

# FUND COMMENTARY

## International Opportunities Fund

### Market Environment

- Global developed equity markets continued to fall through the third quarter on a variety of disruptors. The MSCI World index declined -6.19% during the period, dragging the year-to-date result to -25.42%.
- The third quarter saw international developed market indices decline overall, though results varied by region. The MSCI All Country World ex USA Index<sup>SM</sup> benchmark declined -9.91%. Latin American equities and those markets with ties to commodities fared better than broader equity markets. Particular pain was felt across emerging markets in Asia as well as portions of Europe.
- The U.S., as measured by the S&P 500<sup>®</sup> Index, fell -4.88% on continued inflation and recession fears.
- International equity sectors contracted across the board during the quarter. The best-performing sectors were energy, consumer staples, and materials. Information technology, consumer discretionary, and communications services bore the brunt of investors' declining sentiment for the period.

### Performance Summary

The Fund underperformed its primary benchmark, the MSCI ACWI ex USA Index, for the quarter ended September 30, 2022. The Europe 1 and Europe 2 sub-portfolios were the largest detractors from performance on a relative basis. The Global Growth sub-portfolio was the largest contributor, followed by the Japan sub-portfolio. While declining with broader equity markets, the Emerging Markets sub-portfolio managed to outperform its regional benchmark.



For detailed performance information, please visit  
[janushenderson.com/performance](https://janushenderson.com/performance).

### Portfolio Discussion

One asset allocation trade was conducted during the quarter. Our slight overweight to Europe was moved to neutral via reductions to both European sub-portfolios. The proceeds were evenly split between Global Growth and an increase in our cash allocation. At quarter end, our regional allocations were slightly overweight in Emerging Markets and Japan, neutral to Europe, and underweight North America.

Stock selection drove relative performance over the quarter. Financials, communication services, and materials outperformed relative to the benchmark, while industrials, information technology, and healthcare underperformed.

ICICI Bank, an Indian bank, was the top individual contributor on a relative basis. The company is owned in the Emerging Markets sub-portfolio of the Fund and has produced solid results on fundamental improvement of its broad banking business over the past year, persisting through the quarter. Increased retail business poised to benefit from the rising middle class in India has been favorably received by investors.

The KION Group, a German producer of forklift trucks and warehouse automation hardware and software, was the greatest individual detractor during the quarter. While

the forklift business tends to be steady, the warehouse automation portion has come under pressure due to rising costs for various inputs due to scarcity and supply chain issues, and concerns on consumer demand across Europe in light of

the economic impacts from the Russo-Ukrainian war. The stock is owned in the Europe 2 sub-portfolio.

Top Contributors	Average Weight (%)	Relative Contribution (%)	Top Detractors	Average Weight (%)	Relative Contribution (%)
ICICI Bank Limited	2.77	0.60	KION Group AG	1.23	-0.61
PT Bank Negara Indonesia	2.34	0.50	Linklogis Inc	0.90	-0.60
Allkem Ltd	1.22	0.40	Wingtech Technology Company	1.03	-0.50
Fertiglobe Plc	1.37	0.36	Grifols S.A.	0.53	-0.44
Housing Development Finance Corporation Ltd	3.30	0.35	JD.com Inc	3.52	-0.41

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](http://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

Although the year is far from over, it is already clear that 2022 will be a memorable year in global financial markets. Many investors are now experiencing economic and market phenomena that they have never encountered before, such as double-digit inflation and aggressive interest rate hikes in major economies, and simultaneous bear markets in equities and fixed income.

From an equity investor's perspective, the global economic and political challenges of 2022 have ultimately taken their toll on market sentiment through their adverse impact on interest rate and growth expectations. From here, the outlook remains murky. We are less concerned about interest rate risk than we have been for most of the year now that market estimates of peak rates in many major economies are at levels that do not seem sustainable for very long. However, we still see analysts' earnings estimates as being too high, and expect earnings downgrades to remain a persistent headwind for stocks in the months ahead. Stock markets are likely to remain choppy until investors can be confident that the peak in the interest rate cycle has been priced-in, or markets have factored in more realistic growth expectations.

## Portfolio Management

### Multi-Manager Approach

### Equity Security Selection Oversight

- Dean Cheeseman

### Asset Allocation Strategist

- Paul O'Connor

For more information, please visit [janushenderson.com](http://janushenderson.com).

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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](http://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](http://janushenderson.com/performance) for current month-end performance.**

Discussion is based on the performance of Class I Shares.

As of 9/30/22 the top 10 portfolio holdings of Janus Henderson International Opportunities Fund are: Taiwan Semiconductor Manufacturing Co Ltd (3.53%), JD.com Inc (3.48%), Saudi Telecom Co (3.38%), ICICI Bank Ltd (3.32%), Bank Negara Indonesia Persero Tbk PT (3.10%), Housing Development Finance Corp Ltd (2.94%), Wal-Mart de Mexico SAB de CV (2.93%), Sanofi SA (2.33%), CITIC Securities Co Ltd (2.25%) and RWE AG (2.14%). There are no assurances that any portfolio currently holds these securities or other securities mentioned.

The opinions are as of 9/30/22, 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 does not represent 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.**

**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.

**MSCI All Country World ex USA Index<sup>SM</sup>** reflects the equity market performance of global developed and emerging markets, excluding the U.S.

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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