Janus Twenty Fund

Investment Environment

U.S. stocks continued their strong run well into the first quarter. Optimism was premised on the belief that the Trump administration would champion a series of pro-growth reforms. Economic data lent support to the notion of a strengthening U.S. economy. Even prior to any legislation being passed, gains in nonfarm payrolls accelerated and average hourly wages registered the highest year-over-year increase since 2009. A key U.S. manufacturing survey also achieved a recent high. This favorable environment was a key factor in allowing the Federal Reserve (Fed) to raise interest rates by a quarter of a percentage point at its March meeting. After peaking in early March, however, many key U.S. indices slid over the remainder of the period. The Trump administration's failure to pass a replacement for the Affordable Care Act raised concerns that other anticipated reforms would not be successful.

Performance Discussion

The Fund underperformed its primary benchmark, the Russell 1000 Growth Index, and outperformed its secondary benchmark, the S&P 500 Index, during the quarter. Our Fund is a focused, opportunistic portfolio drawing from our analysts' highest-conviction ideas among U.S. large-cap stocks. We hold companies that we believe are dominant global franchises with long-duration growth. We believe a highly concentrated portfolio of such companies can create a meaningful opportunity to add risk-adjusted outperformance over the long term.

Kroger, a national grocery-store chain, was the leading detractor during the quarter. Given the company's fixed cost base, the stock suffered from the continued decline in food prices. Although Kroger continues to gain market share from its competitors, the gains have slowed amid increased competition. We think the capital investments that Kroger is making in both new and existing stores will eventually lead to higher free cash flow per share. However, we are concerned about the challenging environment and are closely monitoring the stock.

Synchrony Financial also weighed on returns. The stock of this private label credit card issuer fell amid general weakness in retail during the quarter. The issuance of a co-branded Visa credit card by Amazon and JP Morgan Chase also weighed on the stock. Given that one of Synchrony's key private label cards is with Amazon, investors were concerned that the new card would cannibalize business from Synchrony. However, we do not believe this is a meaningful threat to the stock. We maintained our position during the quarter.

Bristol-Myers Squibb was another leading detractor. Shares of this pharmaceutical giant stumbled after the company announced in January that it would forgo attempting to get quick approval from the Food and Drug Administration (FDA) for its combination immuno-oncology (IO) lung cancer treatment, suggesting that Bristol-Myers is less optimistic about trial results for this treatment. Given these concerns, we exited our position.

Despite the Fund's relative underperformance, many of our holdings delivered strong returns during the quarter. Adobe was the leading contributor. Our investment thesis was validated as the company's shift from a licensed-software model to a recurring revenue, subscription-based model continued to accelerate. We appreciate the higher predictability of earnings and cash flow associated with the new approach. Additionally,

Portfolio Manager:
Marc Pinto, CFA

Executive Summary

- Optimism that the Trump administration would champion a series of pro-growth reforms continued to boost stocks well into the quarter.
- The Fund underperformed its primary benchmark and outperformed its secondary benchmark.
- Despite concerns about President Trump's ability to carry out the anticipated tax and regulatory reforms, we remain optimistic that some pro-business changes can be made.

Omniture, the company's online marketing tool, had better-than-expected growth during the quarter.

Facebook also outperformed during the quarter after reporting better-than-expected quarterly earnings. In our view, stock's performance is a validation of our thesis in the value of targeted advertising. We believe the company will continue to benefit as advertisers continue to shift money to digital and online channels in order to better target their messages to consumers.

Priceline, an online travel company, was also a leading contributor. Strong fourth quarter results, including better-than-expected revenue, aided performance during the quarter. Management also issued strong guidance for first quarter growth. We appreciate Priceline's market-leading position in online hotel bookings, and believe that there are still opportunities for the company to grow.

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

Outlook

We continue to believe that U.S. stocks are well positioned, notwithstanding historically high valuations. Although the recent failure of the repeal and replacement of the Affordable Care Act has raised concerns about President Trump's ability to carry out the anticipated tax and regulatory reforms, we remain optimistic that some pro-business changes can be made. However, given the possibility of future volatility, we remain focused on finding companies that can continue to grow earnings and free cash flow over the long term.

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

Top Contributors	Ending Weight (%)	Contribution (%)	Top Detractors	Ending Weight (%)	Contribution (%)
Adobe Systems Inc	5.93	1.38	Kroger Co	5.01	-0.87
Facebook Inc	4.39	0.87	Synchrony Financial	3.68	-0.21
Priceline Group Inc	4.16	0.71	Bristol-Myers Squibb Co	0.00	-0.16
American Tower Corp	4.62	0.64	Biogen Inc	1.84	-0.11
Apple Inc	2.61	0.58	AbbVie Inc	0.00	-0.02

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

Adobe: We believe the company is poised to increase profits as its digital media business moves from a perpetual license-based business model to a subscription-based business model. We also believe Adobe's digital marketing business, which helps advertisers create digital content, is well positioned for the transition in advertising spending away from traditional media toward digital advertising platforms.

Facebook: The social networking website facilitates the sharing of information, photographs, website links and videos among users. Recent data, including fast-growing sales, has given us greater confidence in the sustainability of Facebook's core product and thus the advertising market

Top Detractors

Kroger: The company operates supermarkets and convenience stores in the U.S., and manufactures and processes some of the foods that its supermarkets sell. As a best-in-class retailer, they continue to gain market share with private label brand expansions, their loyalty program and sophisticated data analytics. We also believe that capital investments Kroger is making in new and existing stores will lead to higher free cash flow per share over the next couple of years.

Synchrony Financial: We continue to favor the company for its private label credit card business, where it has an estimated 40% market share. This business line, in our view, is quite stable given the preponderance of long-term

Top Contributors (continued)

that should accrete to it. We believe the company will be among the few mobile platform operators that disproportionately benefit from meaningful new developments in advertising/marketing models, which we expect will develop over the next several years. In particular, we think we are in the early phase of advertising dollars shifting to mobile, where Facebook is gaining traction with app developers, direct response advertisers, brand advertisers and small- to medium-size businesses.

Priceline Group Inc.: We like the online travel company for its market-leading position in online hotel bookings, the most fragmented and profitable segment of the travel industry, in our view. Priceline is continuing to gain market share in global hotel bookings as more consumers shift their behavior to booking online. We also like its long-term growth prospects in Europe and Asia.

American Tower: American Tower owns wireless communications and broadcast towers in the U.S. and internationally. The company leases antenna sites on multi-tenant towers to communications service providers for mobile voice and data communications. We expect mobile traffic growth and the rollout of 4G services to boost wireless network spending, which, in turn, should spur demand for tower tenancy, as well as additional towers. We like that a large percentage of American Tower's revenue is generated internationally, where rapid growth in low-price Android smartphones should drive significant mobile data and therefore tower demand.

Apple: One of the world's largest mobile device and computer makers, Apple has been the beneficiary of incremental sales opportunities and increased penetration in new geographies, mobile service providers and product categories.

Top Detractors (continued)

contracts with clients. We believe Synchrony offers a significant value proposition for retailers, because Synchrony can collect data on customers' purchases and help retailers create advertising campaigns and promotions that will drive more store traffic and purchase volume. We also like the changes the company has made since its initial public offering, namely investing heavily in its capabilities.

Bristol-Myers Squibb: We exited our position in the pharmaceutical company during the quarter.

Biogen: Biogen is a leader in the field of multiple sclerosis treatments, with several blockbuster therapies on the market addressing different aspects of the disease. We continue to like the potential of some of the company's drugs on the market and in its development pipeline, including a potential revolutionary disease modifying treatment for Alzheimer's disease.

AbbVie: The research-based pharmaceutical company produces drugs for specialty therapeutic areas such as immunology, chronic kidney disease, hepatitis C, women's health, oncology and neuroscience. We exited our position during the quarter.

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.

Statistics are for the Fund's "parent" share class (typically that with the longest history).

Closed to certain new investors.

Subject to shareholder approval, the Fund is expected to merge into a similar fund. See the prospectus for further details.

As of 3/31/17 the top five portfolio holdings of Janus Twenty Fund are: Microsoft Corp (7.75%), Alphabet Inc (7.21%), Mastercard Inc (6.03%), Adobe Systems Inc (5.75%) and Kroger Co (4.87%). 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.

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

S&P 500® Index reflects U.S. large-cap equity performance and represents broad U.S. equity market performance.

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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