

# FUND PROFILE

## Diversified Alternatives Fund

A: JDDAX C: JDDCX I: JDAIX N: JDANX S: JDASX T: JDATX

### A Strategy Seeking Low Correlation to Stocks and Bonds

**Diversified Alternatives Fund** is a liquid alternative fund that seeks to provide positive absolute returns with true diversification through low correlation to stocks and bonds. We invest in a portfolio of traditional and nontraditional investable risk premia derived from equity, fixed income, currency and commodity asset classes. By targeting a broad collection of statistically independent sources of return, we believe we are in a position to create a more robust portfolio that provides, over time, a generally more stable source of return with a targeted volatility of 5% to 7%, significantly less than the long-term volatility of stocks.

### Why Invest in the Fund

#### Target Absolute Return

The portfolio seeks to deliver absolute returns over a full market cycle.

#### Seeks Constant Volatility

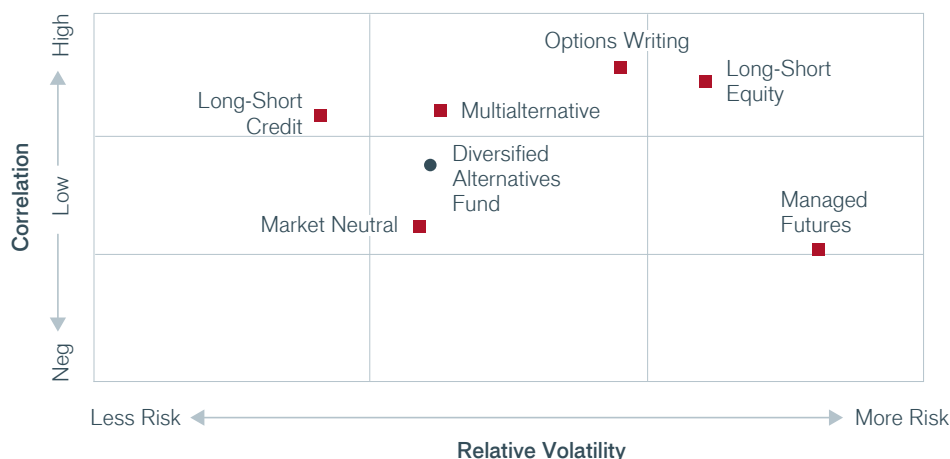
The portfolio targets 6% annualized volatility over a full market cycle.

#### Diversification

The portfolio seeks to provide diversification through low correlation to traditional assets such as stocks and bonds.

### Striking a Balance Between Low Correlation and Moderate Volatility

5 Year correlations and volatility, Fund (Class I Shares) and Morningstar category averages, relative to the MSCI All Country World Index (as of 12/31/19)



Source: Morningstar, Inc.

Relative volatility measures the ratio of standard deviation relative to the standard deviation of the MSCI All Country World Index. Since equities pose the predominant risk in traditional portfolios, this global equity index is used as an indicator of equity risk in order to determine how well an alternative strategy diversifies away from this risk.

**Past performance is no guarantee of future results.**

## Portfolio Management



**John Fujiwara**

- Fund Manager since 2012
- Industry since 1987



**Aneet Chachra, CFA**

- Fund Manager since 2019
- Industry since 2000

### The Janus Henderson Difference

| Competitor Analysis   | Fund (Class I Shares) | Multialternative Category Average |
|---|-----------------------|-----------------------------------|
| Sharpe Ratio - 3 yr   | -0.44                 | 0.27                              |
| Beta vs. S&P 500® Index - 3 yr                                      | 0.17                  | 0.28                              |
| Beta vs. Bloomberg Barclays U.S. Aggregate Bond Index - 3 yr        | 0.06                  | 0.03                              |
| Max Monthly Drawdown - Since Fund Inception 12/28/12                | -7.17                 | -6.58                             |
| Correlation vs. S&P 500® Index - 3 yr                               | 0.49                  | 0.94                              |
| Correlation vs. Bloomberg Barclays U.S. Aggregate Bond Index - 3 yr | 0.04                  | 0.03                              |
| Standard Deviation - 3 yr   | 4.10                  | 3.56                              |

Source: FactSet and Morningstar, Inc.

### Performance (%)

|  | 1 yr    | 3 yr    | 5 yr    | Since Inception (12/28/12) |
|--|---------|---------|---------|----------------------------|
| Class I Shares                               | 0.04    | -0.22   | 0.55    | 0.68                       |
| Bloomberg Barclays U.S. Aggregate Bond Index | 8.72    | 4.03    | 3.05    | 2.70                       |
| LIBOR +3%                                    | 6.39    | 5.21    | 4.55    | 4.32                       |
| Morningstar Percentile Ranking               | 91      | 89      | 78      | 92                         |
| Multialternative Category Rank/Count         | 279/312 | 235/268 | 173/225 | 141/155                    |

Expense Ratios (%): Gross 1.62; Net 1.15.

Net expense ratios reflect the expense waiver, if any, contractually agreed to through at least 10/28/20.

**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](http://janushenderson.com/performance).**

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Returns include reinvestment of dividends and capital gains. Returns greater than one year are annualized.

Differences between compared investments may include objectives, sales and management fees, liquidity, volatility, tax features and other features, which may result in differences in performance.

Investing involves risk, including the possible loss of principal and fluctuation of value. There is no assurance the stated objective(s) will be met.

There is a risk that the Fund's investments will correlate with stocks and bonds to a greater degree than anticipated, and the investment process may not achieve the desired results. The Fund may underperform during up markets and be negatively affected in down markets. Diversification does not assure a profit or eliminate the risk of loss.

Derivatives can be highly volatile and more sensitive to changes in economic or market conditions than other investments. This could result in losses that exceed the original investment and may be magnified by leverage.

There are special risks associated with selling securities short. Stocks sold short have the potential risk of unlimited losses.

Commodities, commodity-linked notes, foreign securities and investments through a nonregistered subsidiary provide exposure to special risks, including greater volatility and loss of interest and principal, and may not be appropriate for all investors. Commodities are speculative and may fluctuate widely based on a variety of factors, including market movements, economic events and supply and demand disruptions.

As of 12/31/19, the Fund's (Class I Shares) correlation and relative volatility versus the C-1219-28067 04-15-20

MSCI All Country World Index<sup>SM</sup>: 0.55 and 0.36, and 0.39 and 0.40 for the 3- and 5-year periods, respectively.

The Morningstar percentile ranking is based on a fund's total return (including income and capital gains, if any, and excluding sales charges) relative to all funds in the same category for the period. The highest (or most favorable) percentile rank is 1%, and the lowest (or least favorable) percentile rank is 100%. The top-performing funds in a category will always receive a rank of 1.

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When an expense waiver is in effect, it may have a material effect on the total return or yield, and therefore the ranking for the period.

**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. **Correlation** measures the degree to which two variables move in relation to each other. A value of 1.0 implies movement in parallel, -1.0 implies movement in opposite directions, and 0.0 implies no relationship. **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. **MSCI All Country World Index<sup>SM</sup>** reflects the equity market performance of global developed and emerging markets. **LIBOR** (London Interbank Offered Rate) is a short-term interest rate that banks offer one another and generally represents current cash rates. **Bloomberg Barclays U.S. Aggregate Bond Index** is a broad-based measure of the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. **S&P 500® Index** reflects U.S. large-cap equity performance and represents broad U.S. equity market performance.

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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