

Absolute Return Income

as of 9/30/19

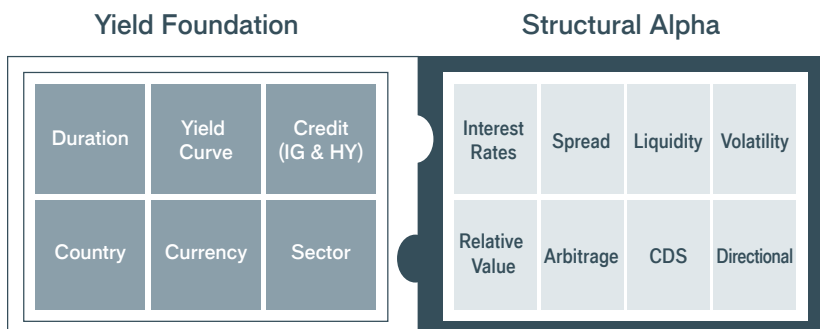
Strategy Overview

The strategy's absolute return objective and broad global opportunity set grant the portfolio managers flexibility to express their investment insights that are not constrained by traditional fixed income benchmarks. This flexibility transcends the breadth of the global fixed income opportunity set to include structural alpha strategies. The investment process is decidedly top-down in approach. The portfolio managers formulate their secular and opportunistic views across different countries, currencies and sectors and translate those views into portfolio exposures – yield foundation and structural alphas – that represent highest conviction ideas. Those are then implemented through cash or derivative instruments. This is a global fixed income strategy that targets moderate return and capital preservation.

Objectives

- Preservation of capital
- Absolute return
- Mitigate interest rate volatility
- Diversifier of equity risk

Investment Approach



Structural Alpha

Structural alpha strategies seek to add value by taking advantage of identifiable economic factors that create patterns of risk premia, minimize negative roll yield, and provide other techniques in an attempt to generate absolute returns.

Our approach is to judiciously implement structural alpha strategies using experienced judgment, proactively adjusting exposures based on the current and changing attractiveness of risk and return potential.

Absolute Return Income – USD Composite, benchmarked to the FTSE 3-Month US Treasury Bill Index, includes portfolios with a USD base currency that seek to provide long term positive returns across economic cycles. The portfolios will normally maintain a weighted-average effective duration between -2 and +2 years. Portfolios may invest in government and non-government bonds, notes, corporate securities, mortgage-backed and asset-backed securities, convertible securities and enhanced cash instruments. Portfolios may also utilize derivative instruments for various investment and hedging purposes and may invest in high yield/high risk bonds up to 15% and in emerging market debt up to 15%. The composite was created in July 2016.

Actual results may vary, and the information should not be considered or relied upon as a performance guarantee.

Various account minimums or other eligibility qualifications apply depending on the investment strategy, vehicle or investor jurisdiction.

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Portfolio Management



Nick Maroutsos

- Co-Head of Global Bonds | Portfolio Manager
- 20 years of financial industry experience



Daniel Siluk

- Portfolio Manager
- 16 years of financial industry experience



Jason England

- Portfolio Manager
- 24 years of financial industry experience

Strategy Characteristics

Inception	July 1, 2016
Investment Approach	Top-down, global macro
Benchmark Index	FTSE 3-Month U.S. Treasury Bill Index
Target Volatility	< 1.5%

Investment Guidelines

Typical Duration	Range -2 to +2 years
Non-USD Securities	No limit
Non-US Currency	Minimal non-base currency exposure
High Yield	Minimal, up to 15%
Emerging Markets	Up to 15%
Expected Notional Leverage	None

Janus Henderson Absolute Return Income (as of 9/30/19)

Performance (%)	3Q19	1 yr	3 yr	Since Inception (7/1/16)
Composite (gross)	1.09	4.58	3.15	3.09
Composite (net)	0.99	4.17	2.74	2.68
FTSE 3-Month U.S. Treasury Bill Index	0.56	2.36	1.52	1.43
Difference (gross v. benchmark)	+0.53	+2.22	+1.63	+1.66

Characteristics	Rep. Account
Effective Duration (Years)	0.96
Weighted Avg. Maturity (Years)	3.08
Cash & Equivalents (%)	0.78
Number of Issuers	124

Portfolio Allocations (based on representative account)

Industries	Weight (%)	YTM (%)	OAD (Years)
Financials	47.72	2.75	0.39
Consumer Discretionary	9.08	2.57	0.11
Utilities	8.30	2.88	0.20
Industrials	7.12	2.84	0.24
Real Estate	4.48	2.95	0.15
Communication Services	4.32	2.55	0.11
Consumer Staples	3.60	2.33	0.09
ABS	3.40	3.26	0.02
Information Technology	2.96	2.20	0.06
Energy	2.60	2.47	0.06
Health Care	2.03	2.71	0.03
Materials	1.19	2.62	0.01
Agency	1.11	2.48	-
Supranational	1.02	3.70	0.01

Collateral	Weight (%)	YTM (%)	OAD (Years)
Sr. Unsecured	77.44	2.63	1.05
Sr. Secured	8.66	3.00	0.29
Subordinated	5.68	3.45	0.07
ABS	3.40	3.26	0.02
Quasi Sovereign	1.61	2.42	0.03
Agency	1.11	2.48	-
Supranational	1.02	3.70	0.01
Derivatives	0.30	-	-0.52

Top Currencies	Weight		YTM (%)
	Gross (%)	Net (%)	
United States	66.36	90.06	2.51
Australia	32.38	-0.37	3.11
New Zealand	0.71	0.03	1.95
India	0.36	0.36	6.77
Europe	0.19	-2.94	2.34

Credit Quality of Fixed Income Holdings	Weight (%)	YTM (%)	OAD (Years)
AAA	3.49	3.49	0.02
AA+	1.20	2.14	0.04
AA	1.32	2.33	0.02
AA-	9.88	2.43	0.05
A+	7.18	2.40	0.10
A	11.68	2.57	0.21
A-	21.55	2.67	0.38
BBB+	23.32	2.84	0.38
BBB	12.76	3.01	0.20
BBB-	6.26	3.00	0.08
BB+	0.31	2.70	-

Top Countries	Weight (%)	YTM (%)	OAD (Years)
Australia	35.49	3.01	0.55
United States	33.86	2.50	0.44
China	5.17	2.64	0.11
Canada	4.21	2.31	0.04
Japan	4.20	2.37	0.04

For more information, please visit janushenderson.com.

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INVESTORS

Past performance cannot guarantee future results. Investing involves risk, including the possible loss of principal and fluctuation of value. Returns greater than one year are annualized. Returns are expressed in U.S. dollars. Composite returns are net of transaction costs and gross of non-reclaimable withholding taxes, if any, and reflect the reinvestment of dividends and other earnings.

The gross performance results presented do not reflect the deduction of investment advisory fees, and returns will be reduced by such advisory fees and other contractual expenses as described in the individual contract and Form ADV Part 2A.

Net performance results do not reflect the deduction of investment advisory fees actually charged to the accounts in the composite but they do reflect the deduction of model investment advisory fees based on the maximum fee rate in effect for the respective time period, adjusted for performance-based fees where applicable. Actual advisory fees may vary among clients invested in the strategy shown and may be higher or lower than model advisory fees. Returns for each client will be reduced by such fees and expenses as negotiated in any client contract as discussed in Form ADV Part 2A.

Index returns are provided to represent the investment environment during the periods shown. The index is fully invested, including the reinvestment of dividends and capital gains. Index returns do not include transaction costs, management fees or other costs, and are gross of non-reclaimable withholding taxes, if any.

Information relating to portfolio holdings is based on the representative account in the composite and may vary for other accounts in the strategy due to asset size, client guidelines and other factors. The representative account is believed to most closely reflect the current portfolio management style.

Bond credit quality ratings reflect the lowest rating received from Moody's, Standard & Poor's and/or Fitch. Ratings are measured on a scale that ranges from AAA (highest) to D (lowest).

Industries are defined by Janus Henderson and reflect GICS classifications for corporate issuers and security type for non-corporate issuers. Country classifications based on Bloomberg country of risk. Currencies represent the denomination of securities in the portfolio, gross and net of currency hedging.