

Contrarian Fund

Market Environment

- The S&P 500[®] Index ended the quarter with a modest gain despite underlying volatility sparked by global economic uncertainties and political tensions.
- While the U.S. economy appeared relatively resilient and consumer fundamentals remained healthy, the Federal Reserve responded to risks of slowing global growth with two interest rate cuts.
- Sectors tied to global trade, such as energy and materials, saw negative impacts on their businesses, while low interest rates stimulated other sectors like utilities and real estate.
- Late in the quarter, investors sought value in previously out-of-favor areas of the market while they sold higher valuation momentum stocks.

Performance Summary

The Fund outperformed its benchmark, the S&P 500 Index, for the quarter ending September 30, 2019. The strong results were driven by bottom-up stock selection.



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

Portfolio Discussion

We did not make any significant changes to the positioning of the Fund during the quarter. PagSeguro Digital was the top individual contributor to performance. The digital payment solutions company has gained strong traction in Brazil, which is an underpenetrated market for debit and credit card payments. Its solutions enable small businesses and micro-merchants to accept credit card payments which is playing a vital role in increasing electronic payments within the country. The company also saw a strong launch of its digital banking business, PagBank, which offers financial services via a smartphone app and is opening a new addressable market for the company.

Constellium was another contributor. The downstream aluminum producer, whose products are used in the packaging, aerospace and automotive markets, continues to experience healthy demand for its products. Further, the stock benefited from the rotation in investor preference from growth to value that took place during the period. We have a favorable view of the company as the trend toward sustainability is increasing demand for aluminum packaging. We also expect growing demand for its automotive products, as the “lightweighting” of vehicles using aluminum in place of steel helps fuel efficiency and is also important for electric vehicles.

While we were pleased with the results of many companies in the portfolio, other holdings disappointed. ICU Medical was a top detractor. The company supplies comprehensive IV delivery solutions that include IV pumps, consumable bags and saline solution. Recently, some overcapacity in the IV solution market led ICU to close some of its production, leading to a decline in the stock price. We believe this action will help the IV solution market to stabilize, and we continue to like the high margins

and strong competitive positioning of the company's IV pump and consumables business. We continue to hold the position.

Insmed also detracted. The stock sold off as investors questioned growth rates for new patient additions, the duration of use of its product, and the time and cost of a first line trial for its lead drug Arikayce. However, we continue to like Insmed's

long-term prospects. Year to date, sales of Arikayce, which addresses nontuberculous mycobacteria (NTM), a serious bacterial lung infection, have exceeded expectations and we remain convicted in the stock as Insmed is still early in the product's launch. The company is also in the process of seeking approval in both Europe and Japan, where we see strong growth opportunities.

Top Contributors	Ending Weight (%)	Contribution (%)
PagSeguro Digital Ltd	3.17	0.58
Summit Materials Inc	2.55	0.55
Constellium SE	2.39	0.51
L3Harris Technologies Inc	4.56	0.48
Crown Holdings Inc	5.97	0.47

Top Detractors	Ending Weight (%)	Contribution (%)
ICU Medical Inc	1.80	-1.00
Insmed Inc	1.43	-0.65
General Electric Co	1.55	-0.41
TD Ameritrade Holding Corp	5.27	-0.29
PacWest Bancorp	0.00	-0.21

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.

Manager Outlook

We expect geopolitical tensions to remain elevated. While we may reach a trade deal, we believe we are in a technology cold war, and technology supply chains will continue to separate between those that supply China and those that supply the West. We believe the economic uncertainty created by the trade war, combined with the beginning of the 2020 election cycle, will give corporate executives pause in thinking about spending on expansion projects. This in turn is likely to continue to hold global growth back.

Equities seem to be reasonably priced, particularly given the low interest rate backdrop. We will continue to monitor the strength of the U.S. consumer, which we expect to be the primary driver of future economic growth. Companies with misunderstood business models continue to comprise the core of our portfolio. Management execution is the key driver of performance for many of these stocks. As these management teams enhance operations, streamline corporate structures and/or focus on deleveraging initiatives, we believe these stocks will drive outperformance as the market comes to appreciate the intrinsic value of the business.

Portfolio Management



Nick Schommer, CFA

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 9/30/19 the top ten portfolio holdings of Janus Henderson Contrarian Fund are: Crown Holdings Inc (5.76%), TD Ameritrade Holding Corp (5.07%), L3Harris Technologies Inc (4.39%), GCI Liberty Inc (4.07%), Vivendi SA (3.93%), Apollo Global Management Inc (3.92%), General Electric Co (3.77%), Liberty Media Corp-Liberty Formula One (3.56%), Wabtec Corp (3.20%) and Sempra Energy (3.09%). There are no assurances that any portfolio currently holds these securities or other securities mentioned.

The opinions are as of 9/30/19 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.

Security contribution to performance is measured by using an algorithm that multiplies the daily performance of each security with the previous day's ending weight in the portfolio and is gross of advisory fees. Fixed income securities and certain equity securities, such as private placements and some share classes of equity securities, are excluded.

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.

The fund is classified as "nondiversified", meaning it has the ability to take larger positions in a smaller number of issuers than a "diversified" fund. Nondiversified funds may experience greater price volatility.

S&P 500® Index reflects U.S. large-cap equity performance and represents broad U.S. equity market performance.

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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