in certain secularly driven tech subsectors have gotten extended. On the other hand, the promise of an economic reopening is getting priced into cyclical growers. Risks are present for both. Should the economy successfully reopen, and interest rate expectations creep up, valuations of long-duration growth stocks could be negatively impacted. Conversely, if weakening data were to continue into the new year, recent gains in cyclical growers could be reversed.

Portfolio Management

Denny Fish

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.

As of 12/31/20 the top ten portfolio holdings of Janus Henderson Global Technology and Innovation F are: Microsoft Corp (9.22%), Apple Inc (7.95%), Amazon.com Inc (4.83%), Taiwan Semiconductor Manufacturing Co Ltd (4.76%), Facebook Inc (4.07%), Mastercard Inc (3.78%), Adobe Inc (3.68%), ASML Holding NV (3.41%), Texas Instruments Inc (3.20%) and Lam Research Corp (2.96%). There are no assurances that any portfolio currently holds these securities or other securities mentioned.

The opinions are as of 12/31/20, 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.

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.

Concentrated investments in a single sector, industry or region will be more susceptible to factors affecting that group and may be more volatile than less concentrated investments or the market as a whole.

Initial Public Offerings (IPOs) are highly speculative investments and may be subject to lower liquidity and greater volatility. Special risks associated with IPOs include limited operating history, unseasoned trading, high turnover and non-repeatable performance.

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

MSCI All Country World Information Technology Index℠ reflects the performance of information technology stocks from 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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