1Q17 PORTFOLIO COMMENTARY

Janus Enterprise Fund

Investment Environment

For much of the quarter, stocks resumed the rally that started after the November election, as investors considered the potential impact of some of the Trump administration's proposed corporate tax cuts and pro-growth policies. Economic data points suggested that global economic growth was returning. The Federal Reserve's interest rate hike was also interpreted as confirmation of the economy's health. While stocks ended the quarter with gains, they were volatile toward the end of the period as investors questioned how quickly Congress might implement some of the new administration's proposed policies.

Performance Discussion

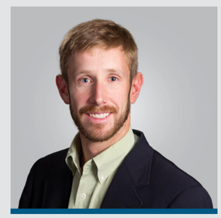
The Fund outperformed its benchmark, the Russell Midcap Growth Index, during the period. Our Fund tends to emphasize "durable growth" companies that we believe have more predictable business models, recurring revenue streams, strong free cash flow growth and strong competitive positioning that should allow them to take market share and experience sustainable long-term growth across a variety of economic environments. We believe a collection of these higher-quality growth companies can help the Fund outperform when markets are down and drive relative outperformance over full market cycles. This quarter, some of our top contributors to performance exemplify the typical characteristics we seek in companies.

SS&C Technologies was our top contributor. The company provides software-enabled services to asset managers. We believe accelerating revenue growth in the second half of 2016 – in what has been a challenging environment for its hedge fund clients – has demonstrated the durability of the company's earnings. In recent months there had been concerns that weak performance by hedge funds could lead to consolidation in the industry and fewer clients demanding SS&C's services. However, we have long believed that SS&C isn't wholly dependent on new clients and a booming hedge fund industry for growth. In addition to hedge funds, its client base covers a diverse range of investment strategies, including traditional asset managers, real estate funds and private equity. The company has also historically driven earnings from cross-selling new services to these clients and accretive mergers and acquisitions. Revenue growth in the last six months has helped confirm our thesis.

Lamar Advertising was another top contributor. We believe investors gravitated to the billboard operator's stock because the company has a few characteristics that make it preferable to other real estate investment trusts (REITs) in a rising rate environment. Lamar has less leverage than many other REITs, making its earnings less vulnerable to rising rates. The advertising contracts for billboards also have a shorter duration than the rental contracts for most REITs, meaning Lamar can reset prices and increase revenues quicker when the economy strengthens. The company has been a holding in our portfolio for a long time because we like the recurring revenue streams from its billboard contracts and we believe it operates in an industry with high barriers to entry. Permitting restrictions for the number of billboards along roadways makes it difficult for a would-be competitor to establish a similarly wide network of billboards.

Cadence Design Systems was also a top contributor. Better-than-expected earnings and positive guidance for 2017 helped lift the stock this quarter. We continue to like the company's competitive position as one of only two companies that specialize in semiconductor design software, which has become increasingly important as semiconductors continue to grow more complex.

Portfolio Manager:
Brian Demain, CFA



Portfolio Manager:
Cody Wheaton, CFA

Executive Summary

- U.S. mid-cap stocks ended the quarter with strong gains.
- The Fund outperformed its benchmark during the period.
- Given the uncertainty of the new president achieving all the items on his political agenda, we are carefully managing the risk in our portfolio in an effort to make sure we aren't over- or underexposed to companies that would benefit from or be harmed by a particular reform.

While pleased with our relative performance this quarter, we still held stocks that disappointed. TD Ameritrade was our largest detractor. The stock was down this quarter after a TD Ameritrade competitor lowered trading commissions and started a price war that was subsequently matched by Ameritrade and others. We continue to like the company. Although the cut in commission prices will lower near-term trading revenues, we continue to expect Ameritrade to take market share in wealth management due to its lower cost structure to serve individual investors and registered investment advisors. Further, we believe the company's recently announced acquisition of Scottrade gives it more scale and will allow the company to improve margins as it realizes cost synergies from the acquisition.

World Fuel Services was another detractor. The fuel logistics company has had difficulties managing its costs, which has negatively affected the stock. We believe World Fuel Services will ultimately address its cost issues. We continue to hold the stock, and believe a business linking fuel buyers and sellers in transportation markets around the world is a valuable service for clients. We also believe the company can continue to take share within the fragmented industries in which it operates.

Cimpress was also a detractor. Margins were a little weaker than expected due to some investments the company pulled forward, but we view this as a short-term issue. We think Cimpress has a unique business model, using its scale and high-volume printing presses to manage and produce small-volume printing orders of marketing collateral and business cards for small businesses. The company has periodic reinvestment cycles to improve its printing capabilities but has historically earned a strong return on those investments over the long term. Given its history, we are unconcerned about the recent investments.

For detailed performance information or to download a Fact Sheet, please visit www.janus.com/funds

Outlook

We believe there could be a gap between the market's expectation of what *will* happen under a Trump administration and Republican-controlled Congress and the reality of what *might* happen. The rapid rise of U.S. stocks since November seems to imply that tax cuts, infrastructure spending and deregulation are immediately on the way. However, Congress' failure to replace the Affordable Care Act shows that reform doesn't come easy in Washington, if it comes at all.

We freely admit we don't have any advantage in handicapping the probability of any of these events. Importantly, we won't try to do so. We aren't dramatically tilting our portfolio to make it overexposed to stocks that will benefit from one of the new administration's promises. We think such a strategy would subject the portfolio to more volatility if some of the administration's proposed plans don't come to pass.

Instead, we are carefully managing the risk in our portfolio in an effort to make sure we aren't over- or underexposed to a particular issue. For example, we are balancing our exposure to companies that already pay low tax rates with companies that would benefit from tax reform. We are also monitoring our portfolio weighting to financial companies that benefit from an increase in interest rates and other companies that use more debt or have reasons why rising interest rates pose a headwind.

As long as political issues pose a risk to markets, we will try to avoid making active bets about the likelihood of a particular political event occurring. We would rather center our risk on individual stock selection. In the past five years, we believe we have proved this is an area where we can add value.

Top Contributors and Detractors for the Quarter Ended 3/31/17

Top Contributors	Ending Weight (%)	Contribution (%)	Top Detractors	Ending Weight (%)	Contribution (%)
SS&C Technologies Holdings Inc	1.91	0.41	TD Ameritrade Holding Corp	2.19	-0.28
Lamar Advertising Co	2.55	0.34	World Fuel Services Corp	0.60	-0.18
Sensata Technologies Holding NV	2.71	0.32	WEX Inc	1.58	-0.13
KLA-Tencor Corp	1.55	0.31	Cimpress NV	1.55	-0.11
Cadence Design Systems Inc	1.35	0.30	Belden Inc	0.85	-0.07

The holdings identified in this table, in compliance with Janus 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 877.33JANUS (52687) or visit janus.com/advisor/mutual-funds.

Top Contributors

SS&C Technologies: The company is a global provider of investment and financial software-enabled services and is focused exclusively on the global financial services industry. We like SS&C because the majority of its revenue comes from recurring sources such as subscription services or software maintenance, where client retention has remained high.

Lamar Advertising: The company has an extensive network of billboards. We believe that permitting restrictions on building new billboards near roadways creates a tough barrier to entry for would-be competitors looking to replicate Lamar's network of billboards. We also believe billboard advertising is more insulated from digital advertising disruption than advertising through other forms of traditional media.

Sensata Technologies: The industrial technology company is engaged in the development, manufacture and sale of sensors and controls. We like that Sensata is a low-cost producer of low-priced products, holds a high market share and boasts a high retention rate in its client base, the majority of which are automakers. We also feel the company's primary products are key beneficiaries of technology-enabled trends such as manufacturers' greater emphasis on safety, lower emissions and better fuel economy in developed markets.

KLA Tencor: The company supplies process-control and yield-management products for the semiconductor, data storage, LED and other related nanoelectronics industries. We like the company's history of producing high returns on invested capital and high operating margins through the entire semiconductor cycle.

Cadence Design Systems: Cadence sells its electronic design automation software to customers who use it to design semiconductors and electronic systems. We believe the company's semiconductor design software is becoming increasingly important as semiconductors grow more complex. As one of only two companies specializing in this market segment, Cadence should be able to increase pricing and profits. We also appreciate the company's intellectual property licensing business, which we believe is a high-margin, high-growth operation.

Top Detractors

TD Ameritrade: We believe the online broker is a best-in-class asset gatherer. We also believe TD Ameritrade has a unique and differentiated business model, having outsourced the banking operations of the business to TD Bank, allowing it to run a capital-light business model, generate free cash flow in excess of net income, and deliver attractive returns, in our view. We like that the company does not typically take balance sheet risk. Going forward, we believe that the retirement wave of baby boomers is a tailwind for companies such as TD Ameritrade as financial assets will move from defined contribution plans to rollover IRAs.

World Fuel Services: The company is a global leader in fuel supply, specializing in fuel distribution and sale of land, aviation, and marine fuel products and services. We think the company's ability to link buyers and sellers of fuel in the transportation and logistics markets around the world is a valuable proposition for its clients. We think demand for its services will continue to grow and that World Fuel Services has an opportunity to further consolidate its industry through mergers and acquisitions.

WEX Inc.: WEX provides payment processing and information management services to vehicle fleets. We believe that WEX has earned its leading market share position through differentiated back-end reporting, bill pay consolidation features and complex analytics. In addition, we estimate that it would take significant effort for competitors to achieve similar transaction fees. We also like the company's strong customer retention, international expansion and potential for growth into other verticals.

Cimpress: Cimpress, formerly Vistaprint, designs and produces marketing collateral for small businesses. We feel its competitive position is strong and its addressable market is large. We believe Cimpress' business model, which manages thousands of small-volume orders using high-volume printing presses, provides unusual scale and a competitive advantage.

Belden CDT: The supplier of cables, connectors and networking equipment serves industrial, broadcast and enterprise information technology end markets. We believe management will continue to focus its product portfolio toward its higher-quality connector and networking products and away from its legacy cable products, which have less pricing power. We also expect management will create value through acquisitions to improve its product portfolio and will drive productivity improvements to boost margins and returns on invested capital. Finally, we appreciate that Belden serves large and growing markets and should

Top Detractors (continued)

benefit longer term from the Internet of Things (IoT), or the increasing connectivity of electronic devices.

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 at 877.33JANUS (52687) or download the file from janus.com/info. Read it carefully before you invest or send money.

Past performance is no guarantee of future results. Call 877.33JANUS (52687) or visit janus.com/advisor/mutual-funds for current month-end performance.

Discussion is based on the performance of Class I Shares.

Closed to certain new investors.

As of 3/31/17 the top ten portfolio holdings of Janus Enterprise Fund are: Sensata Technologies Holding NV (2.51%), Lamar Advertising Co (2.36%), TD Ameritrade Holding Corp (2.03%), Crown Castle International Corp (1.92%), TE Connectivity Ltd (1.89%), Aon PLC (1.87%), Quintiles IMS Holdings Inc (1.83%), PerkinElmer Inc (1.78%), SS&C Technologies Holdings Inc (1.77%) and Constellation Software Inc/Canada (1.77%). There are no assurances that any Janus portfolio currently holds these securities or other securities mentioned in this commentary.

The opinions are as of 3/31/17 and are subject to change at any time due to changes in market or economic conditions. Janus 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.

Security contribution to performance is measured by using an algorithm that multiplies the daily performance of each security with the previous day's ending weight in the portfolio and is gross of advisory fees. Fixed income securities and certain equity securities, such as private placements and some share classes of equity securities, are excluded.

Performance may be affected by risks that include those associated with non-diversification, portfolio turnover, short sales, potential conflicts of interest, foreign and emerging markets, initial public offerings (IPOs), high-yield and high-risk securities, undervalued, overlooked and smaller capitalization companies, real estate related securities including Real Estate Investment Trusts (REITs), derivatives, and commodity-linked investments. Each product has different risks. Please see the prospectus for more information about risks, holdings and other details.

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.

Russell Midcap® Growth Index measures the performance of those Russell Midcap® companies with higher price-to-book ratios and higher forecasted growth values.

Index performance does not reflect the expenses of managing a portfolio as an index is unmanaged and not available for direct investment.

Funds distributed by Janus Distributors LLC

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