

## EUROPEAN FOCUS FUND

A: HFEAX C: HFEEX I: HFEIX N: HFERX S: HFESX T: HFETX

### At a glance

#### Performance

The Fund returned 13.79% and the MSCI Europe Index<sup>SM</sup> returned 11.05%.

#### Contributors/detractors

An overweight in information technology and stock selection in consumer staples contributed to relative performance. An underweight in real estate and selection in healthcare detracted.

#### Outlook

We see opportunity to play idiosyncratic early cycle winners, while avoiding stocks with high profit-warning risk in what we believe will be a gently rising equity market.

### Portfolio management



Robert Schramm-Fuchs

### Investment environment

- After a weak October, equity markets rallied in the last quarter of 2023. The upbeat mood in November and December mainly reflected the ever-growing evidence of slowing inflation starting to translate into more dovish tones by central banks.
- This narrative culminated with the Federal Reserve's (Fed) signaling at its December meeting that the monetary pivot from a tightening to a cutting of interest rates is around the corner.
- Against this backdrop, U.S. and European yields compressed markedly (U.S. 10-year bond yield from 4.9% peak in October to 3.9% by the end of December; German 10-year Bund yield from 2.8% to 2%), and long-duration sectors, such as information technology (IT) and real estate, led the market higher.

### Portfolio review

IT stocks dominated the portfolio's top contributors to relative performance for the quarter and included Dutch semiconductor equipment manufacturer BE Semiconductor (Besi) and German semiconductor manufacturer Infineon Technologies. Together with industrials holding VAT Group, a Swiss supplier of vacuum valves and related services in the semiconductor and other sectors, these companies all reflected the positive momentum engulfing the semiconductor space.

Weak individual performers included Argenx – a Netherlands-based developer of human antibody products for autoimmune diseases – due to setbacks in its new drugs pipeline. Other detractors on a relative basis were FLSmidth, a Danish multinational equipment and services provider to the mining and cement industries, and Campari Group, an Italian producer of alcoholic and nonalcoholic beverages.

During the quarter, we added to our semiconductor weight, as the prospects for a capital expenditures (capex) cycle upswing continue to improve given the dynamics of artificial intelligence (AI), where the next step likely will be the addition of AI capabilities to devices such as personal computers and smartphones. We believe this has the potential to drive a meaningfully strong replacement cycle here, for the first time in a long while, coupled with an ongoing leading-edge memory segment rebound. Beyond semiconductors, our activity over the period was

concentrated in the areas commensurate with our “always looking good” theme of small-ticket-item consumer discretionary, where there has been positive real wage growth for the first time in two years due to fading inflation, including some med-tech consumer-driven stocks.

### Manager outlook

Our outlook for 2024 is one of cautious optimism. Central banks are now openly talking about rate cuts and even an end to quantitative tightening. Real narrow money creation across the Group of Seven (G7) and even the Emerging

Seven (E7) economies has inflected up, and even though it remains in weak negative territory, it is no longer getting worse. Market-based financial conditions measures clearly have eased. It will take time for those factors to translate into an improving real economy, and thus the equities playing field could remain more tactical. We see a significant opportunity ahead of us to play idiosyncratic early cycle winners, while avoiding stocks with high profit-warning risk in what likely will be a gently rising equity market.

## European Focus Fund (as of 12/31/23)

### Performance – USD (%)

Returns	Cumulative			Annualized			
	4Q23	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception (08/31/01)
Class I Shares	13.79	18.52	18.52	5.91	14.70	4.32	11.50
Class T Shares	13.78	18.36	18.36	5.73	14.53	4.11	11.34
Class N Shares	13.85	18.64	18.64	5.99	14.80	4.31	11.43
Class A Shares @ NAV	13.74	18.25	18.25	5.64	14.40	4.04	11.31
Class A Shares @ MOP	7.20	11.45	11.45	3.57	13.05	3.43	11.01
MSCI Europe Index <sup>SM</sup>	11.05	19.89	19.89	5.81	9.09	4.13	5.62

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).

Maximum Offering Price (MOP) returns include the maximum sales charge of 5.75%. Net Asset Value (NAV) returns exclude this charge, which would have reduced returns.

### Expense Ratios (% as of most recent prospectus)

Class I: Gross 1.16, Net 1.03 Class T: Gross 1.37, Net 1.22 Class N: Gross 1.11, Net 0.96 Class A: Gross 1.42, Net 1.30

Net expense ratios reflect the expense waiver, if any, contractually agreed to for at least a one-year period commencing on January 27, 2023. This contractual waiver may be terminated or modified only at the discretion of the Board of Trustees.

Not all Funds and Share classes may be available. Please consult your financial professional.

### Portfolio

Top Contributors (%)	Average Weight	Relative Contribution	Top Detractors (%)	Average Weight	Relative Contribution
Be Semiconductor Indust	2.67	1.07	Argenx Se	1.90	-0.48
Vat Group Ag	2.44	0.59	Flsmidth & Co A/S	1.70	-0.31
Asm International Nv	2.67	0.37	Davide Campari Milano N	1.29	-0.30
Nemetschek Se	2.01	0.35	Nordex Se	0.25	-0.28
Infineon Technologies A	2.70	0.29	Nordic Semiconductor	0.32	-0.23

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](http://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 (%)	Fund
ASML Holding NV	4.09
TotalEnergies SE	4.01
Novo Nordisk A/S	3.76
LVMH Moet Hennessy Louis Vuitton SE	3.62
Infineon Technologies AG	3.24
VAT Group AG	3.24
UBS Group AG	3.15
Nordea Bank Abp	2.95
ASM International NV	2.88
BE Semiconductor Industries NV	2.87
<b>Total</b>	<b>33.81</b>

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### Definitions

Monetary Policy refers to the policies of a central bank, aimed at influencing the level of inflation and growth in an economy. It includes controlling interest rates and the supply of money.

Monetary tightening refers to central bank activity aimed at curbing inflation and slowing down growth in the economy by raising interest rates and reducing the supply of money.

Quantitative Tightening (QT) is a government monetary policy occasionally used to decrease the money supply by either selling government securities or letting them mature and removing them from its cash balances.

10-Year Treasury Yield is the interest rate on U.S. Treasury bonds that will mature 10 years from the date of purchase.

**Please consider the charges, risks, expenses and investment objectives carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, please call Janus Henderson at 800.668.0434 or download the file from [janushenderson.com/info](http://janushenderson.com/info). Read it carefully before you invest or send money.**

Performance for Class A, I, N and T Shares that includes periods prior to 6/5/17 reflects the performance of one or more share classes of a predecessor fund, adjusted, where applicable and permitted, for differing fees and expenses. See the Fund's prospectus for further details.

Returns include reinvestment of dividends and capital gains.

Discussion is based on the performance of Class I Shares.

The opinions are as of 12/31/23, 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.

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.**

**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.

**Concentrated investments** in a single sector, industry or region will be more susceptible to factors affecting that group and may be more volatile than less concentrated investments or the market as a whole.

**Increased portfolio turnover** may result in higher expenses and potentially higher net taxable gains or losses.

**MSCI Europe Index\*** reflects the equity market performance of developed markets in Europe.

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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