3Q18
Fixed Income

ACTIVE FIXED INCOME ETFS

An Active, Absolute Return Approach to Put Cash to Work

VNLA Short Duration Income ETF

In an environment where fixed income is neither "fixed" nor providing much "income," investors may want to rethink their approach to short-term investments and traditional fixed income. Our short-duration, absolute return approach may make sense for investors looking for returns above cash or to diversify their traditional core fixed income holdings, which may have become more sensitive to interest rate moves.

The Negative Real Return on Cash Warrants a Different Approach

Since the financial crisis, investors and institutions have flocked to cash and cash-like investments for their perceived safety. Until just recently, the Fed Funds rate hovered at zero in an effort to spur lending and investment. For investors who have sat on the sidelines, hard-earned savings have been eroded by inflation.

Holding Cash Has Eroded Wealth for Investors Big and Small

24%
Individual Investors' Average Historical Cash Allocation Since 1987
Source: American Association of Individual Investors (AAII) Asset Allocation Survey (as of 12/31/17)

25%
Institutions' Average Allocation to Money Market Funds Since 2000
Source: 2017 Investment Company Institute Fact Book

1.3%
Annual Real Return on Cash Since Global Financial Crisis
Source: Bloomberg (1/1/09 - 12/31/17)

Investors should consider looking for new ways to put their cash to work.

Short Duration Income ETF (VNLA) seeks to provide a steady income stream with capital preservation across various market cycles. The Fund seeks to consistently outperform the LIBOR 3-month rate by a moderate amount through various market cycles while at the same time providing low volatility.

Why Invest in VNLA

- Actively Maneuver Around Potential Risks in Short Duration
- Targets Investments that can Provide an Absolute Return 2% to 3% Above 3-Month USD LIBOR (a proxy for cash)
- Potentially Lower Portfolio Volatility

Janus Henderson
INVESTORS

Nick Maroutsos
Portfolio Manager

Daniel Siluk
Portfolio Manager

By **capitalizing on structural inefficiencies** in fixed income markets, we believe we will be **better positioned to outperform** through market cycles.

A Team with Absolute Return Experience

VNLA's roots are in a decade-old absolute return strategy used by global institutions, which the team is pleased to offer to investors in an active exchange traded fund (ETF) structure.

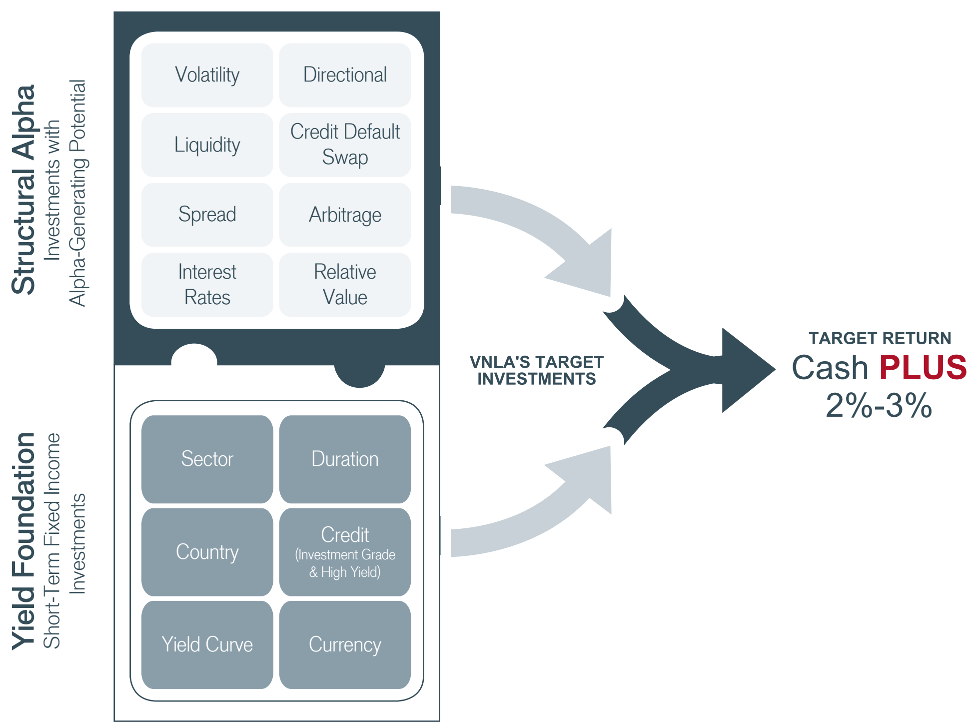
VNLA's Construction Targets Consistent Absolute Returns

An absolute return focus allows us to use a variety of strategies and securities to implement our views and help deliver our best ideas to clients. We believe our approach can provide positive absolute returns in a variety of market environments compared to traditional benchmark-oriented fixed income investments.

Guided by our secular outlook, we start with a yield-centric foundation of short-term investments, mostly global investment grade credit, believed to have lower risk, and layer on investments intended to generate alpha.

VNLA targets fixed income instruments that can provide an absolute return of 2% to 3% above cash (3-Month USD LIBOR). The majority of the return is expected to be generated from the yield foundation, with the rest from structural alpha strategies.

Investment Approach



Actively managed for income potential, with a keen focus on capital preservation.

Nimble and Flexible

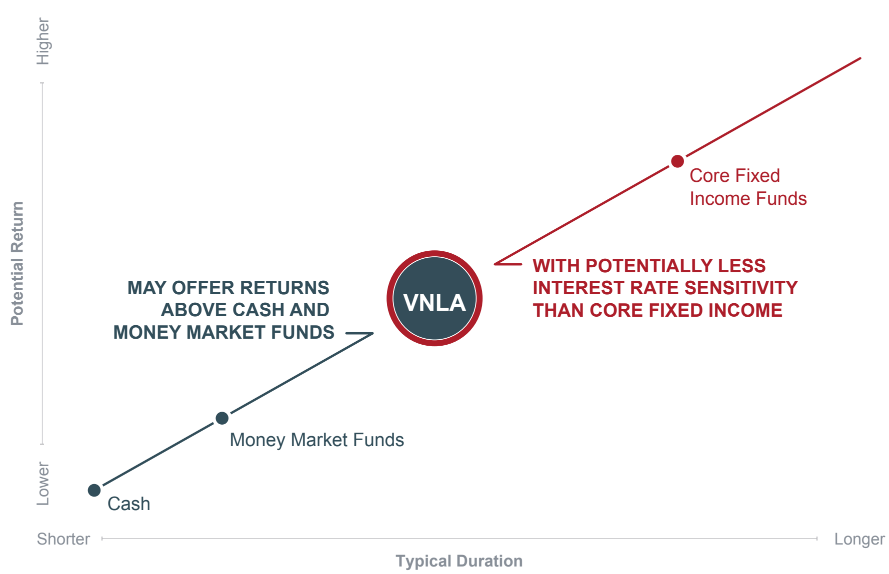
Multiple levers and few constraints create the potential for steady income with low volatility regardless of market environment.

Target Return of Investments	3-Month USD LIBOR (a proxy for cash) +2% to 3%
Duration Range	0 to 2 years
Non U.S. Currency	Mostly U.S. Dollar Denominated
High Yield Exposure	Up to 15%
Foreign/Non-U.S. Exposure	Up to 70%
Emerging Markets Exposure	Up to 15%

The Risk/Reward Profile for VNLA Could Prove Powerful

VNLA's targeted absolute return, coupled with a focus on risk, may pay off as yields rise. By keeping duration low, the Fund seeks to minimize interest rate risk.

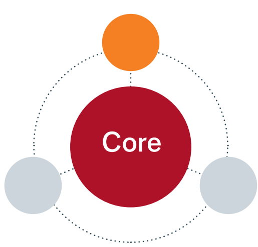
VNLA's Return Potential May Be Attractive for its Target Risk Level



Hypothetical examples are for illustrative purposes only and do not represent the returns of any particular investment.

Differences between compared investments may include objectives, sales and management fees, liquidity, volatility, tax features and other features, which may result in differences in performance.

Role in a Diversified Portfolio – Two Ways to Implement VNLA



Potentially Higher-Yielding Short-Term Investment

May be positioned as a source of income with a focus on low volatility and capital preservation.

Potential Lower-Volatility Complement to Core Fixed Income

May be added to an existing core allocation, as a complement to traditional fixed income strategies, due to its global exposure and potential for lower volatility.

VNLA provides investors an opportunity to put their cash to work. With its flexibility and absolute return objective, the ETF may provide higher returns than cash allocations.

0.80 yrs
Effective Duration
As of 9/30/18

0.34%
Standard Deviation
Source: Morningstar, based on daily data (11/16/16 - 9/30/18)

To learn more about **Short Duration Income ETF**, contact your financial advisor or visit janushenderson.com/ActiveFixedETFs

Performance (%)	1 yr	3 yr	5 yr	10 yr	Since Inception (11/16/16)
ETF @ NAV	1.96	–	–	–	1.90
ETF @ Market Price	2.04	–	–	–	1.97
3-Month USD LIBOR	1.79	–	–	–	1.45

Total expense ratio: 0.35%

Returns quoted are past performance and do not guarantee future results; current performance may be lower or higher. Investment returns and principal value will vary; there may be a gain or loss when shares are sold. For the most recent month-end performance call 800.668.0434 or visit janushenderson.com/performance.

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Market returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. Eastern time (when NAV is normally determined for most ETFs), and do not represent the returns you would receive if you traded shares at other times. Ordinary brokerage commissions apply and will reduce returns.

ETF shares are not individually redeemable and owners of the shares may acquire those shares from the Fund and tender those shares for redemption to the Fund in Creation Units only.

About Our Investment Team

14
Investment Professionals
As of 9/30/18

17.0
Average Years Experience
As of 9/30/18

$621.2M
Assets in VNLA
As of 9/30/18

2 Offices
in Newport Beach, CA & Sydney, Australia
As of 9/30/18

For more information, please visit **janushenderson.com.**

Janus Henderson INVESTORS

OBJECTIVE: Short Duration Income ETF (VNLA) seeks to provide a steady income stream with capital preservation across various market cycles. The Fund seeks to consistently outperform the LIBOR 3-month rate by a moderate amount through various market cycles while at the same time providing low volatility.

Investing involves risk, including the possible loss of principal and fluctuation of value. There is no assurance the stated objective(s) will be met.

The Fund is not a money market fund and does not attempt to maintain a stable net asset value. The Fund may be subject to greater investment risk than a money market fund.

Fixed income securities are subject to interest rate, inflation, credit and default risk. The bond market is volatile. As interest rates rise, bond prices usually fall, and vice versa. The return of principal is not guaranteed, and prices may decline if an issuer fails to make timely payments or its credit strength weakens.

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.

Derivatives can be highly volatile and more sensitive to changes in economic or market conditions than other investments. This could result in losses that exceed the original investment and may be magnified by leverage.

Actively managed portfolios may fail to produce the intended results. No investment strategy can ensure a profit or eliminate the risk of loss.

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Holding a meaningful portion of assets in cash or cash equivalents may negatively affect performance.

Alpha compares risk-adjusted performance relative to an index. Positive alpha means outperformance on a risk-adjusted basis. **Duration** measures a bond price's sensitivity to changes in interest rates. The longer a bond's duration, the higher its sensitivity to changes in interest rates and vice versa. **Standard Deviation** measures historical volatility. Higher standard deviation implies greater volatility.

LIBOR (London Interbank Offered Rate) is a short-term interest rate that banks offer one another and generally represents current cash rates.

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

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.

Janus Capital Management LLC is the investment adviser and ALPS Distributors, Inc. is the distributor of the ETF. ALPS is not affiliated with Janus Henderson or any of its subsidiaries.

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