

GLOBAL ALPHA EQUITY STRATEGY

Investment philosophy

Our view is that excess returns are generated by investing in companies whose free cash flow (FCF) growth is underestimated by the market. This philosophy requires: a disciplined analysis of growth opportunities to understand FCF generation and an understanding of valuation by identifying material dislocations arising from our FCF growth estimates vs. market expectations.

Investment process overview



Portfolio management


Julian McManus

- Portfolio Manager
- Industry since 1994


Christopher O'Malley, CFA

- Asst. Portfolio Manager
- Research Analyst
- Industry since 1996

Strategy characteristics

| | |
|--------------------------------|---|
| Benchmark | MSCI All Country World Index SM |
| Investment style | Core |
| AUM | \$2.3 B (as of 30 Sep 2023) |
| Expected tracking error range* | 400 – 700 bps (annualized, gross of fees) |
| Typical beta | 0.85 – 1.15 |
| Holdings range | 40 – 65 |
| Expected annual turnover | 40% – 60% |
| Maximum position size | 5% |
| Emerging markets range | 0% – 30% |
| Available vehicles | Separate account Institutional mutual fund |

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

There is no assurance the stated objective(s) will be met.

| Performance – USD (%) | Q423 | 1 Year | 3 Year | 5 Year | 10 Year | Since inception (9/1/12) |
|--|-------|--------|--------|--------|---------|--------------------------|
| Composite (gross) | 11.27 | 18.24 | 7.93 | 13.59 | 9.44 | 11.76 |
| Composite (net) | 11.10 | 17.50 | 7.24 | 12.87 | 8.76 | 11.07 |
| MSCI All Country World Index SM | 11.15 | 22.81 | 6.25 | 12.27 | 8.48 | 10.05 |
| Difference (gross vs. benchmark) | +0.12 | -4.57 | +1.68 | +1.32 | +0.96 | +1.71 |

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.

Risk/reward composite

| | 3 Year | 5 Year | | 3 Year | 5 Year |
|---------------------|--------|--------|-----------------------|--------|--------|
| Information ratio | 0.28 | 0.21 | Std. dev. | 17.38 | 19.93 |
| Sharpe Ratio | 0.32 | 0.58 | Std. dev. (benchmark) | 16.50 | 17.94 |
| Up market capture | 107% | 110% | Tracking error | 5.64 | 5.63 |
| Down market capture | 100% | 105% | Beta | 1.00 | 1.07 |

Characteristics

| | Rep. account | Benchmark |
|----------------------------------|--------------|-----------|
| Number of holdings | 58 | 2,917 |
| Weighted average market cap | \$322.3 B | \$443.6 B |
| Median market cap | \$59.5 B | \$8.4 B |
| Turnover ratio (1 year trailing) | 47.00% | – |
| Active share | 85.93% | – |

Sector allocation (%)

| | Absolute weight | Active weight |
|------------------------|-----------------|---------------|
| Information technology | 20.48 | -2.44 |
| Consumer discretionary | 15.33 | +4.25 |
| Financials | 13.85 | -2.08 |
| Industrials | 11.74 | +1.07 |
| Health care | 9.06 | -2.18 |
| Communication services | 7.56 | +0.22 |
| Energy | 6.10 | +1.56 |
| Materials | 4.68 | +0.16 |
| Utilities | 4.35 | +1.73 |
| Consumer staples | 4.07 | -2.69 |
| Equity Other | 0.02 | +0.02 |
| Cash & equivalents | 2.76 | +2.76 |

Regions (%)

| | Absolute weight | Active weight |
|-----------------------|-----------------|---------------|
| North America | 53.52 | -11.82 |
| Europe | 27.46 | +11.52 |
| Asia/Pacific Ex Japan | 10.92 | -0.06 |
| Japan | 5.34 | -0.06 |
| Developed markets | 90.56 | +1.24 |
| Emerging markets | 6.68 | -4.00 |

FOR MORE INFORMATION, PLEASE VISIT JANUSHENDERSON.COM

Janus Henderson
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 unless otherwise stated. Composite returns are net of transaction costs and gross of non-reclaimable withholding taxes (if any and unless otherwise noted), and reflect the reinvestment of dividends and other earnings.

The gross performance results presented do not reflect the deduction of investment advisory fees. Returns will be reduced by such advisory fees and other expenses as described in the individual contract and, where applicable, in 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 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 and may be higher or lower than model fees. Returns for each client will be reduced by such fees and expenses as described in the individual contract and, where applicable, in Form ADV Part 2A.

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

Absolute weight based on representative account.

Active weight reflects over/under relative to index.

Global Alpha Equity Composite, benchmarked to the MSCI All Country World IndexSM, includes portfolios that invest primarily in a core group of 40 to 70 domestic and foreign common stocks based on a fundamental bottom up approach and seek to generate alpha mainly from stock selection. Portfolios may invest in companies of any size located anywhere in the world, and may invest up to 30% in emerging market countries. Portfolios may invest in derivatives, primarily for the purpose of hedging certain risks but are not a significant component of the strategy. The composite was created in September 2012.

Information relating to portfolio holdings is based on the representative account in the composite, which reflects the typical portfolio management style of the investment strategy. Other accounts in the strategy may vary due to asset size, client guidelines and other factors.

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. **Smaller capitalization securities** may be less stable and more susceptible to adverse developments, and may be more volatile and less liquid than larger capitalization securities. **Actively managed investment portfolios** are subject to the risk that the investment strategies and research process employed may fail to produce the intended results. Accordingly, a portfolio may underperform its benchmark index or other investment products with similar investment objectives.

Equity country, regional, sector and industry weights based primarily on MSCI and GICS classifications.

Active Share represents the portion of portfolio holdings that differ from an index. **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. **Capture Ratio** measures the percentage of index (market) performance an investment "captured" during periods when the index achieved gains (up capture) or declined (down capture). A capture ratio of 100% means investment performance went up or down exactly the same amount as the index. **Information Ratio** is a ratio of portfolio returns above the returns of an index to the volatility of those returns. It is an indicator of portfolio management performance. **Sharpe Ratio** measures risk-adjusted performance using excess returns versus the "risk-free" rate and the volatility of those returns. A higher ratio means better return per unit of risk. **Standard Deviation** measures historical volatility. Higher standard deviation implies greater volatility.

Tracking Error is the divergence between the price behavior of an investment and an index. **Turnover** is a measure of portfolio trading activity. Higher turnover may indicate higher transaction costs and vice versa.

MSCI All Country World IndexSM reflects the equity market performance of global developed and emerging markets.

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

Janus Henderson provides investment advisory services in the U.S. through Janus Henderson Investors US LLC, together with its participating affiliates.

Janus Henderson is a trademark of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc.