

MID CAP VALUE MANAGED ACCOUNT

At a glance

Performance

The Portfolio returned 10.23% (gross) and the Russell Midcap® Value Index returned 8.23%.

Contributors/detractors

Stock selection led to broad-based outperformance, especially in the information technology sector. Stock selection in the healthcare sector detracted from relative performance.

Outlook

We believe the portfolio remains well positioned for both long-term investment opportunities and defending against market volatility.

Portfolio management



Kevin Preloger



Justin Tugman, CFA

Investment environment

- Stocks rallied as a healthy job market and resilient consumer spending supported economic growth despite an unstable geopolitical environment. Inflation moderated but not as quickly as investors wanted. This dimmed hopes for aggressive interest rate cuts in 2024. The Federal Reserve (Fed) held rates steady but signaled the potential for rate cuts later in the year.
- We were pleased to see higher-quality companies with lower debt levels and higher returns on equity generally outperform in the first quarter. Within the Russell Midcap® Value Index, cyclical sectors such as industrials and energy had the strongest performance. More interest rate sensitive and highly levered sectors, such as communications services and real estate, underperformed.

Portfolio review

Property and casualty insurer Hartford Financial Services, one of our largest holdings, was a top relative contributor. The stock benefited as investors flocked to insurance companies on optimism that an improved pricing environment would help offset inflationary pressures.

Industrials holding BWX Technologies, a nuclear components manufacturer, was another strong contributor. We moved to an underweight position in the industrials sector as we took profits on holdings that were less attractively valued following strong share price performance and significant multiple expansion.

Information technology holding Vontier Corp., which specializes in mobility technologies and alternative energy solutions, also benefited relative returns during the quarter.

Health insurer Humana was a relative detractor, as higher-than-expected patient utilization rates and costs for its Medicare Advantage plan pressured the near-term earnings outlook. Given Humana's long record of earnings growth, we see this as a short-term issue and maintain the stock.

The realization that interest rates may remain higher for longer was a headwind for several of our real estate stocks, including Agree Realty, a retail net lease company, and Equity Lifestyle Properties, an owner of manufactured housing communities. We remain underweight in the real estate sector, where interest-rate concerns are overshadowing positive fundamentals.

We remain on the lookout for opportunities to use volatility to our advantage as we identify compelling investment opportunities with attractive valuations. The portfolio ended the quarter overweight in the healthcare, materials, energy, and consumer staples sectors and underweight in the utilities, real estate, communication services, consumer discretionary, information technology, financials, and industrials sectors.

Manager outlook

We are reassured to see relatively favorable economic fundamentals, including low unemployment, positive economic growth, and signs of a bottoming in manufacturing activity. At the same time, we have noted pockets of weakness, including signs that financial pressures may be starting to impact both high- and low-end consumer

spending. Additionally, inflation has not retreated as quickly as expected and remains well above Fed targets. Heading into the first quarter, we cautioned that investment markets were likely overly optimistic in pricing in six Fed rate cuts for 2024. Over the past three months, investors have reduced their forecasts to three rate cuts. Given such dynamics, it is hard not to see the current rally as at least partly fueled by euphoria rather than fundamentals, as can be witnessed in the market's obsession with artificial intelligence-related stocks.

However, we see reasons for optimism, including in a renewed focus on fundamentals in the value market. We also note that historically speaking, the interval between the

last Fed rate hike and the first Fed rate cut has been a period of solid equity market performance. The track record of market performance once the Fed starts cutting rates is not as positive, as such action often comes in response to other market stressors. Given the uncertainties in this environment, we remain committed to our disciplined investment process, even as we seek to avoid excess risk. We believe the current environment may provide us with many opportunities to identify well-managed and attractively valued companies that demonstrate proven earnings growth, strong free cash flow, and low debt levels that can help them navigate any potential economic challenges.

Mid Cap Value Managed Account (as of 03/31/24)

Performance - USD (%)

Returns	Cumulative			Annualized			
	1Q24	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception (10/01/98)
Composite (pure gross*)	10.23	10.23	23.37	8.69	10.39	9.03	12.54
Composite (net)	9.44	9.44	19.82	5.53	7.19	5.86	9.27
Russell Midcap® Value Index	8.23	8.23	20.40	6.80	9.93	8.57	9.85

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. All returns reflect the reinvestment of dividends and other earnings.

*Pure gross performance results do not reflect the deduction of any trading costs, fees or expenses and returns will be reduced by such advisory fee and other contractual expenses as described in the individual contract and Form ADV Part 2A. Pure gross returns are supplemental to net returns.

Net returns are calculated by subtracting the highest applicable Managed Account fee (3.00% annually, or 0.25% monthly) from the pure gross or gross composite return. The Managed Account fee includes all charges for trading costs, portfolio management, custody and other administrative fees. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. The fees are available on request and may be found in Form ADV Part 2A.

Representative Portfolio

Top Contributors (%)	Average Weight	Relative Contribution	Top Detractors (%)	Average Weight	Relative Contribution
Hartford Finl Svcs G	2.89	0.48	Humana Inc	1.39	-0.56
Bwx Technologies Inc	1.37	0.32	Agree Realty Corp	1.60	-0.27
Vontier Corporation	1.56	0.32	Equity Lifestyle Ppt	1.25	-0.20
Fidelity Natl Inform	2.19	0.25	Alliant Corp	2.25	-0.20
Nice Sys Ltd	1.21	0.25	Globe Life Inc	1.41	-0.16

The holdings identified in this table, in compliance with Janus Henderson policy, do not represent all of the securities purchased, held or sold during the period. To obtain a list showing every holding as a percentage of the portfolio at the end of the most recent publicly available disclosure period, contact 800.668.0434 or visit janushenderson.com/info.

Relative contribution reflects how the portfolio's holdings impacted return relative to the benchmark. Cash and securities not held in the portfolio are not shown.

Top Holdings (%)	Rep Acct
Hartford Financial Services Group Inc	2.69
Casey's General Stores Inc	2.39
Chesapeake Energy Corp	2.39
Freeport-McMoRan Inc	2.38
Fidelity National Information Services Inc	2.34
Marathon Oil Corp	2.24
Entergy Corp	2.19
Alliant Energy Corp	2.15
Cardinal Health Inc	2.14
PNC Financial Services Group Inc	2.10
Total	23.01

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Janus Henderson
INVESTORS

Definitions

Volatility measures risk using the dispersion of returns for a given investment.

Return on Equity (ROE) is the measure of a company's annual return (net income) divided by the value of its total shareholders' equity, expressed as a percentage. The number represents the total return on equity capital i.e., the profits made for each dollar from shareholders' equity.

Free cash flow (FCF) yield is a financial ratio that measures how much cash flow a company has in case of its liquidation or other obligations by comparing the free cash flow per share with the market price per share and indicates the level of cash flow the company will earn against its share market value.

To receive a complete list and description of composites and/or a presentation that complies with the requirements of the GIPS® standards, please contact Janus Henderson at 800.668.0434. The opinions are as of 03/31/24, are subject to change and may not reflect the views of others in the organization. Janus Henderson may have a business relationship with certain entities discussed. The comments should not be construed as a recommendation of individual holdings or market sectors, but as an illustration of broader themes.

Mid Cap Value Managed Account Composite, benchmarked to the Russell Midcap Value Index, includes portfolios that are broadly diversified and seek to identify quality mid-sized US companies trading at discounted prices with favorable risk/reward potential. Portfolios invest primarily in US companies whose market capitalization, at time of initial purchase, fall within the 12-month average of the capitalization range of the Russell Midcap Value Index. Prior to January 1, 2005 returns for the composite are for the Institutional Perkins Mid Cap Value Composite, which included institutional accounts and mutual funds prior to 2003. Prior to May 2021, the composite was known as the Perkins Mid Cap Value Managed Account Composite. The composite was created in January 2005.

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.

Portfolio holdings are as of the date indicated, and are subject to change. This material should not be construed as recommendation to buy or sell any security.

Holdings are subject to change without notice.

For equity portfolios, relative contribution compares the performance of a security in the portfolio to the benchmark's total return, factoring in the difference in weight of that security in the benchmark. Returns are calculated using daily returns and previous day ending weights rolled up by ticker, gross of advisory fees, may exclude certain derivatives and does not represent actual performance.

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

Investing involves risk, including the possible loss of principal and fluctuation of value.

Discussion is based on performance gross of fees and expenses.

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.

Value stocks can continue to be undervalued by the market for long periods of time and may not appreciate to the extent expected.

Actively managed portfolios may fail to produce the intended results. No investment strategy can ensure a profit or eliminate the risk of loss.

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.

Russell Midcap® Value Index reflects the performance of U.S. mid-cap equities with lower price-to-book ratios and lower forecasted growth values.

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.

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