

# FUND PROFILE

## Janus Flexible Bond Fund

A: JDFAX C: JFICX I: JFLEX N: JDFNX S: JADFX R: JDFRX T: JAFIX

### 4Q16 FIXED INCOME

#### Actively Positioning Ahead of Market Cycles

Given the complex nature of today's fixed income markets, with the potential for heightened volatility, having an active, risk-focused manager could be important for preserving investor capital. The **Janus Flexible Bond Fund** is a dynamic core bond fund that leverages a bottom-up, fundamentally driven investment process designed to generate risk-adjusted outperformance and capital preservation. Throughout its 25+ year history, the Fund has utilized an active and flexible approach to manage across a variety of market and rate cycles.

#### Overall Morningstar Rating™

Based on risk-adjusted returns as of 12/31/16



Class T Shares among 869 Intermediate-Term Bond Funds

#### Why Invest in the Fund

##### Dynamic Core Bond Holding

By emphasizing risk-adjusted returns and capital preservation, the Fund can serve as a foundation for a fixed income portfolio. The strategy uses a bottom-up, fundamentally driven investment process that seeks to identify the best opportunities across fixed income sectors, including up to 35% high-yield.

##### Integrated Research

Partnership and fluid communication between fixed income and equity analysts promote idea generation. Credit research emphasizes free-cash-flow generation, quality of management and security valuation.

##### Sophisticated Risk Management

Our proprietary fixed income portfolio and risk-management system, Quantum Global, is integrated into the investment process at each step. We identify and measure the sources of risk in the portfolio at multiple levels to confirm that the portfolio is positioned as intended.

#### Competitive Returns with Less Volatility than Majority of Peers

Janus Flexible Bond Fund compared to Index and Peers (10 Years: 1/1/07 – 12/31/16)



Based on the Fund's "parent" share class (typically that with the longest history). Performance varies by share class.

**Standard deviation** measures historical volatility. Higher standard deviation implies greater volatility. As of 12/31/16, the 3 year standard deviation for Janus Flexible Bond Fund (T Shares) was 2.83%.



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# Janus Flexible Bond Fund (as of 12/31/16)

## Portfolio Management



### Darrell Watters

- ▶ Fund Manager since 2007
- ▶ Industry since 1986



### Michael Keough

- ▶ Fund Manager since 2015
- ▶ Industry since 2006



### Mayur Saigal

- ▶ Fund Manager since 2015
- ▶ Industry since 2002

Fund Performance (%)	1 yr	3 yr	5 yr	10 yr	Since Inception (7/7/87)
Class A Shares @ NAV	2.38	2.31	2.86	5.26	6.72
Class A Shares @ MOP	-2.45	0.65	1.86	4.75	6.54
Class I Shares	2.65	2.54	3.09	5.33	6.75
Class T Shares	2.42	2.39	2.95	5.33	6.75
Bloomberg Barclays U.S. Aggregate Bond Index	2.65	3.03	2.23	4.34	6.45

Returns quoted are past performance and do not guarantee future results; current performance may be lower or higher. Investment returns and principal value will vary; there may be a gain or loss when shares are sold. For the most recent month-end performance call 877.33JANUS (52687) or visit [janus.com/advisor/mutual-funds](http://janus.com/advisor/mutual-funds).

Maximum Offering Price (MOP) returns include the maximum sales charge of 4.75%. Net Asset Value (NAV) returns exclude this charge, which would have reduced returns.

Expense Ratios (%)	Class A	Class I	Class T
Gross	0.81	0.56	0.69
Net	0.81	0.56	0.69

Net expense ratios reflect the expense waiver, if any, Janus Capital has contractually agreed to through 11/1/17.

Morningstar Rankings: Class T Shares	1 yr	3 yr	5 yr	10 yr	Since Inception (7/7/87)
Percentile Ranking (%)	70	70	36	8	13
Intermediate-Term Bond Category Rank/Count	709/1,011	675/958	327/909	65/796	25/196

For more information, please contact your financial advisor or [visit janus.com](http://www.janus.com).



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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](http://janus.com/info). Read it carefully before you invest or send money.**

Performance for Class A Shares and Class I Shares prior to 7/6/09 reflects the performance of one or more similar share classes of the Fund or a predecessor fund, adjusted, where applicable and permitted, for differing fees and expenses. See the Fund's prospectus for further details concerning historical performance.

Returns include reinvestment of dividends and capital gains. Returns greater than one year are annualized.

There is no assurance the stated objectives(s) will be met. Mutual fund investing involves market risk. Investment return and fund share value will fluctuate and it is possible to lose money by investing.

Fixed income securities are subject to interest rate, inflation, credit and default risk. The bond market is volatile. As interest rates rise, bond prices usually fall, and vice versa. The return of principal is not guaranteed, and prices may decline if an issuer fails to make timely payments or its credit strength weakens.

High-yield/high-risk bonds, also known as "junk" bonds, involve a greater risk of default and price volatility than U.S. Government and other high quality bonds. High-yield/high-risk bonds can experience sudden and sharp price swings which will affect net asset value.

As of 12/31/16, Janus Flexible Bond Fund Class T Shares Morningstar Ratings™ in the Intermediate-Term Bond category: 2 stars out of 869 funds, 4 stars out of 759 funds and 5 stars out of 541 funds, for the 3-, 5-, and 10-year periods, respectively.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess

performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

The Morningstar percentile ranking is based on a fund's total return (including income and capital gains, if any, and excluding sales charges) relative to all funds in the same category for the period. The highest (or most favorable) percentile rank is 1%, and the lowest (or least favorable) percentile rank is 100%. The top-performing funds in a category will always receive a rank of 1.

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When an expense waiver is in effect, it may have a material effect on the total return or yield, and therefore the ranking and/or rating for the period.

**Bloomberg Barclays U.S. Aggregate Bond Index** is a broad-based measure of the investment grade, US dollar-denominated, fixed-rate taxable bond market.

A Fund's portfolio may differ significantly from the securities held in an index. An index is unmanaged and not available for direct investment; therefore its performance does not reflect the expenses associated with the active management of an actual portfolio.

Not all Funds and Share classes may be available. Please consult your financial advisor.

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# Creating a truly global, client-focused investment management firm through a merger of equals

Janus Capital Group and Henderson Global Investors are expected to complete their announced “merger of equals” in the second quarter of 2017, subject to requisite approvals. In the meantime, here is a preview from the new firm.

The investment landscape and investors’ needs are changing daily, and as investment thought leaders, Janus and Henderson are continually adapting to meet those needs. We believe this merger will benefit our clients as it creates a truly global active management firm with \$320 billion in assets under management (as of 9/30/16). The new firm will offer a broader range of investment options and the combined resources of Henderson and Janus. From the market commentary and insights of *Knowledge. Shared.*, to the programs offered through *Janus Labs*, a wide range of innovative tools can help you deepen your expertise, build your practice and communicate with clients.

If the mergers are approved, products will be renamed during the second quarter of 2017 and Henderson mutual funds will be merged into the Janus Henderson fund family. We look forward to the opportunity to serve you as the combined Janus Henderson Investors.



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Janus Funds are distributed by Janus Distributors LLC. The distributor of Henderson Global Funds is Foreside Fund Services, LLC. Janus, Henderson Global Funds and Foreside Fund Services are not affiliated.

In connection with the proposed transaction, the Funds have filed or will file with the SEC solicitation materials in the form of a proxy statement or proxy statement/prospectus included in a registration statement on Form N-14, as applicable (collectively, a “Proxy Statement”), which has been or will be mailed to shareholders.

The Proxy Statement contains or will contain important information about the Fund, the proposed transaction and related matters. Fund shareholders are urged to read carefully and in their entirety the Proxy Statement and other documents filed with the SEC, when available, because these documents contain important information about the Fund, the transaction and the matters being submitted to shareholders. Shareholders should consider the investment objectives, risks, charges and expenses of the Fund carefully.

The Funds and their respective trustees, officers and other members of their management may be deemed under the rules of the SEC to be participants in the solicitation of proxies from shareholders. Information regarding the Funds’ trustees and officers is available in their currently effective prospectuses and statements of additional information, as supplemented through the date hereof. Additional information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, in the Funds is, or will be, set forth in the Proxy Statement, when available.

The information is not intended to, and does not, constitute an offer to purchase or sell shares of the Funds; nor is it intended to solicit a proxy from any shareholder of the Funds. The solicitation of proxies will only be made pursuant to the Proxy Statement. No offer of securities will be made except pursuant to a prospectus meeting the requirements of Section 10 of the Securities Act of 1933.

Shareholders may obtain free copies of their Fund’s Proxy Statement and other documents filed with the SEC, when available, at the SEC’s web site at <http://www.sec.gov> or by calling 1-877-335-2687.

Information is subject to change. Statements that reflect projections or expectations of future plans and objectives are forward-looking statements. Actual results or events may differ materially from those projected or anticipated.

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