Triton Fund

Market Environment

- Stocks experienced heightened volatility as the COVID-19 coronavirus outbreak that began in China spread worldwide, disrupting travel and supply chains, halting economic activity and triggering an equity sell-off of historic proportions in March.
- Oil prices also fell sharply as global demand weakened while rival Organization of the Petroleum Exporting Countries (OPEC) member countries flooded the market with supply.
- The Federal Reserve cut interest rates to zero and expanded its asset buying while Congress passed a $2 trillion economic stimulus package.

Performance Summary

The Fund returned negative performance and underperformed its primary benchmark, the Russell 2500® Growth Index, and its secondary benchmark, the Russell 2000® Growth Index, for the quarter ended March 31, 2020. Stock selection in information technology and health care detracted from relative performance. Stock selection in communication services and an underweight in consumer discretionary contributed.

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

Portfolio Discussion

The changes we have seen to our economy in recent weeks are unlike any we’ve experienced in modern history. As entire industries have shut down in an attempt to contain the COVID-19 outbreak, the resulting market decline has been swift and severe. During this challenging period, we were disappointed that our balanced investment approach and our focus on resilient business models did not better insulate our performance. In part this was due to the breadth of the market downturn, which impacted even traditionally defensive sectors and companies – including ones we would have expected to provide stable returns in a traditional economic downturn.

Our relative performance was also dampened by our more cautious approach to higher-valuation, high-growth stocks in areas such as biotechnology and Software as a Service (SaaS). While many of these companies remain unprofitable, their stocks outperformed, not only early in the quarter but also through the market sell-off. This outperformance may reflect the more virtual nature of some of these business models, which made them less sensitive to declining face-to-face interactions, at least in the near term. Due in part to this outperformance, we have seen the technology-focused Nasdaq index outperform the S&P 500® Index by degrees we haven’t seen since the 1999 technology bubble, and this dynamic has been mimicked in the small-cap benchmarks. We do not see this disconnect as sustainable in perpetuity, and we stand by our more conservative approach to these high-valuation stocks.

Payments technology company Euronet Worldwide, a prominent detractor, owns the largest ATM network in Europe, a business that typically provides consistent revenue streams. But as stay-at-home guidelines have kept Europeans inside, ATM usage has plummeted while travel restrictions have slowed the company’s cross-border financial
remittance business. Nonetheless, we expect the company to prove resilient once this pandemic crisis is behind us.

In the information technology sector, ON Semiconductor is a chipmaker that supplies a wide array of end markets, from automotive to industrial products to telecommunications. Yet this diversification did little to insulate its business, as most of its end markets have been affected by the virus-related economic slowdown. While the stock was another detractor, we continue to believe in the company’s long-term prospects.

Positive contributors included companies that either operate in a more virtual arena or benefit from subscription-based business models and recurring revenue streams. Clarivate, one of the Fund’s top relative contributors for the quarter, runs the “Web of Science,” an online portal with virtual access to proprietary databases and scientific journals. Subscription-based recurring revenues account for 85% of Clarivate’s business, and it benefits from 90% customer retention rates. We believe the essential nature of its services will help insulate its business from near-term uncertainty.

Catalent, a top contributor in health care, provides drug delivery technologies to a diverse range of biotechnology and pharmaceutical products. This stable business model provides recurring revenues, and the company’s acquisition of Paragon last year has given it a foothold in the growing gene therapy area.

<table>
<thead>
<tr>
<th>Top Contributors</th>
<th>Average Weight (%)</th>
<th>Relative Contribution (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catalent Inc</td>
<td>2.79</td>
<td>0.41</td>
</tr>
<tr>
<td>Clarivate Analytics PLC</td>
<td>1.04</td>
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<td>ICU Medical Inc</td>
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<td>RealPage Inc</td>
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<td>0.21</td>
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<td>STERIS PLC</td>
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<table>
<thead>
<tr>
<th>Top Detractors</th>
<th>Average Weight (%)</th>
<th>Relative Contribution (%)</th>
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</thead>
<tbody>
<tr>
<td>ON Semiconductor Corp</td>
<td>1.59</td>
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<tr>
<td>Euronet Worldwide Inc</td>
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<td>LPL Financial Holdings Inc</td>
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<tr>
<td>Cantel Inc.</td>
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<tr>
<td>NCR Corp.</td>
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<td>-0.27</td>
</tr>
</tbody>
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Manager Outlook

Looking ahead, we caution that markets could remain volatile as investors try to assess the likely progression and severity of the pandemic and the abilities of governments and health systems to respond. While we are aware of near-term risks, we believe our competitive advantage lies in our long-term time horizon. We remain focused on identifying companies we believe will thrive over a three- to five-year period, beyond this crisis. We also believe this volatility may provide unique opportunities to purchase advantaged businesses at attractive valuations.

Even as we keep focused on the future, we acknowledge the near-term strain on business models, and we continue to assess balance sheets and financials to make sure our companies have the resources to navigate near-term uncertainty. We are looking for companies that are tennis balls and not eggs — meaning they may bounce back due to their strong business models, balance sheets and competitive advantages. This is the best way we know to pursue long-term risk-adjusted returns for our investors.
Triton Fund (quarter ended 3/31/20)

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. Closed to certain new investors.

As of 3/31/20 the top ten portfolio holdings of Janus Henderson Triton Fund are: Catalent Inc (3.32%), Crown Holdings Inc (2.52%), SS&C Technologies Holdings Inc (2.03%), Integra LifeSciences Holdings Corp (1.80%), STERIS PLC (1.63%), Broadridge Financial Solutions Inc (1.58%), Carlisle Cos Inc (1.56%), RealPage Inc (1.54%), Blackbaud Inc (1.54%) and LPL Financial Holdings Inc (1.53%). There are no assurances that any portfolio currently holds these securities or other securities mentioned.

The opinions are as of 3/31/20 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.

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.

Smaller capitalization securities may be less stable and more susceptible to adverse developments, and may be more volatile and less liquid than larger capitalization securities.

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.

Russell 2500™ Growth Index reflects the performance of U.S. small to mid-cap equities with higher price-to-book ratios and higher forecasted growth values.

Russell 2000® Growth Index reflects the performance of U.S. small-cap equities with higher price-to-book ratios and higher forecasted growth values.

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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