

Overseas Fund

Market Environment

- Challenged by global economic concerns and market volatility, overseas stocks ended the third quarter with marginal losses.
- The market was consistently inconsistent as it reacted to crosscurrents of information that intermittently sparked confidence and concern among investors. Sources of volatility included U.S.-China trade, Brexit uncertainty and the prospect of a global recession.
- Economic data were mixed, with stable employment numbers, especially in the U.S., offset by weaker manufacturing activity in Europe and lower industrial indicators in the U.S. and Japan.
- Central bankers across the globe responded to slowing growth by easing monetary policy.
- Against this backdrop, investors began to favor value stocks over growth stocks during the period's closing weeks.

Performance Summary

Although performance was negative, the Fund outperformed its benchmark, the MSCI All Country World ex U.S. IndexSM for the quarter ended September 30, 2019. Helping to drive outperformance was strong stock selection, particularly within the industrials and information technology sectors. Investors' preference for stocks typically viewed as more defensive also benefited Fund performance, as our portfolio includes growth stocks as well as value stocks.



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

Portfolio Discussion

Positive developments during the quarter included a rebound in sentiment for semiconductor stocks, which are benefiting from growth in cloud computing and a subsequent increase in demand for memory. Top contributors to Fund performance included ASML Holding, a developer of semiconductor manufacturing equipment, and Taiwan Semiconductor Manufacturing Company (TSMC), the world's largest semiconductor foundry. Notably, ASML's largest customer is TSMC, which has ramped up its chip manufacturing technology and is a leader in this space.

Although the U.S.-China trade war continued to pressure the industrials sector during the quarter, our industrials holdings contributed materially to Fund performance. Within this group we favor companies where we believe negative market sentiment already has been priced into stock valuations. As such, the primary performance driver of our industrials holdings during the quarter was multiple expansion rather than business fundamentals. Standout performers in this group included aircraft engine manufacturer Safran. The company's quarterly financials have started to reflect declining development costs for its new LEAP engine, which is the exclusive engine for the Boeing 737 MAX aircraft. We also are pleased to see that the market is beginning to realize the opportunity for profit created by Safran's unique business

model. By selling its engines for a nominal fee, then charging customers for maintenance and parts throughout the engine's 30-year life, Safran is able to generate more profit longer. Also Safran's takeover of seat-maker Zodiac is proving to be a success – a point on which investors had been divided.

Areas of relative weakness in the Fund included materials, where concerns about slowing global economic growth coupled with the U.S.-China trade relationship led to a sector-wide downturn. Notable detractors in this space included metals and mining companies Teck Resources and Rio Tinto, which fell despite reporting impressive quarterly results. Our research indicates that the underlying fundamentals of these companies remain strong. Both generate stable cash flow, enjoy strong

earnings, are disciplined in their capital expenditures and have good shareholder practices.

Although our financials holdings reported solid metrics during the quarter, they declined along with the broader sector in response to lower interest rates globally. The stock of Hong Kong-based life insurance company AIA Group also was impacted by anti-government demonstrations in Hong Kong that led to a decline in visitors from mainland China. Chinese visitors use AIA Group's products as a hedge against the falling yuan and a route outside China's restrictive capital controls. We are comfortable maintaining our position in the stock, but will continue to closely monitor developments in Hong Kong and at AIA.

Top Contributors	Ending Weight (%)	Contribution (%)
ASML Holding NV	4.43	0.70
Sony Corp	3.28	0.35
Safran SA	5.09	0.33
GVC Holdings PLC	2.47	0.29
Taiwan Semiconductor Manufacturing Co Ltd	2.41	0.29

Top Detractors	Ending Weight (%)	Contribution (%)
AIA Group Ltd	4.37	-0.58
Teck Resources Ltd	1.39	-0.57
Rio Tinto Ltd	2.93	-0.38
NN Group NV	2.99	-0.33
Hindustan Zinc Ltd	1.90	-0.31

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

Mixed economic data make it difficult to project where the global economy is headed. While Europe, the U.S. and Japan all have experienced a contraction in their manufacturing sectors, employment levels in the U.S. remain strong and those in Europe appear stable. Early signs of stabilization in the semiconductor supply chain, which we view as an indicator of global economic health, also are encouraging. Meanwhile, trade tensions and political turbulence continue to challenge economic growth and equity markets. In response to the economic slowdown, central bankers have eased monetary policy, yet it is unclear whether negative and low-rate policies are accomplishing policymakers' objectives.

Meanwhile, in Europe, Brexit continues to be an overhang. Notably, our holdings in this region have limited domestic European exposure and are concentrated in businesses that have a global footprint and that we believe are leaders in their respective industries.

We are also comfortable with our Chinese holdings, despite concerns about how trade tensions and tariffs may affect the world's second-largest economy. The country has shown adeptness at responding to external shocks, and the trade war may provide yet another example.

Going forward, we are confident that our investment approach will continue to serve us well. We believe our process of building high-conviction positions at times of uncertainty, then holding these positions as the market comes to appreciate the long-term growth potential of these stocks will allow us to deliver the investment results our investors expect and deserve.

Portfolio Management



George Maris, CFA



Julian McManus



Garth Yettick, 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 Overseas Fund are: Safran SA (5.10%), Alibaba Group Holding Ltd (ADR) (4.65%), ASML Holding NV (4.43%), AIA Group Ltd (4.37%), Diageo PLC (4.15%), Heineken NV (3.79%), BNP Paribas SA (3.61%), Tencent Holdings Ltd (3.47%), Canadian Natural Resources Ltd (3.34%) and Sony Corp (3.28%). 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 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.

MSCI All Country World ex USA IndexSM reflects the equity market performance of global developed and emerging markets, excluding the U.S.

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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