

PORTFOLIO COMMENTARY

Perkins US All Cap Value

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.
- The quarterly gains primarily were driven by positive vaccine developments, the U.S. presidential election results and the continuation of monetary and fiscal stimulus.
- While all 11 sectors posted positive returns during the quarter, the more cyclical parts of the market led returns, including energy and financials, which had been relative laggards throughout the year.
- Optimism remains for the vaccine rollout, election implications and continued monetary and fiscal stimulus. However, absolute valuations and the ability of the economy and corporate earnings to recover likely will be key considerations in 2021.

Performance Summary

The Portfolio underperformed its benchmark, the Russell 3000[®] Value Index, for the quarter ended December 31, 2020. Overall stock selection was positive and driven by widespread strength across many sectors, including financials, materials, consumer staples, technology, consumer discretionary and energy. However, the cash drag given the strong absolute returns of the overall benchmark as well as being underweight the energy rebound more than offset the positive stock selection during the quarter.



For detailed performance information, please visit perkinsinvestmentmanagement.com.

Portfolio Discussion

During the period, strong stock selection in the Portfolio drove performance but was offset by our cash and sector positioning. Benchmark gains in the fourth quarter were led by some of the biggest overall laggards of 2020, mainly energy and financials. While our underweight in energy served us well for the year overall, it hurt relative performance in the fourth quarter given the sector's sharp rebound. In addition, overweight positions in the less cyclical sectors such as consumer staples, health care and real estate weighed on relative returns.

New positions during the quarter were in the areas of financials, materials and technology. We also added to select existing positions within financials, materials, communication services and industrials where risk/reward became relatively more favorable.

Conversely, we trimmed back several names on strength where the valuations have expanded and the risk/reward have become less attractive, mainly in the areas of consumer staples, technology and real estate. We also exited positions among our consumer discretionary and energy holdings.

Overall, absolute sector weights increased for financials, materials, communication services, industrials, technology and energy, and decreased for health care, consumer staples, real estate, utilities and consumer discretionary.

For the year, the Portfolio's performance outpaced that of the benchmark, driven both by positive stock selection and sector

positioning. Capturing less downside during the market free fall in the first quarter, taking advantage of the sell-off and volatility throughout the year, and largely keeping pace with the strong rebound in the remaining quarters demonstrates how we expect our philosophy and process to outperform over a cycle with less risk.

Top Contributors	Representative Account	
	Average Weight (%)	Relative Contribution (%)
Discover Financial Services	1.75	0.55
F5 Networks Inc	1.98	0.46
Citizens Financial Group Inc	2.02	0.45
Pinnacle Financial Partners Inc	0.89	0.43
Charles Schwab Corp	1.80	0.37

Top Detractors	Representative Account	
	Average Weight (%)	Relative Contribution (%)
Casey's General Stores Inc	2.47	-0.42
Laboratory Corp of America Holdings	4.65	-0.39
Citrix Systems Inc	1.27	-0.33
Alliant Energy Corp	1.94	-0.32
Equity Commonwealth	1.99	-0.32

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 visit perkinsinvestmentmanagement.com.

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

We are encouraged by vaccine developments, increased political clarity and continued monetary and fiscal stimulus, all of which have served to boost the market to record highs. Looking forward, we remain focused on the continued success of the vaccine rollouts and key drivers such as valuations, inflation expectations and interest rates. We believe the rotation into value from growth will continue, but it may come with some increased volatility as the economy attempts to regain its post-pandemic footing. As always, we would welcome the volatility and concomitant opportunity to find high-quality companies on sale.

From a sector perspective, we continue to see value in select financials, particularly banks, and remain overweight. Conversely, we remain underweight sectors that we view as fundamentally challenged, such as consumer discretionary and energy.

Without question, 2020 was an extraordinary year. Adhering to our philosophy and process helped us navigate the circuitous market and ultimately led to outperformance for the year. As the market reaches record highs, we believe our philosophy and process become even more important to help protect investors from potential downside risk while providing exposure to what we view as some of the more undervalued parts of the market. We remain committed to investing in high-quality companies with durable competitive advantages, strong balance sheets and stable free cash flow that we believe might ultimately compound returns for shareholders.

Thank you for your investment in the All Cap Value Strategy.

Portfolio Management



Ted Thome, CFA

For more information, please visit perkinsinvestmentmanagement.com.



Past performance is no guarantee of future results.

Discussion is based on performance gross of fees.

Information relating to portfolio holdings is based on the representative account in the composite and may vary for other accounts in the strategy due to asset size, client guidelines and other factors. The representative account is believed to most closely reflect the current portfolio management style.

As of 12/31/20 the top ten portfolio holdings of the Representative Account are: Laboratory Corp of America Holdings (4.18%), Berkshire Hathaway Inc (3.04%), Alphabet Inc (2.95%), Johnson & Johnson (2.64%), Lamar Advertising Co (2.36%), Chubb Ltd (2.34%), PepsiCo Inc (2.30%), Casey's General Stores Inc (2.14%), Citizens Financial Group Inc (2.04%) and Oracle Corp (2.03%). There are no assurances that any portfolio currently holds these securities or other securities mentioned.

Portfolio holdings are as of the date indicated, and are subject to change. This material should not be construed as recommendation to buy or sell any security.

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.

Perkins US All Cap Value Composite, benchmarked to the Russell 3000® Value Index, includes portfolios that are broadly diversified and seek to identify quality US companies trading at discounted prices with favorable risk reward potential. A typical portfolio will contain 50 to 75 securities and will invest no less than 10% of assets in each market cap category (small, mid and large) and no more than 50% in small cap stocks. The composite was created in January 2010.

Janus Henderson provides investment advisory services in the U.S. through Janus Capital Management LLC, together with its participating affiliates.

Perkins Investment Management LLC is a subsidiary of Janus Henderson Group plc and serves as the sub-adviser on certain products.

Janus Henderson and Perkins are trademarks of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc.

FOR INSTITUTIONAL INVESTOR USE ONLY / NOT FOR PUBLIC VIEWING OR DISTRIBUTION