

**Janus Capital Management LLC
Verification and Adaptive Multi-Asset Allocation Composite
Performance Examination Report**

December 31, 2017



Verification and Performance Examination Report

Janus Capital Management LLC
151 Detroit Street
Denver, CO 80246

We have verified whether Janus Capital Management LLC (the "Firm") (1) has complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS®) on a firm-wide basis for the periods from January 1, 2004 through December 31, 2017, and (2) designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of December 31, 2017. We have also conducted a performance examination of the Firm's Adaptive Multi-Asset Allocation Composite for the periods from July 1, 2015 through December 31, 2017. The Firm's management is responsible for compliance with the GIPS standards and the design of its policies and procedures and for the Adaptive Multi-Asset Allocation Composite's compliant presentation. Our responsibility is to express an opinion based on our verification and performance examination. We conducted this verification and performance examination in accordance with the required verification and performance examination procedures of the GIPS standards. We also conducted such other procedures as we considered necessary in the circumstances.

In our opinion, the Firm has, in all material respects:

- Complied with all the composite construction requirements of the GIPS standards on a firm-wide basis for the periods from January 1, 2004 through December 31, 2017; and
- Designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of December 31, 2017.

Also, in our opinion, the Firm has, in all material respects:

- Constructed the Adaptive Multi-Asset Allocation Composite and calculated the Adaptive Multi-Asset Allocation Composite's performance for the periods from July 1, 2015 through December 31, 2017 in compliance with the GIPS standards; and
- Prepared and presented the Adaptive Multi-Asset Allocation Composite's accompanying compliant presentation for the periods from July 1, 2015 through December 31, 2017 in compliance with the GIPS standards.

This report does not relate to or provide assurance on any composite compliant presentation of the Firm other than the Firm's Adaptive Multi-Asset Allocation Composite.

ACA Performance Services, LLC

ACA Performance Services, LLC
March 21, 2019

Janus Capital Management LLC
Adaptive Multi-Asset Allocation Composite
July 1, 2015 (inception) through December 31, 2017

As of December 31

Year	Gross Return (%)	Net Return (%)	3 Month USD LIBOR Return (%)	Internal Dispersion (%)	Number of Accounts	Composite Assets (\$ millions)	Total Firm Assets (\$ millions)
2017	7.86	7.06	1.11	n/a	≤ 5	77.1	158,297
2016	9.99	9.17	0.65	n/a	≤ 5	71.8	138,176
2015*	-3.41	-3.77	0.10	n/a	≤ 5	18.6	132,397

* Returns are for the period from July 1, 2015 (inception) through December 31, 2015.

1. Janus Capital Management LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Janus has been independently verified for the periods January 1, 1994 through December 31, 2017.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Adaptive Multi-Asset Allocation Composite has been examined for the periods July 1, 2015 through December 31, 2017. The verification and performance examination reports are available upon request.

2. For the purpose of complying with the GIPS standards, the firm is defined as Janus Capital Management LLC (Janus), an independent investment advisor registered under the Investment Advisers Act of 1940. The firm also includes assets under management of Janus Capital Singapore Pte. Limited and Perkins Investment Management LLC, wholly-owned subsidiaries of Janus Capital Group Inc. Effective May 30, 2017, Janus Capital Group Inc. and Henderson Group plc merged to form Janus Henderson Group plc. Effective January 1, 2018, a new GIPS firm, Janus Henderson Investors, was formed as a result of the merger of the predecessor GIPS firms Janus Capital Management LLC and Henderson Global Investors, which previously claimed compliance since January 1, 1994 and January 1, 2009, respectively. A complete list and description of composites and policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
3. The Adaptive Multi-Asset Allocation Composite includes all fully discretionary, fee-paying accounts (excluding wrap accounts) invested in this strategy. The portfolios seek absolute total return by dynamically allocating exposure to multiple asset categories based on their expected sensitivity to economic conditions. These categories include assets such as global equities, global credit, commodities and nominal as well as inflation-linked sovereign bonds. Portfolios employ a proprietary "tail managed" strategy, consisting of two complimentary processes: a "top-down" macro analysis and a "bottom-up" risk/reward analysis, to adapt asset category allocations and the underlying security exposures. Portfolios target a volatility range of 8% to 12% per year and use a variety of investment vehicles including, but not limited to, individual stocks and bonds, exchange-traded funds ("ETFs") and derivatives and may invest in emerging markets up to 30% and high-yield bonds up to 20%. Portfolios may also hold significant levels of cash in periods of expected extreme market volatility. The composite was created in July 2015.
4. Account returns are presented both gross and net of management fees. All account returns are net of transaction costs and gross of non-reclaimable withholding taxes, if any, and reflect the reinvestment of dividends and other earnings. Monthly composite returns are calculated by weighting each account's monthly return by its relative beginning market value. All returns are expressed in U.S. dollars.

5. The 3 Month USD LIBOR returns are provided to represent the investment environment existing during the time periods shown. The index is fully invested, which includes the reinvestment of dividends and capital gains. The returns for the index do not include any transaction costs, management fees or other costs. The index is not covered by the report of independent verifiers.
6. The dispersion of annual returns is measured by the asset weighted standard deviation of account returns represented within the composite for the full year. For those periods with five or fewer accounts included for the entire year, "n/a" is noted as the dispersion is not considered meaningful.
7. A three-year annualized ex-post standard deviation measure for the composite and benchmark is not presented because the composite history does not cover 36 months through December 31, 2017.
8. The net returns shown are net of model investment advisory fees. Net returns are derived using the maximum fee rate in effect, adjusted for performance-based fees where applicable. Actual advisory fees can vary among clients invested in this strategy.
9. The current standard fee schedule for separately managed accounts is as follows: 0.75% on the first \$100 million; 0.70% on the next \$100 million; 0.65% on the next \$100 million; 0.60% on the next \$200 million; 0.55% above \$500 million.
10. Performance figures are based upon historical information and do not guarantee future results. Prospective clients should recognize the limitations inherent in composites, and should consider all information presented by Janus regarding the firm's investment management capabilities. Composite performance figures include changes in principal value, reinvested income and capital gains distribution.