3Q15 PORTFOLIO COMMENTARY

Janus International Equity ADR Managed Account

JANUS®

Performance Discussion

The Portfolio underperformed its benchmark during the period. Our holdings in the consumer discretionary and technology sectors were the largest detractors from relative performance. Our stock selection in the financial and industrial sectors were the largest contributors.

Volkswagen was a top detractor. We are reviewing our position in Volkswagen, and believe the recent emissions scandal is a serious issue. We believe settlement of the case and the cost of working through solutions will be much less than the current drop in the stock price implies. Volkswagen has ample cash reserves which can cushion the consequences of pending fines, and as the largest employer in Germany, we believe the German government will work with the U.S. to achieve the best possible outcome for the company.

AIA Group was also large detractor. We continue to like the company and believe its brand recognition will help it take share from smaller insurance companies in Asia at a time when demand for insurance products is rising to help consumers in emerging Asia preserve newfound wealth.

Multinational brewing and beverage company SABMiller was a top contributor. It was recently rumored that Anheuser-Busch InBev, the world's largest brewer, was exploring a takeover of the company. We think the companies' footprints complement each other well, and like both companies' footprints in emerging markets, where consumption is growing fastest. A-B InBev could also potentially benefit from SABMiller's bottling operations outside the U.S.

Specialty chemical and engineered materials company Alent was also a top contributor. It was announced during the quarter that Platform Specialty Products would acquire Alent, which spun off from Cookson in 2012, for what we considered a fair price. We sold our position on the news.

Portfolio Manager:
Julian McManus

Portfolio Manager:
Carmel Wellso

Portfolio Manager:
Guy Scott, CFA

Executive Summary

- The Portfolio underperformed its benchmark during the quarter.
- Volkswagen was a top detractor.
- SABMiller was a top contributor.

Past performance is no guarantee of future results.

Discussion is based on performance gross of fees and expenses.

As of 9/30/15 the top ten portfolio holdings of the Representative Account are: Nippon Telegraph & Telephone Corp (ADR) (3.98%), SABMiller PLC (ADR) (3.44%), Shin-Etsu Chemical Co Ltd (ADR) (3.35%), AIA Group Ltd (ADR) (3.30%), Prudential PLC (ADR) (3.29%), Sekisui Chemical Co Ltd (ADR) (3.24%), BNP Paribas SA (ADR) (2.98%), Diageo PLC (ADR) (2.88%), Intesa Sanpaolo SpA (ADR) (2.76%) and Essilor International SA (ADR) (2.53%). There are no assurances that any Janus portfolio currently holds these securities or other securities mentioned in this commentary.

Sector weightings, portfolio characteristics, market cap weightings and holdings are based on a representative account. Such data may vary for each client in the strategy due to asset size, market conditions, client guidelines and diversity of portfolio holdings. The representative account is the account in the composite that we believe most closely reflects the current portfolio management style for this strategy.

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.

International Equity ADR managed accounts, benchmarked to the MSCI EAFE Index and secondarily to the MSCI AC World ex-USA Index, invest in the ADR shares of companies located outside of the United States, selected for their risk-adjusted return potential. Under normal circumstances, the portfolios intend to keep sector and country exposures within +/- 10 percentage points of the weighting in the MSCI EAFE Index. A typical portfolio will contain 50 to 100 securities. Prior to April 1, 2012 returns for the composite are for the International Equity Composite, which consists of institutional accounts as well as mutual funds and is not limited to only ADR shares of non-US companies. The composite was created in February 2012.

MSCI EAFE® (Europe, Australasia, Far East) Index is a free float-adjusted market capitalization weighted index designed to measure developed market equity performance. The MSCI EAFE® Index is composed of companies representative of the market structure of developed market countries. The index includes reinvestment of dividends, net of foreign withholding taxes.

The opinions are as of 9/30/15 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.

Janus Capital Singapore Pte. Limited is a subsidiary of Janus Capital Group Inc. and serves as the sub-adviser on certain products.

Janus is a registered trademark of Janus International Holding LLC. © Janus International Holding LLC.

Janus Capital Management LLC serves as investment adviser.

C-0915-101466 01-30-16