

INTECH COMMENTARY

Fourth Quarter Review - 2014

INTECH U.S. Managed Volatility Fund II

For the quarter ended 12/31/2014, the INTECH U.S. Managed Volatility Fund II, as represented by the Fund's Class S Shares, underperformed its primary benchmark, the Russell 1000[®] Index. The Fund underperformed its former benchmark, the Russell 1000[®] Growth Index.

Effective December 17, 2014, both the name and principal investment strategy of the INTECH U.S. Growth Fund changed to reflect a "managed volatility" approach. We believe this enhancement to the Fund's investment strategy will provide clients with a smoother way to participate in equity market growth by managing downside exposure, potentially allowing for returns to compound and improve risk-adjusted returns over time.

In connection with the transition to a managed volatility strategy for each Fund, the benchmark indices for INTECH U.S. Growth Fund and INTECH U.S. Value Fund changed to the Russell 1000[®] Index. The transition to the Russell 1000[®] Index is expected to provide clients with broader exposure to large cap U.S. equities than the current value- and growth-focused indices.

INTECH's mathematical investment process is designed to determine potentially more efficient equity weightings of the securities in the benchmark index, utilizing a specific mathematical optimization and disciplined rebalancing routine. Rather than trying to predict the future direction of stock prices, the process seeks to use the volatility and correlation characteristics of stocks to construct portfolios.

The investment process begins with the stocks in the benchmark. INTECH's investment process aims to capture stocks' natural volatility through a rebalancing mechanism based on estimates of relative volatility and correlation in order to outperform the benchmark index over the long term. Within specific risk constraints, the investment process will tend to favor stocks with higher relative volatility and lower correlation as they offer more potential to capture volatility through periodic rebalancing. Once the target proportions are determined and the portfolio is constructed, it is then rebalanced to those target proportions and re-optimized on a periodic basis.

The previous INTECH U.S. Growth Fund strategy focused on seeking an excess return above the benchmark while minimizing tracking error¹, a strategy designed to manage the relative risk of the portfolio. The new INTECH US Managed Volatility II Fund strategy focuses on seeking an excess return above the benchmark, while also reducing or managing the standard deviation² of the portfolio depending on the market conditions, a strategy designed to manage the absolute risk of the portfolio. Although the strategy may underperform its benchmark in strong up markets, the strategy seeks to reduce losses in down markets. Therefore, while some downside protection and a more consistent experience are expected over the long term, the tracking error relative to the benchmark is expected to be high.

Over the long term, we believe that by reducing risk when market volatility increases and behaving like a core equity fund when market volatility is low, the strategy will achieve its investment objective of producing an excess return over the benchmark with lower absolute risk. Going forward, we will continue building portfolios in a disciplined and deliberate manner, with risk management remaining the hallmark of our investment process. As INTECH's ongoing research efforts yield modest improvements, we will continue implementing changes that we believe are likely to improve the long-term results for our fund shareholders.

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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.

Closed to new investors.

A Fund's performance may be affected by risks that include those associated with nondiversification, non-investment grade debt securities, high-yield/high-risk securities, undervalued or overlooked companies, investments in specific industries or countries and potential conflicts of interest. Additional risks to a Fund may also include, but are not limited to, those associated with investing in foreign securities, emerging markets, initial public offerings, real estate investment trusts (REITs), derivatives, short sales, commodity-linked investments and companies with relatively small market capitalizations. Each Fund has different risks. Please see a Janus prospectus for more information about risks, Fund holdings and other details.

INTECH's focus on managed volatility may keep the Fund from achieving excess returns over its index. The strategy may underperform during certain periods of up markets, and may not achieve the desired level of protection in down markets.

¹Tracking Error is a divergence between the price behavior of a position or portfolio and the price behavior of a benchmark

²Standard deviation measures historical volatility. Higher standard deviation implies greater volatility.

Russell 1000[®] Index measures the performance of the 1,000 largest companies in the Russell 3000[®] Index.

Russell 1000[®] Growth Index measures the performance of those Russell 1000[®] companies with higher price-to-book ratios and higher forecasted growth values.

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