

Janus Henderson Group 3Q17 results presentation

Thursday 9 November 2017

Dick Weil and Andrew Formica
Co-Chief Executive Officers

Roger Thompson
Chief Financial Officer

3Q17 results

Business update

Dick Weil
Co-Chief Executive Officer

Executive summary

- Strong investment performance across time periods
- Positive net flows of US\$0.7bn
- Announced expansion of long-term strategic partnership with BNP Paribas, supporting global operating model
- Integration efforts ahead of expectations; increased cost synergy target to at least US\$125m
- AUM increased 5% to US\$360.5bn
- Declared US\$0.32 per share dividend with adjusted diluted EPS of US\$0.56

	3Q17	2Q17
3 year investment performance ¹	77%	71%
Net flows ²	US\$0.7bn	(US\$1.0bn)
Total AUM ²	US\$360.5bn	US\$344.9bn
US GAAP diluted EPS	US\$0.49	US\$0.28
Adjusted diluted EPS ^{2,3}	US\$0.56	US\$0.68
Dividend per share	US\$0.32	US\$0.32

¹ Represents percentage of AUM outperforming the relevant benchmark. Full performance disclosures detailed in the appendix on slide 21.

² 2Q17 data presents pro forma net flows, AUM and results of JHG as if the merger had occurred at the beginning of the period shown.

³ See adjusted financial measures reconciliation on slide 26 for additional information. For periods prior to and including 2Q17, pro forma adjusted financial measures reconciliations are provided.

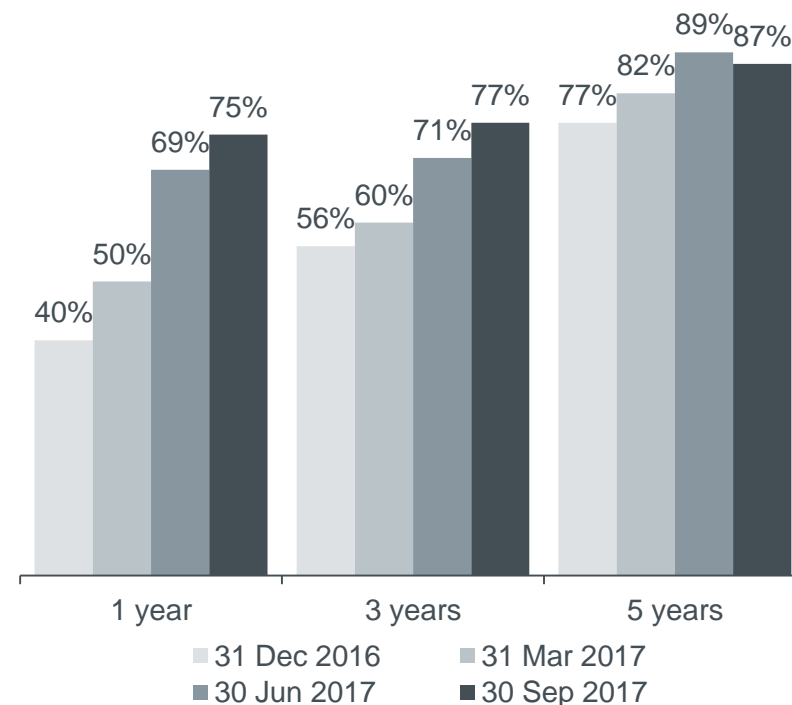
Investment performance

Investment performance strong across time periods and capabilities

% of AUM outperforming benchmark
(as at 30 Sep 2017)

Capability	1 year	3 years	5 years
Equities	61%	73%	82%
Fixed Income	92%	91%	97%
Quantitative Equities	85%	61%	87%
Multi-Asset	95%	87%	90%
Alternatives	91%	100%	100%
Total	75%	77%	87%

% of AUM outperforming benchmark
(31 Dec 2016 to 30 Sep 2017)



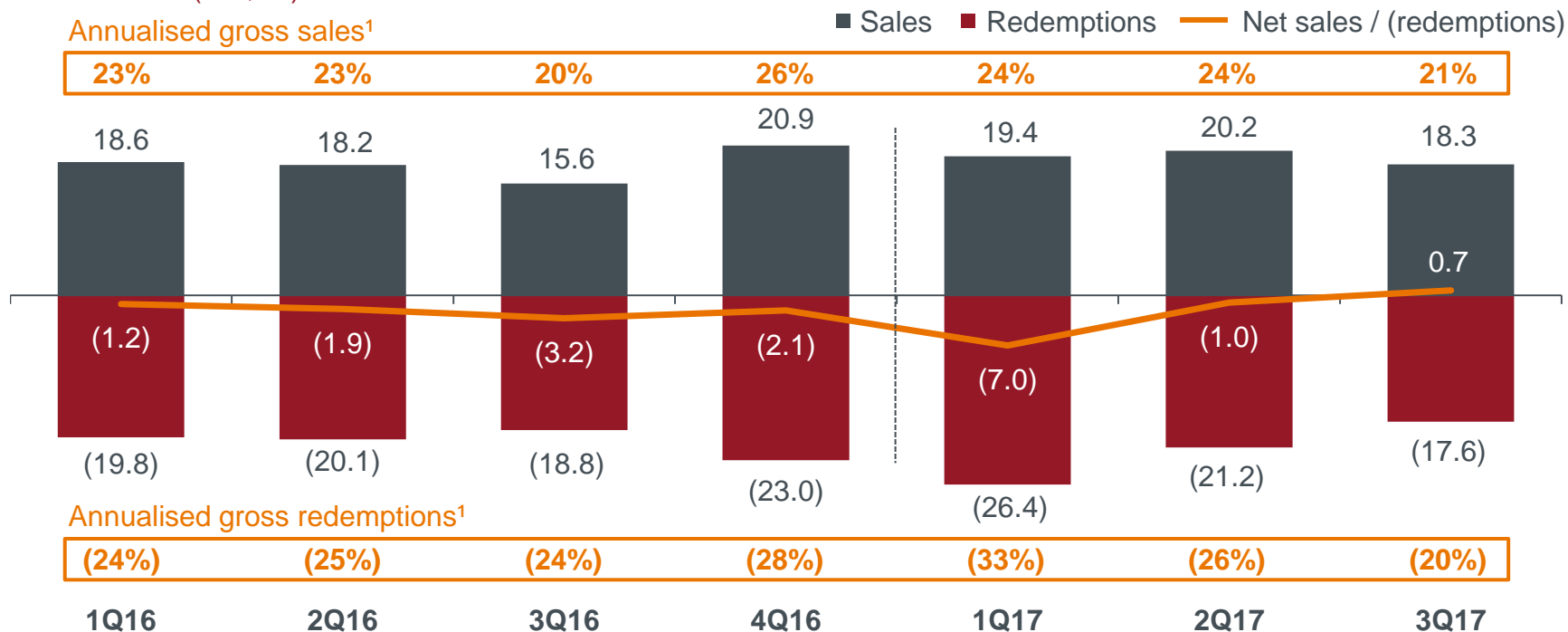
Note: Represents percentage of AUM outperforming the relevant benchmark. For periods prior to and including 30 Jun 2017, JHG pro forma AUM data is used in the calculation as if the merger had occurred at the beginning of the period shown. Full performance disclosures detailed in the appendix on slide 21.

Total flows

Net flows turned positive in 3Q17

Total flows

1Q16 to 3Q17 (US\$bn)



Note: Data for periods prior to and including 2Q17 presents pro forma flows of JHG as if the merger had occurred at the beginning of the period shown.

¹ Annualised gross sales and redemption rates calculated as a percentage of beginning period AUM.

3Q17 flows by capability

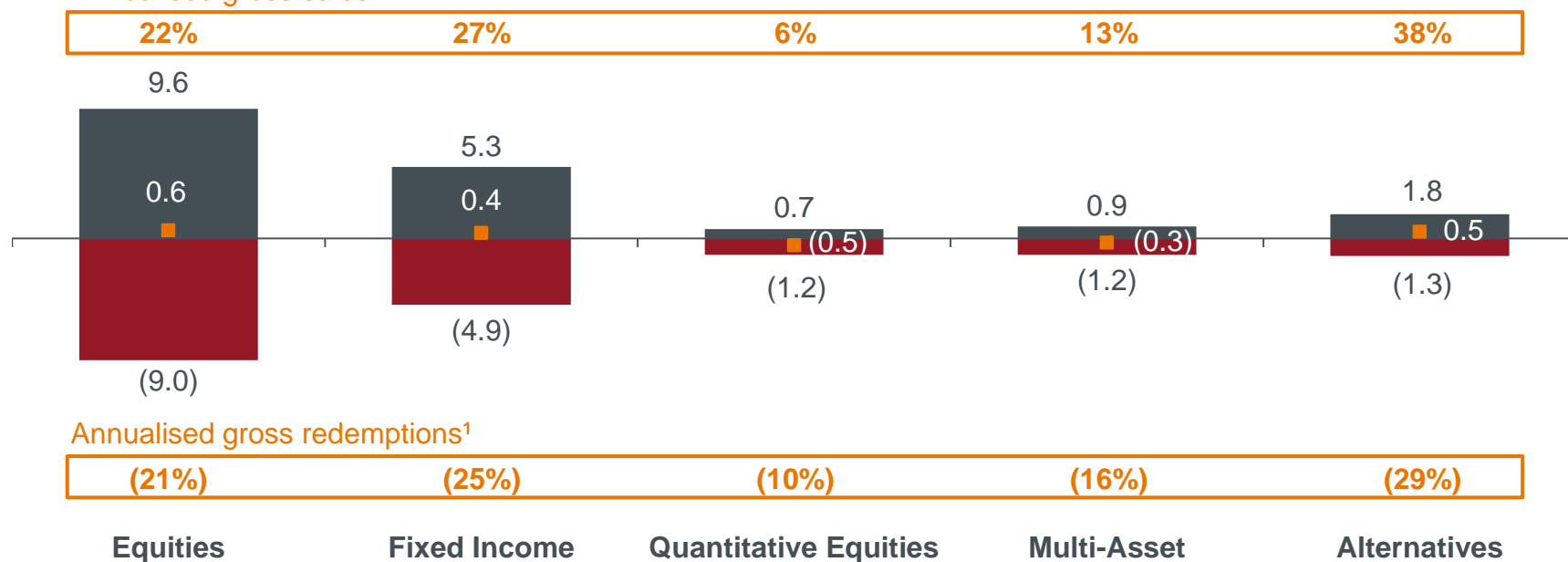
3Q17 strength driven by inflows in Equities, Fixed Income and Alternatives

3Q17 flows by capability

(US\$bn)

Annualised gross sales¹

■ Sales ■ Redemptions — Net sales / (redemptions)



¹ Annualised gross sales and redemption rates calculated as a percentage of beginning period AUM.

3Q17 results

Financial update

Roger Thompson
Chief Financial Officer

3Q17 statement of income

US GAAP and adjusted

US\$m	3 months ended 30 Sep 2017		
	US GAAP	Adjustments	Adjusted
Revenue			
Management fees	477.7		
Performance fees	(2.1)		
Shareowner servicing fees	30.2		
Other revenue	31.6		
Total revenue	537.4	(82.8)	454.6
Operating expenses			
Employee compensation and benefits	176.7		
Long-term incentive plans	50.9		
Distribution expenses	82.8		
Investment administration	11.7		
Marketing	8.1		
General, administrative and occupancy	54.2		
Depreciation and amortisation	14.8		
Total operating expenses	399.2	(113.0)	286.2
Operating income	138.2	30.2	168.4

Note: See adjusted financial measures reconciliation on slide 25 for additional information.

Financial highlights

US GAAP and adjusted

Summary of results

(US\$ unless otherwise stated)

	3Q17	2Q17	Change 3Q17 vs 2Q17	3Q16	Change 3Q17 vs 3Q16
Average AUM	352.7bn	339.9bn	4%	326.1bn	8%
Total revenue	537.4m	566.1m	(5%)	503.9m	7%
Operating income	138.2m	88.5m	56%	129.3m	7%
Operating margin	25.7%	15.6%	10.1ppt	25.7%	–
US GAAP diluted EPS	0.49	0.29	69%	0.46	7%
Adjusted revenue	454.6m	482.2m	(6%)	419.2m	8%
Adjusted operating income	168.4m	199.5m	(16%)	145.8m	16%
Adjusted operating margin	37.0%	41.4%	(4.4ppt)	34.8%	2.2ppt
Adjusted diluted EPS	0.56	0.68	(18%)	0.52	8%

Note: 2Q17 and 3Q16 data presents results of JHG as if the merger had occurred at the beginning of the period shown. See adjusted financial measures reconciliation on slides 25 and 26 for additional information. 3Q16 data has been updated in comparison to information presented in the 2Q17 results presentation on 8 August 2017, to reflect revised long-term incentive plan numbers due to alignment of accounting policies and an adjustment to the accounting treatment under US GAAP.

Revenue and operating expenses

3Q17 adjusted operating results reflect seasonality of performance fees

Adjusted revenue

US\$m	3Q17	2Q17	Change
Total adjusted revenue	454.6	482.2	(6%)
Management fees	477.7	454.3	5%
Performance fees	(2.1)	52.3	nm
Shareowner servicing fees	30.2	29.5	2%
Other revenue	31.6	30.0	5%
Distribution expenses	(82.8)	(83.9)	(1%)

Adjusted operating expenses

US\$m	3Q17	2Q17	Change
Total adjusted operating expenses	286.2	282.7	1%
Employee comp. and benefits	161.4	160.3	1%
Long-term incentive plans	48.1	48.0	–
Non-staff operating expenses ³	76.7	74.4	3%

Revenue drivers

- 5% increase in management fees driven by higher average AUM
- 3Q17 group average net¹ management fee margin of 45.2bps (2Q17: 44.5bps²)
- Reduction in performance fees due to seasonality and lower performance fees from SICAVs and UK OEICs

Operating expense drivers

- 3Q17 employee compensation increased 1%
- 3Q17 adjusted operating margin of 37.0% (2Q17: 41.4%)
- 3Q17 adjusted compensation ratio of 46.1% (2Q17: 43.2%)

Note: 2Q17 data presents the results of JHG as if the merger had occurred at the beginning of the period shown. See adjusted financial measures reconciliation on slide 25 for additional information.

¹ Net margin based on management fees net of distribution expenses.

² 2Q17 average net management fee margin has been adjusted from prior disclosure to reflect a consistent treatment of distribution expenses.

³ Includes investment administration; marketing; general, administrative and occupancy; depreciation and amortisation.

3Q17 results

Merger update

Andrew Formica
Co-Chief Executive Officer

Increased synergy expectations

Delivering synergies through partnership and ongoing integration efforts

Strategic partnership with BNP Paribas

- Long-term strategic relationship creates consistent global operating platform, which will support future growth
- Partnership to provide ongoing benefit for clients and shareholders
 - Clients will benefit from lower administration fees and expenses, as well as BNP's expertise
 - Janus Henderson shareholders will benefit from lower ongoing operating costs
 - BNP Paribas to pay consideration of US\$36m at closing, expected in 1Q18

Integration progress

- Integration efforts tracking ahead of expectations
- Continue to deliver on cost synergies
 - US\$72m of annual run rate pre-tax net cost synergies completed as at 30 Sep 2017
 - Expect to complete at least US\$90m by the end of the first 12 months post completion
- Integration and deal related costs incurred of US\$183m since announcement

Cost synergy target increased to at least US\$125m of recurring annual run rate pre-tax net cost synergies within three years post merger

Revenue growth opportunities

Positive, early signs of revenue synergies



3Q17 summary

1. Strong long-term investment performance is providing a solid foundation for future growth
2. Client response to the merger is encouraging, underpinning deal rationale
 - Positive organic growth in 3Q17
3. Integration efforts continue to track ahead of expectations
 - Increased cost synergy target to at least US\$125m as a result of ongoing successful integration and strategic partnership with BNP
 - Early signs of revenue synergies among clients globally

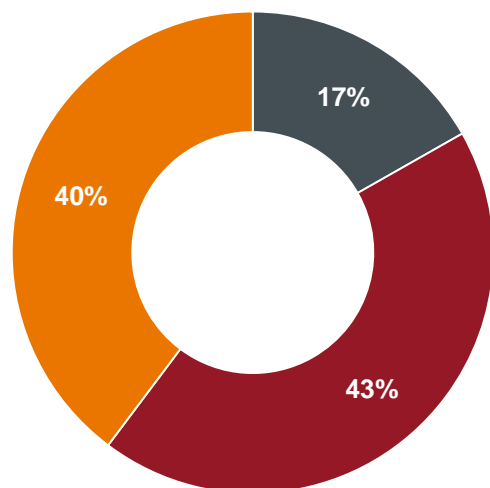
Q&A

Appendix

Assets under management as at 30 Sep 2017

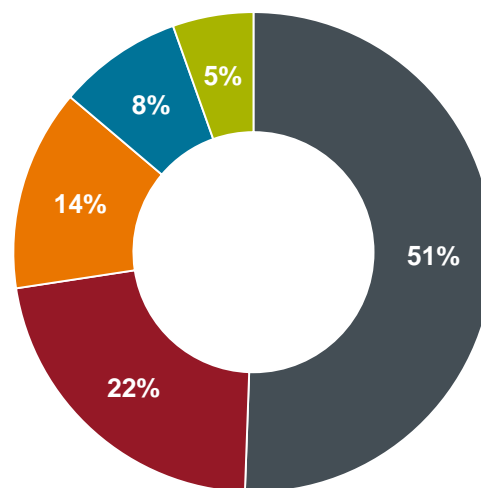
AUM: US\$360.5bn

By client type



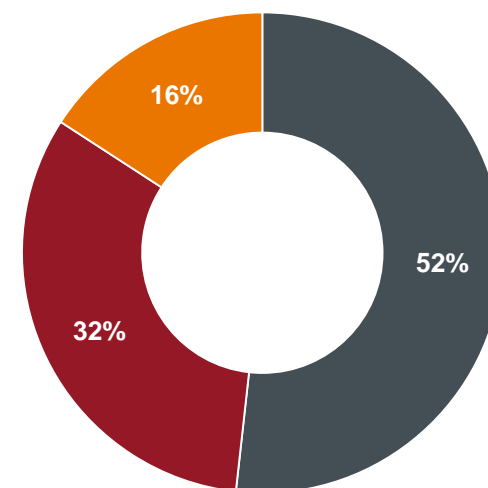
■ Self-directed	US\$60.5bn
■ Intermediary	US\$156.7bn
■ Institutional	US\$143.3bn

By capability



■ Equities	US\$182.3bn
■ Fixed Income	US\$79.4bn
■ Quantitative Equities	US\$49.0bn
■ Multi-Asset	US\$30.2bn
■ Alternatives	US\$19.6bn

By client location

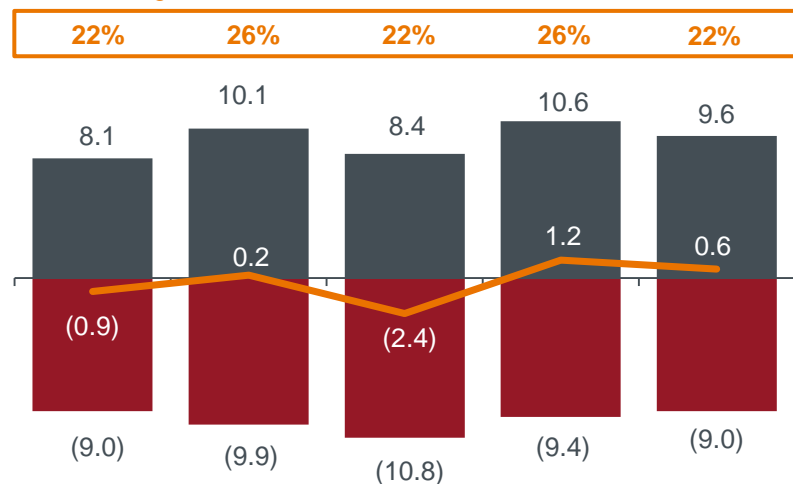


■ Americas	US\$186.6bn
■ EMEA	US\$116.8bn
■ Asia Pacific	US\$57.1bn

Flows: Equities and Fixed Income

Equities (US\$bn)

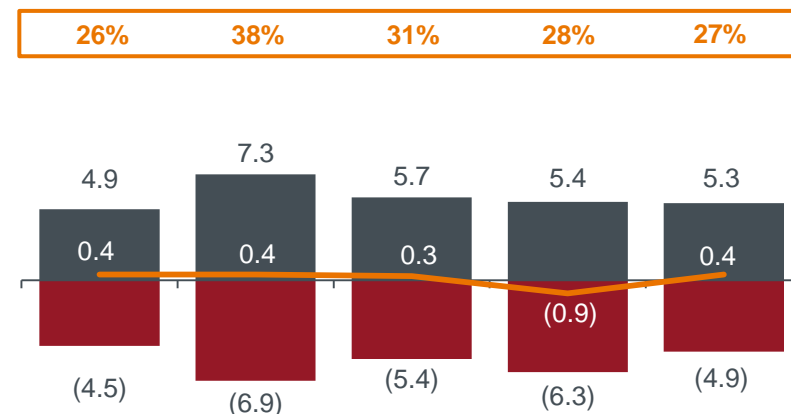
Annualised gross sales¹



Annualised gross redemptions¹



Fixed Income (US\$bn)



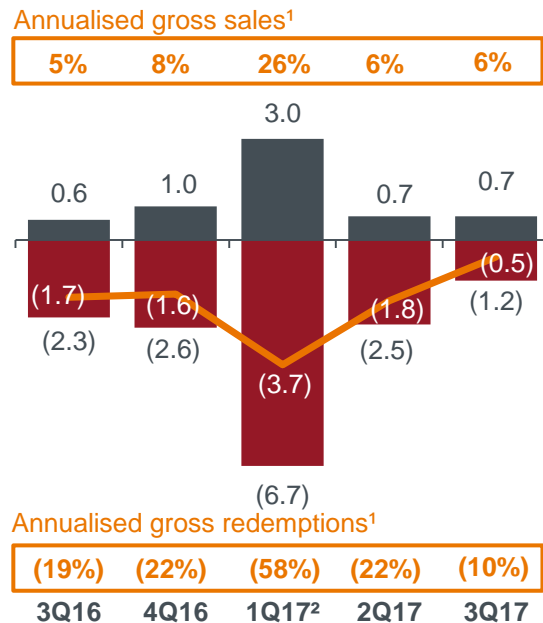
■ Sales ■ Redemptions — Net sales / (redemptions)

Note: Data for periods prior to and including 2Q17 presents pro forma flows of JHG as if the merger had occurred at the beginning of the period shown. Updated AUM and flow data for periods prior to and including 2Q17 to ensure charts cast correctly.

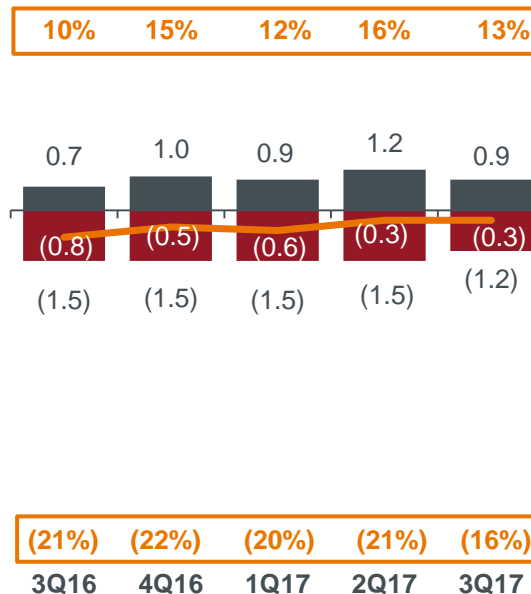
¹ Annualised gross sales and redemption rates calculated as a percentage of beginning period AUM.

Flows: Quantitative Equities, Multi-Asset and Alternatives

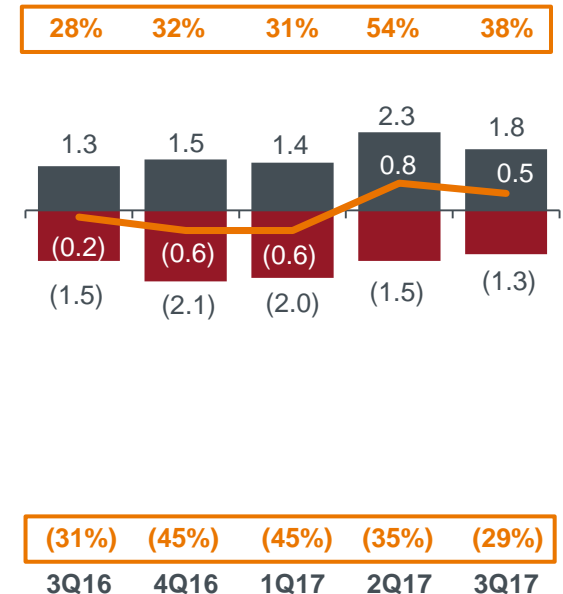
Quantitative Equities (US\$bn)



Multi-Asset (US\$bn)



Alternatives (US\$bn)



■ Sales ■ Redemptions — Net sales / (redemptions)

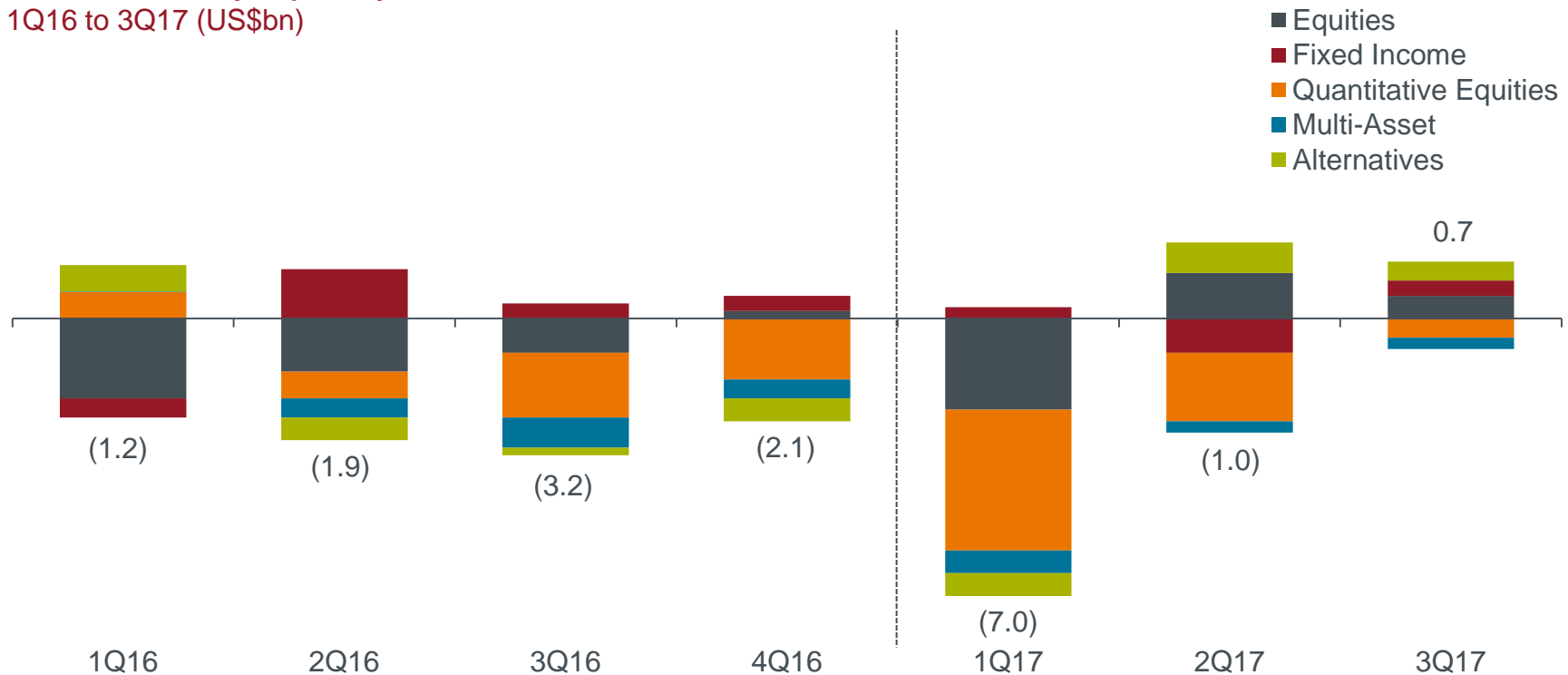
Note: Data for periods prior to and including 2Q17 presents pro forma flows of JHG as if the merger had occurred at the beginning of the period shown. Updated AUM and flow data for periods prior to and including 2Q17 to ensure charts cast correctly.

¹ Annualised gross sales and redemption rates calculated as a percentage of beginning period AUM.

² 1Q17 gross sales and redemptions include an intra-strategy transfer of US\$1.6bn from a Danish krone-denominated account into a US dollar-denominated account.

Total net flows by capability

Total net flows by capability
1Q16 to 3Q17 (US\$bn)



Note: Data for periods prior to and including 2Q17 presents pro forma flows of JHG as if the merger had occurred at the beginning of the period shown.

AUM and flows by capability

All data in US\$bn	Equities	Fixed Income	Quantitative Equities	Multi-Asset	Alternatives	Total
AUM 31 Mar 2016	148.7	74.1	48.6	29.1	20.8	321.3
Sales	7.5	6.2	1.3	1.0	2.2	18.2
Redemptions	(8.9)	(4.9)	(2.0)	(1.5)	(2.8)	(20.1)
Net sales / (redemptions)	(1.4)	1.3	(0.7)	(0.5)	(0.6)	(1.9)
Market / FX	(0.8)	(0.4)	1.0	(0.3)	(1.0)	(1.5)
AUM 30 Jun 2016	146.5	75.0	48.9	28.3	19.2	317.9
Sales	8.1	4.9	0.6	0.7	1.3	15.6
Redemptions	(9.0)	(4.5)	(2.3)	(1.5)	(1.5)	(18.8)
Net sales / (redemptions)	(0.9)	0.4	(1.7)	(0.8)	(0.2)	(3.2)
Market / FX	8.2	1.7	0.8	0.8	–	11.5
AUM 30 Sep 2016	153.8	77.1	48.0	28.3	19.0	326.2
Sales	10.1	7.3	1.0	1.0	1.5	20.9
Redemptions	(9.9)	(6.9)	(2.6)	(1.5)	(2.1)	(23.0)
Net sales / (redemptions)	0.2	0.4	(1.6)	(0.5)	(0.6)	(2.1)
Market / FX	(0.7)	(3.8)	0.1	0.2	(0.7)	(4.9)
AUM 31 Dec 2016	153.3	73.7	46.5	28.0	17.7	319.2
Sales	8.4	5.7	3.0	0.9	1.4	19.4
Redemptions	(10.8)	(5.4)	(6.7)	(1.5)	(2.0)	(26.4)
Net sales / (redemptions)	(2.4)	0.3	(3.7)	(0.6)	(0.6)	(7.0)
Market / FX	11.4	2.3	3.4	1.2	0.3	18.6
AUM 31 Mar 2017	162.3	76.3	46.2	28.6	17.4	330.8
Sales	10.6	5.4	0.7	1.2	2.3	20.2
Redemptions	(9.4)	(6.3)	(2.5)	(1.5)	(1.5)	(21.2)
Net sales / (redemptions)	1.2	(0.9)	(1.8)	(0.3)	0.8	(1.0)
Market / FX	9.9	1.9	2.1	1.1	0.8	15.8
Acquisitions / disposals	–	(0.1)	–	–	(0.6)	(0.7)
AUM 30 Jun 2017	173.4	77.2	46.5	29.4	18.4	344.9
Sales	9.6	5.3	0.7	0.9	1.8	18.3
Redemptions	(9.0)	(4.9)	(1.2)	(1.2)	(1.3)	(17.6)
Net sales / (redemptions)	0.6	0.4	(0.5)	(0.3)	0.5	0.7
Market / FX	8.3	1.8	3.0	1.1	0.7	14.9
AUM 30 Sep 2017	182.3	79.4	49.0	30.2	19.6	360.5

Note: Data for periods prior to and including 2Q17 presents pro forma AUM and flows of JHG as if the merger had occurred at the beginning of the period shown. Updated AUM and flow data for periods prior to and including 2Q17 to ensure tables cast correctly.

Investment performance

% of AUM outperforming benchmark

Capability	4Q16			1Q17			2Q17			3Q17		
	1yr	3yr	5 yr	1yr	3yr	5 yr	1yr	3yr	5 yr	1yr	3yr	5 yr
Equities	30%	57%	74%	38%	64%	73%	68%	77%	84%	61%	73%	82%
Fixed Income	90%	93%	96%	92%	90%	93%	93%	92%	91%	92%	91%	97%
Quantitative Equities	7%	5%	40%	0%	12%	92%	6%	48%	91%	85%	61%	87%
Multi-Asset	21%	22%	90%	86%	22%	89%	97%	21%	100%	95%	87%	90%
Alternatives	64%	100%	100%	73%	90%	100%	97%	67%	100%	91%	100%	100%
Total	40%	56%	77%	50%	60%	82%	69%	71%	89%	75%	77%	87%

Note: Outperformance is measured based on composite performance gross of fees vs primary benchmark, except where a strategy has no benchmark index or corresponding composite in which case the most relevant metric is used: (1) composite gross of fees vs zero for absolute return strategies, (2) fund net of fees vs primary index or (3) fund net of fees vs Morningstar peer group average or median. Non-discretionary and separately managed account assets are included with a corresponding composite where applicable.

Cash management vehicles, ETFs, Managed CDOs, Private Equity funds and custom non-discretionary accounts with no corresponding composite are excluded from the analysis. Excluded assets represent 4% of AUM as at 31 Dec 2016, 31 Mar 2017 and 30 Jun 2017 and 3% of AUM as at 30 Sep 2017. Capabilities defined by Janus Henderson. Data for periods prior to and including 2Q17 presents the pro forma assets as if the merger had occurred at the beginning of the period shown.

Mutual fund investment performance

% of mutual fund AUM in top 2 Morningstar quartiles

Capability	4Q16			1Q17			2Q17			3Q17		
	1yr	3yr	5 yr	1yr	3yr	5 yr	1yr	3yr	5 yr	1yr	3yr	5 yr
Equities	49%	80%	75%	46%	87%	71%	53%	87%	90%	56%	71%	88%
Fixed Income	36%	42%	96%	38%	44%	98%	38%	41%	98%	81%	49%	98%
Quantitative Equities	30%	79%	86%	3%	80%	100%	3%	58%	100%	7%	97%	48%
Multi-Asset	5%	81%	94%	77%	76%	96%	79%	80%	97%	83%	81%	83%
Alternatives	21%	21%	29%	12%	23%	67%	63%	24%	69%	38%	25%	32%
Total	40%	70%	78%	45%	75%	78%	54%	74%	90%	61%	66%	85%

Note: Includes Janus Investment Fund, Janus Aspen Series and Clayton Street Trust (US Trusts), Janus Capital Funds (Dublin based), Dublin and UK OEIC and Investment Trusts, Luxembourg SICAVs and Australian Managed Investment Schemes. The top two Morningstar quartiles represent funds in the top half of their category based on total return. On an asset-weighted basis, 79%, 79%, 82% and 82% of total mutual fund AUM were in the top 2 Morningstar quartiles for the 10-year periods ended 31 Dec 2016, 31 Mar 2017, 30 Jun 2017 and 30 Sep 2017, respectively. For the 1-, 3-, 5- and 10-year periods ending 30 Sep 2017, 49%, 60%, 65% and 64% of the 215, 195, 176 and 129 total mutual funds, respectively, were in the top 2 Morningstar quartiles.

Analysis based on "primary" share class (Class I Shares, Institutional Shares or that with the longest history for US Trusts and Dublin based; or as defined by Morningstar for other funds). Performance may vary by share class.

ETFs and funds not ranked by Morningstar are excluded from the analysis. Capabilities defined by Janus Henderson. Data for periods prior to and including 2Q17 presents the pro forma assets as if the merger had occurred at the beginning of the period shown. © 2017 Morningstar, Inc. All Rights Reserved.

US GAAP: statement of income

US\$m, except per share data or as noted	3 months ended		
	30 Sep 2017	30 Jun 2017	30 Sep 2016
Revenue			
Management fees	477.7	296.0	217.7
Performance fees	(2.1)	57.7	9.3
Shareowner servicing fees	30.2	9.9	–
Other revenue	31.6	21.2	18.0
Total revenue	537.4	384.8	245.0
Operating expenses			
Employee compensation and benefits	176.7	123.6	65.7
Long-term incentive plans	50.9	47.3	20.2
Distribution expenses	82.8	60.7	50.7
Investment administration	11.7	9.7	10.9
Marketing	8.1	10.1	2.6
General, administrative and occupancy	54.2	67.3	25.0
Depreciation and amortisation	14.8	9.4	5.8
Total operating expenses	399.2	328.1	180.9
Operating income	138.2	56.7	64.1
Interest expense	(4.7)	(2.0)	(0.5)
Investment gains (losses), net	6.1	9.8	(2.0)
Other non-operating income (expenses), net	8.7	(2.0)	0.5
Income before taxes	148.3	62.5	62.1
Income tax provision	(46.1)	(21.0)	(8.5)
Net income	102.2	41.5	53.6
Net (income) loss attributable to non-controlling interests	(2.7)	0.2	(0.2)
Net income attributable to JHG	99.5	41.7	53.4
Less: allocation of earnings to participating stock-based awards	2.8	1.1	1.2
Net income attributable to JHG common shareholders	96.7	40.6	52.2
Diluted weighted-average shares outstanding (m)	198.2	143.8	113.8
Diluted EPS	0.49	0.28	0.46

Pro forma US GAAP: statement of income

US\$m, except per share data	3 months ended		
	30 Sep 2017	30 Jun 2017	30 Sep 2016
Revenue			
Management fees	477.7	454.3	444.4
Performance fees	(2.1)	52.3	(2.5)
Shareowner servicing fees	30.2	29.5	29.1
Other revenue	31.6	30.0	32.9
Total revenue	537.4	566.1	503.9
Operating expenses			
Employee compensation and benefits	176.7	185.7	153.5
Long-term incentive plans	50.9	61.2	44.4
Distribution expenses	82.8	83.9	84.7
Investment administration	11.7	9.7	10.9
Marketing	8.1	23.2	6.8
General, administrative and occupancy	54.2	98.7	58.6
Depreciation and amortisation	14.8	15.2	15.7
Total operating expenses	399.2	477.6	374.6
Operating income	138.2	88.5	129.3
Interest expense	(4.7)	(5.1)	(4.3)
Investment gains (losses), net	6.1	9.9	(0.5)
Other non-operating income (expenses), net	8.7	(1.6)	1.5
Income before taxes	148.3	91.7	126.0
Income tax provision	(46.1)	(31.7)	(31.5)
Net income	102.2	60.0	94.5
Net (income) attributable to non-controlling interests	(2.7)	(1.0)	(2.1)
Net income attributable to JHG	99.5	59.0	92.4
Diluted EPS	0.49	0.29	0.46

Note: Data for periods prior to and including 2Q17 presents pro forma results of JHG as if the merger had occurred at the beginning of the period shown. 3Q16 data has been updated in comparison to information presented in the 2Q17 results presentation on 8 August 2017 to reflect revised long-term incentive plan numbers due to alignment of accounting policies and an adjustment to the accounting treatment under US GAAP.

Alternative performance measures

Reconciliation of adjusted financial measures

US\$m, except per share data	3 months ended		
	30 Sep 2017	30 Jun 2017	30 Sep 2016
Reconciliation of revenue to adjusted revenue			
Revenue	537.4	566.1	503.9
Distribution expenses ¹	(82.8)	(83.9)	(84.7)
Adjusted revenue	454.6	482.2	419.2
Reconciliation of operating income to adjusted operating income			
Operating income	138.2	88.5	129.3
Employee compensation and benefits ²	15.3	25.4	0.8
Long-term incentive plans ²	2.8	13.2	–
Marketing ²	0.7	14.4	–
General, administrative and occupancy ²	4.4	50.2	7.9
Depreciation and amortisation ³	7.0	7.8	7.8
Adjusted operating income	168.4	199.5	145.8
Operating margin⁴	25.7%	15.6%	25.7%
Adjusted operating margin⁵	37.0%	41.4%	34.8%

Note: Data for periods prior to and including 2Q17 presents pro forma results of JHG as if the merger had occurred at the beginning of the period shown. Reconciliation to be used in conjunction with slide 26. Footnotes 1 to 5 included on slide 27. 3Q16 data has been updated in comparison to information presented in the 2Q17 results presentation on 8 August 2017 to reflect revised long-term incentive plan numbers due to alignment of accounting policies and an adjustment to the accounting treatment under US GAAP.

Alternative performance measures (cont'd)

Reconciliation of adjusted financial measures

US\$m, except per share data	3 months ended		
	30 Sep 2017	30 Jun 2017	30 Sep 2016
Reconciliation of net income to adjusted net income, attributable to JHG			
Net income attributable to JHG	99.5	59.0	92.4
Employee compensation and benefits ²	15.3	25.4	0.8
Long-term incentive plans ²	2.8	13.2	–
Marketing ²	0.7	14.4	–
General, administrative and occupancy ²	4.4	50.2	7.9
Depreciation and amortisation ³	7.0	7.8	7.8
Interest expense ⁶	1.3	0.7	–
Investment gains ⁷	–	(10.2)	–
Other non-operating income (expense) ⁶	(12.7)	2.6	0.5
Income tax provision ⁸	(4.1)	(23.3)	(1.0)
Adjusted net income attributable to JHG	114.2	139.8	108.4
Diluted earnings per share⁹	0.49	0.29	0.46
Adjusted diluted earnings per share¹⁰	0.56	0.68	0.52

Note: Reconciliation to be used in conjunction with slide 25. Footnotes 2, 3, 6, 7, 8, 9 and 10 included on slide 27. 3Q16 data has been updated in comparison to information presented in the 2Q17 results presentation on 8 August 2017 to reflect revised long-term incentive plan numbers due to alignment of accounting policies and an adjustment to the accounting treatment under US GAAP.

Alternative performance measures (cont'd)

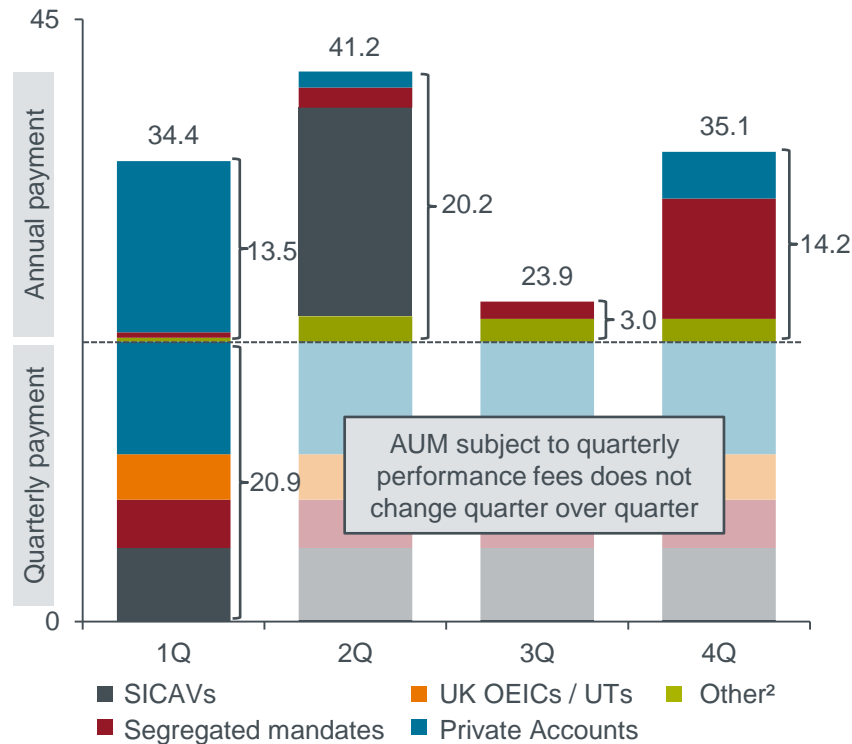
Footnotes to reconciliation of adjusted financial measures

- ¹ Distribution expenses are paid to financial intermediaries for the distribution of JHG's investment products. JHG management believes that the deduction of third-party distribution, service and advisory expenses from revenue in the computation of net revenue reflects the nature of these expenses as revenue-sharing activities, as these costs are passed through to external parties that perform functions on behalf of, and distribute, the Group's managed AUM.
- ² Adjustments primarily represent deal and integration costs in relation to the Merger. JHG management believe these costs do not represent the ongoing operations of the Group.
- ³ Investment management contracts have been identified as a separately identifiable intangible asset arising on the acquisition of subsidiaries and businesses. Such contracts are recognised at the net present value of the expected future cash flows arising from the contracts at the date of acquisition. For segregated mandate contracts, the intangible asset is amortised on a straight-line basis over the expected life of the contracts. JHG Management believes these non-cash and acquisition related costs do not represent the ongoing operations of the Group.
- ⁴ Operating income divided by revenue.
- ⁵ Adjusted operating income divided by adjusted revenue.
- ⁶ Adjustments primarily represent fair value movements on options issued to Dai-ichi and deferred consideration costs associated with acquisitions prior to the Merger. JHG Management believes these costs do not represent the ongoing operations of the Group.
- ⁷ Adjustment relates to the gain recognised on disposal of the alternative UK small cap team ('Volantis team') on 1 April 2017. JHG management believes this gain does not represent the ongoing operations of the Group.
- ⁸ The tax impact of the adjustments is calculated based on the US or foreign statutory tax rate as they relate to each adjustment. Certain adjustments are either not taxable or not tax deductible.
- ⁹ Net income attributable to JHG common shareholders divided by weighted-average diluted common shares outstanding.
- ¹⁰ Adjusted net income attributable to JHG common shareholders divided by weighted-average diluted common shares outstanding.

Performance fee seasonality

Non-US mutual funds

Pay-out timing of AUM subject to performance fees (AUM in US\$bn as at 30 Sep 2017)



- US\$72bn of AUM (excluding US mutual funds) has the ability to earn performance fees, measured over various periods
- Due to the wide variety of performance fee structures, non-US mutual fund performance fee revenue can fluctuate on a quarterly basis
- The measurement period to determine performance fees varies by account
 - c.80% based on a 1 year or shorter measurement periods with the remainder primarily based on a 3 year period¹
- Performance fees exist on a wide variety of strategies, but concentrations exist in Absolute Return, Core Plus and Intech's Global Large Cap Core and Enhanced strategies

¹ Underlying provisions vary on an account by account basis and may impact measurement periods.

² Other includes Offshore Absolute Return, Investment Trusts and Managed CDOs.

Performance fees

3Q17 performance fees impacted by seasonality

	3Q17 (US\$m)	2Q17 (US\$m)	3Q16 (US\$m)	AUM generating 3Q17 pfees (US\$bn)	# of funds generating 3Q17 pfees	Frequency	Timing
SICAVs	1.8	29.6	8.6	5.5	2	23 annually; 2 quarterly	23 at June; 2 on quarters
Offshore Absolute Return	1.2	2.0	(0.4)	0.3	2	Quarterly / Annually	Various
Segregated Mandates ¹	0.4	1.5	(0.1)	3.1	3	Quarterly / Annually	Various
UK OEICs & Unit Trusts	–	13.7	(0.3)	–	–	Quarterly	Various
Investment Trusts	0.7	8.4	1.5	0.6	1	Annually	Various
Private Accounts	1.9	4.9	0.6	4.9	22	Quarterly / Annually	Various
US Mutual Funds ²	(8.1)	(7.7)	(12.4)	41.9	17	Monthly	Monthly
Total	(2.1)	52.3	(2.5)	56.3	47		

Note: 2Q17 data presents the results of JHG as if the merger had occurred at the beginning of the period shown. Numbers may not cast due to rounding.

¹ Includes Managed CDOs.

² AUM data presents US Mutual Fund AUM subject to performance fees as at 30 Sep 2017. Janus Investment Funds and Janus Aspen Series Portfolios are counted as distinct and separate funds.

US mutual funds with performance fees

Mutual funds with performance fees ¹	AUM 30 Sep 2017 US\$m	Benchmark	Base fee	Performance fee ²	Performance hurdle vs benchmark	3Q17 P&L impact US\$'000
Research Fund ³	12,883	Russell 1000 [®] Growth Index	0.64%	± 15 bps	± 5.00%	(2,718)
Forty Fund ³ and Portfolio	12,118	Russell 1000 [®] Growth Index	0.64%	± 15 bps	± 8.50%	(1,852)
Mid Cap Value Fund and Portfolio	4,103	Russell Midcap [®] Value Index	0.64%	± 15 bps	± 4.00%	(884)
Global Research Fund and Portfolio	3,489	MSCI World Index SM	0.60%	± 15 bps	± 6.00%	(207)
Small Cap Value Fund	2,832	Russell 2000 [®] Value Index	0.72%	± 15 bps	± 5.50%	359
Contrarian Fund	2,638	S&P 500 [®] Index	0.64%	± 15 bps	± 7.00%	(1,261)
Overseas Fund and Portfolio	2,508	MSCI All Country World ex-U.S. Index SM	0.64%	± 15 bps	± 7.00%	(1,145)
Research Portfolio ⁴	519	Core Growth Index	0.64%	± 15 bps	± 4.50%	(169)
Global Value Fund	270	MSCI World Index SM	0.64%	± 15 bps	± 7.00%	(93)
Global Real Estate Fund	216	FTSE EPRA / NAREITGlobal Index	0.75%	± 15 bps	± 4.00%	(63)
Large Cap Value Fund	139	Russell 1000 [®] Value Index	0.64%	± 15 bps	± 3.50%	(59)
Select Value Fund	109	Russell 3000 [®] Value Index	0.70%	± 15 bps	± 5.00%	28
Asia Equity Fund	39	MSCI All Country Asia ex-Japan Index SM	0.92%	± 15 bps	± 7.00%	4
Total	41,863					(8,060)

¹ The funds listed have a performance-based investment advisory fee that adjusts up or down based on performance relative to a benchmark over 36-month rolling periods. Please see the funds' Statements of Additional Information for more details and benchmark information.

² Adjustment of ± 15 bps assumes constant assets and could be higher or lower depending on asset fluctuations

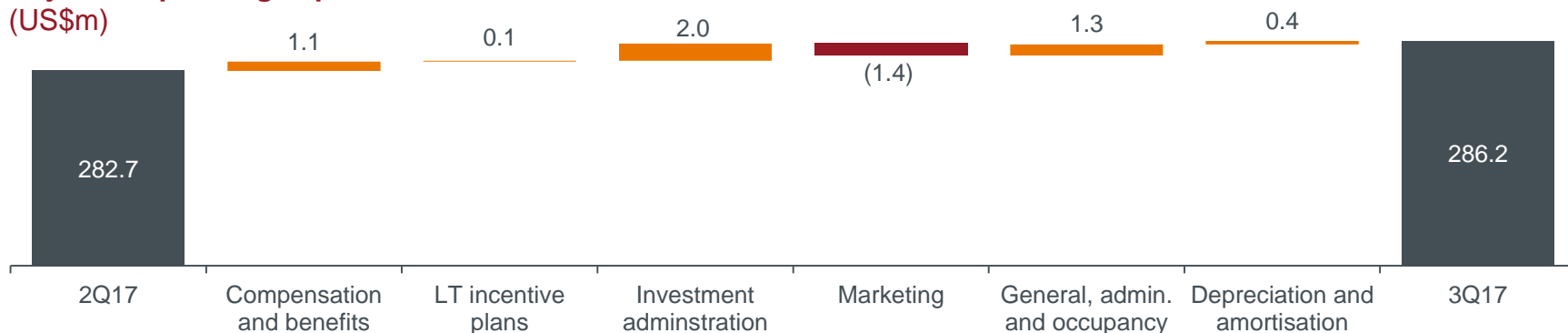
³ The Janus Fund merged into the Research Fund and the Twenty Fund merged into the Forty Fund effective 1 May 2017. For two years, the investment advisory fee will be waived to the lesser of the investment advisory fee rate payable by the surviving fund, or the investment advisory fee rate that the merged fund would have paid if the merger did not occur.

⁴ Until 1 May 2020, the portion of performance for periods prior to 1 May 2017 will be compared to the Portfolio's former benchmark, the Core Growth Index (50% S&P 500[®] Index / 50% Russell 1000[®] Growth Index. Prior to 1 May 2017, the performance fee hurdle was ± 4.5% vs the Core Growth Index.

Operating expenses

US\$m	3Q17 US GAAP	Adj.	3Q17 adjusted	2Q17 adjusted	Change 3Q17 adjusted vs 2Q17 adjusted	Notes to adjustments
Employee compensation and benefits	176.7	(15.3)	161.4	160.3	1%	Primarily severance and contractor fees (integration); 1.2m (non-deal)
Long-term incentive plans	50.9	(2.8)	48.1	48.0	–	2.1m primarily LTI acceleration (integration); 0.7m (non-deal)
Distribution expenses	82.8	(82.8)	–	–	nm	
Investment administration	11.7	–	11.7	9.7	21%	
Marketing	8.1	(0.7)	7.4	8.8	(16%)	0.7 US MF proxy and branding (integration)
General, administrative and occupancy	54.2	(4.4)	49.8	48.5	3%	4.3 (deal); 0.1 (non-deal)
Depreciation and amortisation	14.8	(7.0)	7.8	7.4	5%	IMC intangible amortisation (non-deal)
Total operating expenses	399.2	(113.0)	286.2	282.7	1%	

Adjusted operating expenses – 3Q17 versus 2Q17 (US\$m)



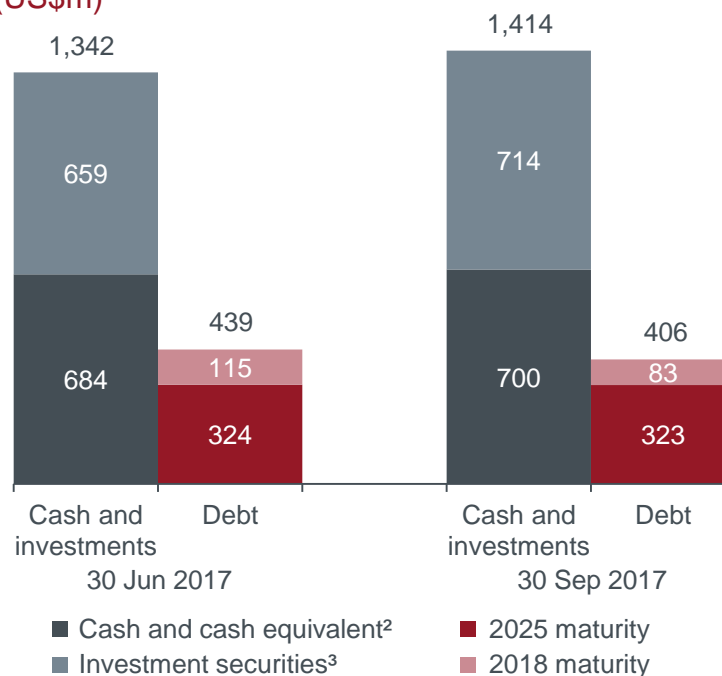
Note: 2Q17 data presents the results of JHG as if the merger had occurred at the beginning of the period shown. See adjusted financial measures reconciliation on slide 25 for additional information.

Balance sheet

Strong liquidity position

- At 30 Sep 2017, cash and investment securities totalled US\$1,414m compared to outstanding debt of US\$406m
- Cash and investment securities increased 5% as strong cash flow generation was offset by dividend payment and convertible debt repayment
- Debt declined 8% due to US\$33m early conversion notices received from holders of 2018 Convertible Senior Notes, settled in cash for US\$50m
- The Board approved a dividend of US\$0.32 per share, to be paid on 1 December to shareholders on record at the close of business on 20 November

Balance sheet profile – carrying value (30 June 2017 vs 30 September 2017)¹ (US\$m)



¹ Numbers may not cast due to rounding.

² Includes cash and cash equivalents of consolidated variable interest entities of US\$43.7m and US\$49.6m as at 30 June 2017 and 30 September 2017, respectively.

³ Includes seed investments of US\$546.7m (including investment securities of consolidated variable interest entities of US\$384.4m), investments related to deferred compensation plans of US\$99.2m and other investments of US\$12.6m as at 30 June 2017; includes seed investments of US\$606.7m (including investment securities of consolidated variable interest entities of US\$437.4m), investments related to deferred compensation plans of US\$96.3m and other investments of US\$10.8m as at 30 September 2017.

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