

Large Cap Value Fund

Market Environment

- Positive returns continued in the quarter ended December 31, 2020, following the trend of the previous two quarters, with many market indices ending at or near the year's highs. In addition, value outperformed growth during the period.
- The quarterly gains were driven by positive vaccine developments, U.S. election results and the continuation of monetary and fiscal stimulus.
- While optimism remains for continued monetary and fiscal stimulus, lofty equity valuations and the ability of the economy and corporate earnings to recover will be key considerations in 2021.

Performance Summary

The Fund outperformed its benchmark, the Russell 1000® Value Index, for the quarter ended December 31, 2020. Stock selection was the main driver of relative outperformance.



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

Portfolio Discussion

Driven by positive vaccine news, the index posted a strong quarter, mainly led by energy and financials, two of the biggest overall laggards of 2020. Within financials, banks benefited from a steepening of the yield curve as well as from positive sentiment that the vaccine will lead to a quick recovery and fewer credit losses. The Fund's stock selection in the sector was additive with financial services companies Discover and Charles Schwab, as well as M&T Bank, making up the largest individual contributors to relative outperformance. Our relative overweight position also contributed, particularly in banks. We continue to favor banks as they are well capitalized and trading at attractive valuations. Our stock selection in materials and consumer discretionary also aided relative returns, as did our underweight in consumer staples.

Stock selection in industrials, communication services and technology detracted from relative returns. Media conglomerate Fox and software provider Citrix Systems were among the largest individual detractors to relative performance during the period. The Fund's overweight position in utilities, as well as stock selection, also hurt performance. Midwestern based utility Alliant was the biggest individual detractor on a relative basis.

During the period we initiated two new positions – an operator of manufactured home communities and RV resorts as well as an auto parts retailer. Conversely, we exited positions in technology, industrials and consumer staples. We continue to seek securities with favorable reward-to-risk ratios while taking a balanced approach to both resilient and economically sensitive end markets.

Top Contributors	Average Weight (%)	Relative Contribution (%)	Top Detractors	Average Weight (%)	Relative Contribution (%)
Discover Financial Services	1.83	0.60	Alliant Energy Corp	2.26	-0.36
Charles Schwab Corp	2.41	0.56	Entergy Corp	2.38	-0.32
M&T Bank Corp	1.98	0.41	Fox Corp	1.98	-0.28
F5 Networks Inc	1.55	0.37	Public Storage	2.30	-0.28
Hartford Financial Services Group Inc	2.15	0.35	Citrix Systems Inc	1.19	-0.23

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

As we bid “good riddance” to 2020, we need to contemplate what the road ahead will look like. It is difficult to imagine a repeat of this past year, but we also must understand that a return to “normal” will be a process and not just occur once vaccinations are widespread. Equity markets at all-time highs belie the fact that damage has been done to the economy and the healing process will take time. We see reasons to be optimistic but also are cautious given the recovery over the past nine months. In addition, we are hopeful that value will show improvement and believe higher-quality stocks provide an opportunity for investors given their meaningful lag versus lower-quality stocks.

2020 saw unprecedented stimulus by governments and central banks globally, and while the amount could slow meaningfully, it is our belief that stimulus will not go away. In the U.S., stimulus programs that showered the markets with liquidity allowed even consumers who were temporarily unemployed to have greater discretionary income than if they had been working. Undoubtedly, these coordinated efforts helped to boost the prices of risk assets around the world. Even though the U.S. will run a \$3 trillion budget deficit this year, we believe the will to spend more at the fiscal level likely will continue, thus providing a further tailwind for markets. For years, central banks have been hungry for inflation and this wish might be granted in 2021. Euphoria and unabashed bullishness have been on display in equities since the March lows, from a plethora of initial public offerings (IPOs) with questionable business models and frothy valuations to the proliferation of free trading, creating an “everything rally” in 2020 that seemed to position everyone to win.

We believe earnings growth in 2021 is likely to be strong, coming off one of the biggest declines in history. This growth could be most pronounced in areas such as cyclicals and banks – sectors that sustained some of the biggest pandemic earnings hits and where we believe the Fund should benefit given our material exposure there. At least for the coming year, we believe the value segment is well positioned. We remain convinced that over the long term, investing in companies with strong balance sheets, durable franchises and other quality attributes will again become important contributors to outperformance.

Thank you for your co-investment in the Large Cap Value Fund.

Portfolio Management

Sub-advised by Perkins®
Investment Management LLC



Kevin Preloger

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 12/31/20 the top ten portfolio holdings of Janus Henderson Large Cap Value Fund are: Berkshire Hathaway Inc (3.19%), US Bancorp (2.76%), DuPont de Nemours Inc (2.68%), Evergy Inc (2.64%), Raytheon Technologies Corp (2.49%), Johnson & Johnson (2.43%), Chubb Ltd (2.42%), Comcast Corp (2.33%), Medtronic PLC (2.27%) and Citigroup Inc (2.25%). 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 market risk and it is possible to lose money by investing. Investment return and value will fluctuate in response to issuer, political, market and economic developments, which can affect a single issuer, issuers within an industry, economic sector or geographic region, or the market as a whole.

Value stocks can continue to be undervalued by the market for long periods of time and may not appreciate to the extent expected.

Russell 1000® Value Index reflects the performance of U.S. large-cap equities with lower price-to-book ratios and lower expected growth values.

Index performance does not reflect the expenses of managing a portfolio as an index is unmanaged and not available for direct investment.

Beta measures the volatility of a security or portfolio relative to an index. Less than one means lower volatility than the index; more than one means greater volatility.

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