

International Managed Volatility Fund

Performance Commentary (Class I Shares)

As of 12/31/18

Summary

- The Janus Henderson International Managed Volatility Fund outperformed the MSCI EAFE® Index for the quarter.
- International equity markets were highly volatile in the fourth quarter, resulting in a sharp double-digit sell-off and the worst quarterly return since 2011. In a reversal from prior quarters, value-oriented stocks and defensive sectors outperformed growth-oriented stocks and cyclical sectors on average during the fourth quarter. Only the defensive utilities sector recorded a positive return during the quarter.
- The Fund benefited from its overall defensive positioning during the quarter. An average overweight to lower beta stocks and the defensive utilities sector contributed to relative performance during the period.
- International Managed Volatility strategy's optimization approach, which targets an excess return while minimizing the absolute risk, involves a dynamic adjustment to the market environment whereby the strategy adjusts the volatility reduction to market conditions. In periods of volatile markets, the portfolio will focus on volatility reduction offering a smoother ride and an increased downside protection and in periods of lower volatility, the portfolio will focus on alpha generation.

Performance (%)	4Q18	1 yr	3 yr	5 yr	10 yr	Since Inception (5/2/07)
Class I Shares	-11.22	-9.11	3.87	2.02	6.90	1.46
Class T Shares	-11.24	-9.22	3.76	1.84	6.56	0.69
Class A Shares @ NAV	-11.26	-9.46	3.51	1.66	6.69	1.25
Class A Shares @ MOP	-16.32	-14.64	1.48	0.45	6.06	0.74
MSCI EAFE® Index	-12.54	-13.79	2.87	0.53	6.32	0.57

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.

Maximum Offering Price (MOP) returns include the maximum sales charge of 5.75%. Net Asset Value (NAV) returns exclude this charge, which would have reduced returns.

Expense ratios: Class I Shares: Gross 0.87% and Net 0.87% | Class T Shares: Gross 1.03% and Net 1.03% | Class A Shares: Gross 1.19% and Net 1.19%.

Net expense ratios reflect the expense waiver, if any, contractually agreed to through 11/1/19.

Returns include reinvestment of dividends and capital gains.

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.

International Managed Volatility Fund (as of 12/31/18)

Quarterly Performance Attribution by Standard Deviation (%)

Std. Dev. Range	International Managed Volatility Fund			MSCI EAFE® Index			Avg. Weight Difference	Attribution		
	Avg. Std. Dev.	Avg. Weight	Total Return	Avg. Std. Dev.	Avg. Weight	Total Return		Allocation Effect	Residual (Selection Effect)	Total Effect
Quintile 1 (high)	12.94	17.33	-18.11	13.81	11.66	-20.98	5.67	-0.57	0.63	0.06
Quintile 2	11.74	11.66	-15.19	11.29	15.88	-15.53	-4.22	0.13	0.02	0.15
Quintile 3	9.44	15.37	-15.22	10.17	16.74	-14.20	-1.37	0.02	-0.20	-0.18
Quintile 4	7.63	19.98	-10.71	9.90	24.29	-13.46	-4.31	0.04	0.58	0.62
Quintile 5 (low)	6.19	35.03	-4.08	8.31	31.10	-5.79	3.94	0.19	0.69	0.88
Total	7.58	100.00	-10.97	9.58	100.00	-12.50	---	-0.11	1.64	1.53

- As of December 31, 2018, the Fund's estimated volatility reduction is 20.9% versus the MSCI EAFE Index.
- The portfolio's overall volatility positioning slightly detracted from relative performance during the quarter. However, an overall positive selection effect contributed to the portfolio's relative return during the period.

Quarterly Performance Attribution by Beta (%)

Beta Range	International Managed Volatility Fund			MSCI EAFE® Index			Avg. Weight Difference	Attribution		
	Avg. Beta	Avg. Weight	Total Return	Avg. Beta	Avg. Weight	Total Return		Allocation Effect	Residual (Selection Effect)	Total Effect
Quintile 1 (high)	1.33	5.51	-18.60	1.39	22.69	-18.34	-17.18	1.07	-0.09	0.98
Quintile 2	1.09	9.47	-18.50	1.12	21.91	-13.58	-12.44	0.12	-0.52	-0.40
Quintile 3	0.93	16.87	-14.37	0.94	21.06	-11.74	-4.20	-0.02	-0.50	-0.53
Quintile 4	0.77	21.33	-13.69	0.78	18.59	-9.15	2.74	0.09	-1.03	-0.94
Quintile 5 (low)	0.46	46.74	-5.42	0.55	15.59	-6.73	31.15	1.83	0.58	2.42
Total	0.75	100.00	-10.97	1.00	100.00	-12.50	---	3.10	-1.57	1.53

- An average overweight to lower beta stocks (quintile 5) and underweight to higher beta stocks (quintile 1) contributed to the Fund's relative performance during the quarter.
- The estimated beta of the Fund declined to 0.75.

Quarterly Performance Attribution by Market Capitalization (%)

Market Capitalization Range	International Managed Volatility Fund		MSCI EAFE® Index		Avg. Weight Difference	Attribution		
	Avg. Weight	Total Return	Avg. Weight	Total Return		Allocation Effect	Residual (Selection Effect)	Total Effect
Over \$100B	1.80	-7.09	19.33	-9.84	-17.53	-0.51	0.04	-0.47
\$25B to \$100B	29.75	-12.56	45.29	-12.60	-15.54	0.01	-0.07	-0.06
\$15B to \$25B	20.58	-11.43	12.76	-14.31	7.82	-0.16	0.65	0.49
\$2B to \$15B	47.83	-9.80	22.57	-13.49	25.25	-0.26	1.83	1.57
Total	100.00	-10.97	100.00	-12.50	---	-0.92	2.44	1.53

- The Fund's overall active size positioning had a negative impact on relative performance during the quarter.
- However, an overall positive selection effect contributed to relative performance during the quarter.

Source: FactSet. Average Standard Deviation and Average Beta are calculated based on trailing 12-month annualized daily data. See last page for important disclosures.

International Managed Volatility Fund (as of 12/31/18)

Quarterly Performance Attribution by Sector (%)

GICS Sector	International Managed Volatility Fund		MSCI EAFE® Index		Avg. Weight Difference	Attribution		
	Avg. Weight	Total Return	Avg. Weight	Total Return		Allocation Effect	Residual (Selection Effect)	Total Effect
Communication Services	5.23	-7.17	5.50	-9.69	-0.27	0.01	0.14	0.15
Consumer Discretionary	12.62	-13.13	11.29	-14.66	1.33	-0.08	0.16	0.08
Consumer Staples	13.31	-6.56	11.35	-8.15	1.96	0.06	0.18	0.24
Energy	3.30	-19.78	6.00	-17.43	-2.70	0.16	-0.10	0.07
Financials	13.36	-12.86	19.63	-13.67	-6.28	0.08	0.10	0.18
Health Care	8.76	-19.10	11.25	-10.07	-2.49	-0.07	-0.81	-0.88
Industrials	16.37	-14.31	14.27	-14.60	2.10	-0.03	0.04	0.01
Information Technology	3.83	-15.29	6.02	-16.46	-2.19	0.10	0.05	0.15
Materials	3.54	-17.98	7.52	-15.95	-3.98	0.12	-0.10	0.02
Real Estate	9.24	-1.22	3.56	-5.26	5.68	0.41	0.40	0.81
Utilities	10.39	-1.31	3.51	0.02	6.88	0.83	-0.10	0.74
Total	100.00	-10.97	100.00	-12.50	---	1.56	-0.03	1.53

- An average overweight to the defensive utilities and real estate sectors contributed to the Fund's relative performance during the quarter.

Quarterly Performance Attribution by Country (%)

Country	International Managed Volatility Fund		MSCI EAFE® Index		Avg. Weight Difference	Attribution		
	Avg. Weight	Total Return	Avg. Weight	Total Return		Allocation Effect	Residual (Selection Effect)	Total Effect
Australia	5.97	-18.03	6.85	-9.95	-0.88	-0.04	-0.53	-0.56
Austria	0.53	-19.06	0.24	-20.72	0.29	-0.02	0.02	0.00
Belgium	0.96	1.41	0.99	-18.19	-0.04	0.00	0.21	0.20
Denmark	2.43	-13.07	1.70	-9.74	0.74	0.02	-0.10	-0.08
Finland	2.03	-11.16	1.03	-14.63	0.99	-0.03	0.08	0.05
France	7.96	-15.47	11.04	-14.96	-3.07	0.07	-0.04	0.03
Germany	4.29	-11.93	9.07	-15.48	-4.78	0.15	0.17	0.32
Hong Kong	12.92	-3.08	3.64	-4.53	9.28	0.77	0.16	0.93
Ireland	0.84	-9.07	0.52	-17.72	0.32	-0.01	0.07	0.07
Israel	4.56	-10.18	0.55	-14.32	4.01	-0.11	0.21	0.11
Italy	0.93	-15.26	2.27	-11.78	-1.34	-0.03	-0.07	-0.10
Japan	34.45	-10.41	24.60	-14.20	9.85	-0.16	1.42	1.26
Netherlands	2.47	-5.99	3.42	-10.98	-0.95	-0.02	0.11	0.09
New Zealand	1.20	-6.54	0.22	-6.48	0.98	0.07	-0.01	0.06
Norway	1.27	-15.18	0.76	-17.97	0.51	-0.04	0.04	0.00
Portugal	0.15	-10.38	0.16	-14.30	-0.01	0.00	0.01	0.00
Singapore	1.81	-8.70	1.30	-6.71	0.51	0.02	-0.04	-0.02
Spain	0.95	-4.46	3.04	-8.51	-2.09	-0.09	0.04	-0.05
Sweden	0.54	-26.08	2.46	-13.27	-1.92	0.01	-0.08	-0.08
Switzerland	5.93	-14.71	8.54	-8.94	-2.61	-0.10	-0.32	-0.42
United Kingdom	7.74	-14.46	17.38	-11.77	-9.64	-0.08	-0.25	-0.33
Total	100.00	-10.97	100.00	-12.50	---	0.39	1.14	1.53

- The Fund's overall active country positioning contributed to relative performance during the quarter.
- An overall positive selection effect also contributed to the Fund's relative performance during the quarter.

Source: FactSet. See last page for important disclosures.

International Managed Volatility Fund (as of 12/31/18)

The weighting of securities within the Fund's portfolio may differ significantly from the weightings within the index. The index is unmanaged and not available for direct investment; therefore its performance does not reflect the expenses associated with the active management of an actual portfolio.

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.

Real estate securities, including Real Estate Investment Trusts (REITs) may be subject to additional risks, including interest rate, management, tax, economic, environmental and concentration risks.

Investing involves risk, including the possible loss of principal and fluctuation of value.

Intech's focus on managed volatility may keep the Fund from achieving excess returns over its index. The strategy may underperform during certain periods of up markets, and may not achieve the desired level of protection in down markets.

Increased portfolio turnover may result in higher expenses and potentially higher net taxable gains or losses.

Performance for Class A Shares, Class I Shares and Class T Shares prior to 7/6/09 reflects the performance of one or more similar share classes of the Fund or a predecessor fund, adjusted, where applicable and permitted, for differing fees and expenses. See the Fund's prospectus for further details concerning historical performance.

MSCI EAFE® (Europe, Australasia, Far East) Index reflects the equity market performance of developed markets, excluding the U.S. and Canada. **Alpha** compares risk-adjusted performance relative to an index. Positive alpha means outperformance on a risk-adjusted basis. **Beta** measures the volatility of a security or portfolio relative to an index. Less than one means lower volatility than the index; more than one means greater volatility. **Standard Deviation** measures historical volatility. Higher standard deviation implies greater volatility.

Attribution is used as a tool to explain the sources of a portfolio excess return versus a specific benchmark and during a specific period. The most widely used attribution methodology is a Return Decomposition Model based on weights and returns of a portfolio and index's underlying holdings. This attribution framework can be defined over a specific period, benchmark, grouping (sector, market cap, country, beta quintiles, standard deviation quintiles) and currency.

Allocation Effect measures whether the overweight or underweight of a segment relative to the index contributed positively or negatively to the overall portfolio's relative return over a specific period. For example, if the portfolio is overweight a segment of the market that underperformed, the allocation effect will be positive. If the portfolio is overweight a segment of the market that underperformed or underweight a segment of the market that outperformed, the allocation effect will be negative. **Residual (Selection Effect)**, measures if the securities that a portfolio hold within a given segment have contributed to or detracted from the overall portfolio's relative performance. A positive selection effect means that the portfolio return within a specific segment was greater than the benchmark within the same segment. The "selection" of the stocks in the portfolio for that segment outperformed similar securities in the benchmark. Intech refers to "selection effect" as "residual" given our process selects stocks based on relative volatility and correlation characteristics as opposed to a traditional manager where "selection effect" measures the manager skill to select stocks that outperform. **Total Effect** is the sum of the allocation and selection effects.

Performance attribution is equity only and does not include cash. Total returns are gross of advisory fees and may differ from actual returns as they are based on end-of-day holdings in the fund. Companies in the fund and index are divided into quintiles based upon their standard deviation and beta during the period. Sector weights based on GICS.

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