

**Janus Capital Management LLC  
Verification and Concentrated Growth 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 Concentrated Growth Composite for the periods from January 1, 2004 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 Concentrated Growth 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 Concentrated Growth Composite and calculated the Concentrated Growth Composite's performance for the periods from January 1, 2004 through December 31, 2017 in compliance with the GIPS standards; and
- Prepared and presented the Concentrated Growth Composite's accompanying compliant presentation for the periods from January 1, 2008 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 Concentrated Growth Composite.

*ACA Performance Services, LLC*

ACA Performance Services, LLC  
March 21, 2019

**Janus Capital Management LLC**  
**Concentrated Growth Composite**  
**January 1, 2008 through December 31, 2017**

Year	As of December 31						
	Gross Return (%)	Net Return (%)	Russell 1000® Growth Index Return (%)	Internal Dispersion (%)	Number of Accounts	Composite Assets (\$ millions)	Total Firm Assets (\$ millions)
2017	31.04	30.23	30.21	n/a	<u>6</u>	12,841.6	158,297
2016	3.05	2.40	7.08	n/a	≤ 5	3,010.1	138,176
2015	12.89	12.17	5.67	n/a	≤ 5	3,216.8	132,397
2014	9.61	9.02	13.05	n/a	≤ 5	3,986.9	130,145
2013	32.22	31.51	33.48	n/a	≤ 5	4,830.8	124,568
2012	23.79	23.12	15.26	0.97	18	16,498.3	114,827
2011	-6.80	-7.33	2.64	0.60	18	15,326.0	107,120
2010	7.99	7.35	16.71	1.22	19	21,591.9	123,276
2009	45.16	44.32	37.21	1.32	20	21,408.9	111,259
2008	-41.84	-42.22	-38.44	1.69	18	1,964.9	80,818

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 Concentrated Growth Composite has been examined for the periods January 1, 2004 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. Effective January 1, 2009, the Concentrated Growth Composite includes all fully discretionary, fee-paying accounts (excluding wrap accounts) invested in this strategy. For the period from January 1, 2005 through December 31, 2008 the composite included separately managed institutional accounts and sub-advised pooled funds. Prior to January 1, 2005 the composite included separately managed institutional accounts only. Concentrated Growth portfolios take concentrated positions in larger, well-established companies along with smaller, more aggressive positions selected for their growth potential. A typical portfolio concentrates its investments in 30 to 40 equity securities. The composite was created in January 2005.

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 Russell 1000 Growth Index 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. The three-year annualized ex-post standard deviation measures the variability of the monthly gross returns of the composite and the benchmark over the preceding 36 months.

	3-Yr Annualized Standard Deviation (%)	
December 31	Composite	Benchmark
2017	11.99	10.69
2016	13.15	11.31
2015	11.92	10.85
2014	11.49	9.73
2013	14.73	12.35
2012	18.70	15.88
2011	20.67	18.01
2010	26.17	22.42

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. Effective June 2011, the current standard fee schedule for separately managed accounts is as follows: 0.55% on the first \$100 million; 0.45% on the next \$100 million; 0.42% on the next \$100 million; 0.40% above \$300 million.
10. In January 2008 Ron Sachs became the lead portfolio manager. In June 2013 Doug Rao became the lead portfolio manager.
11. 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.