

PERFORMANCE REVIEW

The Perkins Mid Cap Value Portfolio outperformed the Russell Midcap Value Index. U.S. stocks peaked in early March before retreating slightly as investors reassessed the Trump Trade. Stock selection in industrials and real estate aided relative returns, while our energy and consumer discretionary holdings detracted.

CSX Corporation, one of the major U.S. Class I railroads, contributed. Even before the final agreement to hire legendary industry CEO Hunter Harrison was complete, the market reacted positively to this potential change in management that could double earnings per share over the next few years. Given the stock's significant gain, we trimmed our position but maintain a core weight.

Check Point, a leader in the security software industry, was another strong performer after reporting better-than-expected top- and bottom-line results. The combined strength of the entire product line led to better-than-expected subscription, maintenance and license revenue growth. We trimmed our holdings on price strength, but Check Point remains a core holding.

Keane Group Inc., an oilfield services company, detracted. Despite announcing very solid operating results, shares of the company declined on fears of too much pressure pumping capacity coming back online amid a correction in oil and natural gas prices. We believe that Keane's assets are well positioned to benefit from improving utilization and better pricing, while no net debt provides a level of downside protection.

Sally Beauty Holdings, a retailer of beauty products to retail customers and salon professionals also detracted. The company has made mistakes over the last year against the backdrop of a challenged retail environment and increasing pressure from online and physical competitors, which weighed on the stock. We added to the position on weakness. We believe the most attractive parts of the business have insulation from online threats, and free cash flow remains robust and is being used to buy back stock and deleverage the balance sheet.



Portfolio Manager:
Kevin Preloger



Portfolio Manager:
Justin Tugman, CFA



Portfolio Manager:
Tom Perkins

EXECUTIVE SUMMARY

- The Portfolio outperformed its benchmark, the Russell Midcap Value Index, during the quarter.
- Stock selection in industrials and real estate contributed to relative returns.
- Relative detractors included our energy and consumer discretionary holdings.

REPRESENTATIVE ACCOUNT TOP CONTRIBUTORS AND DETRACTORS FOR THE QUARTER ENDED 3/31/17

| Top Contributors | Ending Weight (%) | Contribution (%) | Top Detractors | Ending Weight (%) | Contribution (%) |
|---------------------------------------|-------------------|------------------|------------------------------------|-------------------|------------------|
| CSX Corp | 1.45 | 0.60 | Keane Group Inc | 0.91 | -0.37 |
| Check Point Software Technologies Ltd | 2.48 | 0.48 | Sally Beauty Holdings Inc | 1.17 | -0.24 |
| Synopsys Inc | 2.48 | 0.48 | Whiting Petroleum Corp | 0.64 | -0.23 |
| Mead Johnson Nutrition Co | 1.93 | 0.42 | Noble Energy Inc | 2.39 | -0.23 |
| BWX Technologies Inc | 2.04 | 0.36 | Compass Minerals International Inc | 1.38 | -0.21 |

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/separately-managed-accounts.

Past performance is no guarantee of future results.

Discussion is based on performance gross of fees and expenses.

Information relating to portfolio holdings is based on the representative account in the composite and may vary for other accounts in the strategy due to asset size, client guidelines and other factors. The representative account is believed to most closely reflect the current portfolio management style.

As of 3/31/17 the top ten portfolio holdings of the Representative Account are: Conagra Brands Inc (2.48%), Crown Holdings Inc (2.46%), XL Group Ltd (2.38%), Synopsys Inc (2.36%), Check Point Software Technologies Ltd (2.36%), Noble Energy Inc (2.28%), Equity Commonwealth (2.18%), Lamar Advertising Co (2.01%), Invesco Ltd (2.00%) and Great Plains Energy Inc (1.98%). There are no assurances that any Janus portfolio currently holds these securities or other securities mentioned in this commentary.

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.

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.

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

Perkins Mid Cap Value managed accounts, benchmarked to the Russell Midcap Value Index, 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. Prior to January 1, 2003 that composite included both institutional accounts and mutual funds. The composite was created in January 2005.

Russell Midcap[®] Value Index measures the performance of those Russell Midcap[®] companies with lower price-to-book ratios and lower forecasted growth rates.

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