

## VIT Global Research Portfolio

### Market Environment

- Global stock markets continued to demonstrate resilience, ending the fourth quarter with strong gains despite rising COVID-19 infection rates and an uncertain political landscape.
- Optimism spurred by the rollout COVID-19 vaccines and progress toward a \$900 billion coronavirus relief package supported equities' strong performance. A favorable earnings backdrop also contributed to the market's resilience.
- Toward the end of the period, market leadership showed signs of expanding beyond high-flying technology and health care stocks and included more cyclical and value-oriented names.
- Positive economic data, including stronger-than-expected third quarter gross domestic product growth, improving business activity and a robust housing market continued to support the notion of a V-shaped economic recovery.

### Performance Summary

For the quarter ended December 31, 2020, the Portfolio outperformed its benchmark, the MSCI World Index<sup>SM</sup>, and its secondary benchmark, the MSCI All Country World Index<sup>SM</sup>. Areas of relative strength in the Portfolio included the industrials and technology sectors, where positive stock selection drove gains. Conversely, select investments within the financial and health care industries detracted.



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

### Portfolio Discussion

The development and approval of COVID-19 vaccines led to improved sentiment around mobility, sending travel-related stocks higher. Although expectations are that the pace of recovery will vary by region, investors are encouraged by improving trends in China where domestic travel demand neared pre-pandemic levels during the quarter. Subsequently, top contributors to the Portfolio's relative results included France-based jet engine manufacturer Safran and Canada-based commercial pilot training company CAE. Both holdings implemented additional measures to more effectively manage costs during the economic downturn, enabling them to deliver solid results despite pandemic-related disruptions.

Notable relative contributors also included ASML Holding. Rising demand for 5G technology, high-performance computing applications and the Internet of Things continued to support a positive outlook for the semiconductor industry. As a manufacturer of chip-making equipment, ASML subsequently benefited.

Detractors during the period included technology holdings Adobe and Salesforce.com. Although our research suggests fundamentals at Adobe remain solid, it underperformed the market during the quarter. The stock paused after management reported a smaller-than-expected beat in the company's Digital Media segment (net new accounting rate of return) in the fourth quarter and announced its planned

acquisition of Workfront, a cloud project management software company. We believe digital transformation trends that accelerated during the pandemic will continue to provide long-term tailwinds to the company and maintained our position in the stock. We are less confident in long-term prospects for Salesforce.com. The stock traded lower as investors digested news of its planned acquisition of Slack Technologies. We opted to liquidate our position in the stock in favor of more attractive investment opportunities.

London-based consumer goods company Unilever underperformed the market during the quarter. The absolute share price was resilient but lagged the consumer sector rally, which was led by companies benefiting more directly from the prospect of mass vaccinations. Nonetheless, the company reported improving organic sales growth and market share trends during the period. We believe the vaccine rollout will also benefit its extensive emerging markets footprint.

Top Contributors	Average Weight (%)	Relative Contribution (%)
CAE Inc	0.72	0.40
ASML Holding NV	2.15	0.30
Safran SA	1.22	0.28
Uber Technologies Inc	1.09	0.22
Parker-Hannifin Corp	1.20	0.21

Top Detractors	Average Weight (%)	Relative Contribution (%)
Air Products and Chemicals Inc	1.05	-0.23
Adobe Inc	2.22	-0.23
Salesforce.com Inc	1.00	-0.17
Unilever NV	1.24	-0.17
Alibaba Group Holding Ltd (ADR)	0.45	-0.17

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/VIT](http://janushenderson.com/VIT). 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

Our outlook for equities in 2021 is positive, supported by expectations of strong earnings growth and the notion that the global economy may be healing more rapidly than anticipated. While we recognize that businesses and households could again shut their wallets in the event of an extended and uncontrolled increase in COVID-19 infections, many countries have coalesced around the idea that certain economic activity remains essential and many companies have learned to adapt their business models to accommodate changes in client behavior. Still other companies have benefited from helping businesses and households navigate the health crisis, such as those providing remote working and e-commerce solutions and innovative pharmaceutical and biotechnology firms developing COVID-19 therapies and vaccines.

The value these sectors added to the economy in 2020 enabled them to generate some of the year's highest market returns and, as evidence builds that a "V-shaped" recovery is emerging, we believe they have the potential to be joined by other sectors. Improving economic conditions are already being reflected in corporate earnings and upwardly revised estimates for the coming quarters. Notably, leading the expected earnings gains for 2021 are industrials, consumer discretionary and materials – three sectors typically dependent upon broad economic growth.

While a broadening recovery in equities, in our view, is grounded in favorable fundamentals, certain risks remain. Among them are the unknown duration of the pandemic and, in the U.S., potential changes in the regulatory environment and a possible inflationary surprise. Although we remain cognizant of these risks, we view fundamentals, forward-looking management teams and low interest rates as strong catalysts capable of helping equity markets overcome adversity and therefore look forward to 2021 with optimism.

## Portfolio Management

Central Research Team

For more information, please visit [janushenderson.com](http://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/VIT](http://janushenderson.com/VIT). 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/VITperformance](http://janushenderson.com/VITperformance) for current month-end performance.**

Discussion is based on performance of the Fund's "parent" share class (typically that with the longest history).

As of 12/31/20 the top ten portfolio holdings of Janus Henderson Global Research Portfolio are: Microsoft Corp (4.24%), Amazon.com Inc (3.45%), Apple Inc (3.23%), Alphabet Inc (2.65%), ASML Holding NV (2.32%), Adobe Inc (2.14%), Constellation Brands Inc (1.94%), Taiwan Semiconductor Manufacturing Co Ltd (1.81%), Unilever PLC (1.79%) and JPMorgan Chase & Co (1.77%). 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.**

**Growth stocks are subject to increased risk of loss and price volatility and may not realize their perceived growth potential.**

**MSCI World Index<sup>SM</sup>** reflects the equity market performance of global developed markets.

**MSCI All Country World Index<sup>SM</sup>** reflects the equity market performance of global 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.

Janus Henderson is a trademark of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc.

Janus Henderson Distributors