

# Janus Henderson Group 2Q19 results presentation

Wednesday 31 July 2019

**Dick Weil**  
Chief Executive Officer

**Roger Thompson**  
Chief Financial Officer



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# 2Q19 results

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- 3 year investment performance strengthened in 2Q19
- AUM of US\$359.8bn reflects impact of stronger markets partially offset by net outflows during the quarter
- Adjusted diluted EPS of US\$0.61
- Declared US\$0.36 per share dividend and completed US\$75m of share buybacks

## Key metrics – 2Q19 vs 1Q19

	2Q19	1Q19
3 year investment outperformance <sup>1</sup>	72%	69%
Net flows	(US\$9.8bn)	(US\$7.4bn)
Total AUM	US\$359.8bn	US\$357.3bn
US GAAP diluted EPS	US\$0.56	US\$0.48
Adjusted diluted EPS <sup>2</sup>	US\$0.61	US\$0.56
Dividend per share	US\$0.36	US\$0.36

<sup>1</sup> Represents percentage of AUM outperforming the relevant benchmark. Full performance disclosures detailed in the appendix on slide 28.

<sup>2</sup> See adjusted financial measures reconciliation on slide 37 for additional information.

# 2Q19 results presentation

## Business and financial results

Roger Thompson  
Chief Financial Officer

# Investment performance

## Total company investment performance improved in 2Q19

### % of AUM outperforming benchmark (as at 30 Jun 2019)

Capability	1 year	3 years	5 years
Equities	73%	74%	83%
Fixed Income	61%	90%	89%
Quantitative Equities	32%	11%	39%
Multi-Asset	90%	91%	92%
Alternatives	39%	100%	100%
<b>Total</b>	<b>66%</b>	<b>72%</b>	<b>80%</b>

### % of mutual fund AUM in top 2 Morningstar quartiles (as at 30 Jun 2019)

Capability	1 year	3 years	5 years
Equities	85%	70%	88%
Fixed Income	50%	50%	51%
Quantitative Equities	61%	3%	51%
Multi-Asset	87%	87%	88%
Alternatives	32%	58%	58%
<b>Total</b>	<b>78%</b>	<b>68%</b>	<b>81%</b>

Note: Full performance disclosures detailed in the appendix on slides 28 and 29. Past performance is no guarantee of future results. The top two Morningstar quartiles represent funds in the top half of their category based on total return. Refer to slide 29 for the 10-year period, percent of funds in the top 2 quartiles for all periods, and description and quantity of funds included in the analysis.

# Total flows

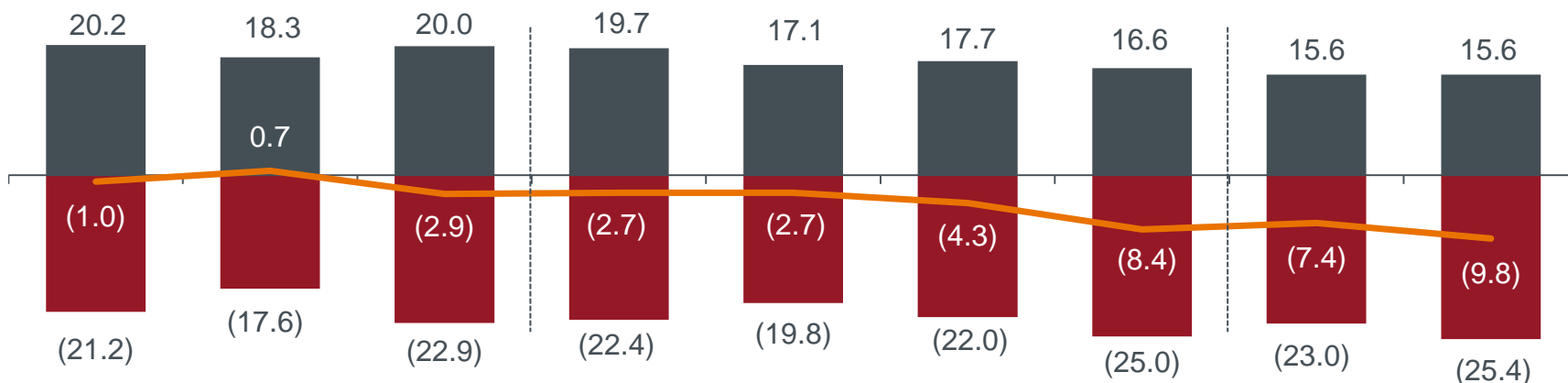
Increased redemptions drove quarter-over-quarter decline in net flows

## Total flows

2Q17 to 2Q19 (US\$bn)

■ Sales ■ Redemptions — Net sales / (redemptions)

Annualised gross sales<sup>1</sup>



Annualised gross redemptions<sup>1</sup>



2Q17      3Q17      4Q17      1Q18      2Q18      3Q18      4Q18      1Q19      2Q19

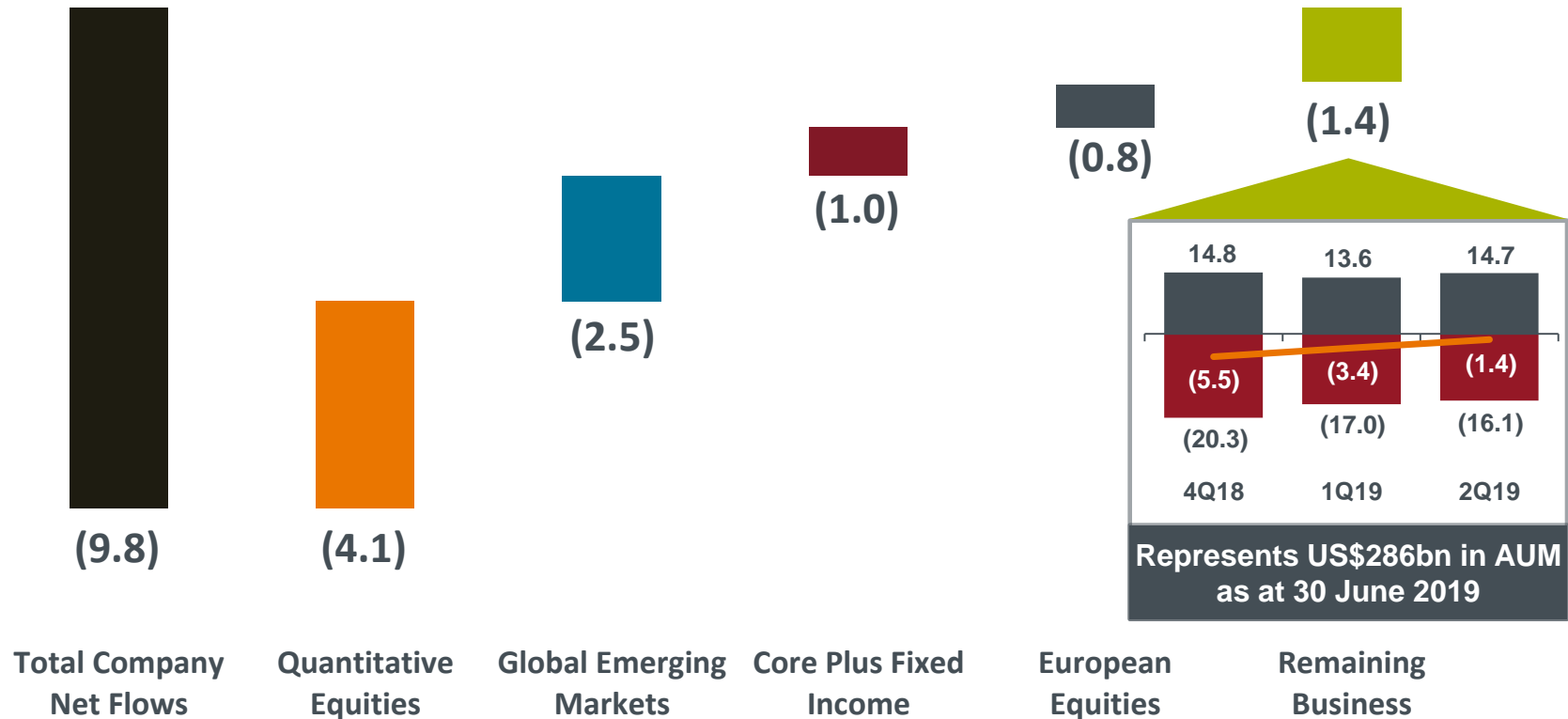
Note: Data for 2Q17 presents pro forma flows of JHG as if the merger had occurred at the beginning of the period shown.

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

# Principal components of 2Q19 net flows

2Q19 net flows driven by weakness in four known areas

2Q19 flows  
(US\$bn)



# Statement of income

## US GAAP and adjusted

US\$m	3 months ended 30 Jun 2019		
	US GAAP	Adjustments	Adjusted
<b>Revenue</b>			
Management fees	446.4		
Performance fees	3.5		
Shareowner servicing fees	38.3		
Other revenue	47.7		
<b>Total revenue</b>	<b>535.9</b>	<b>(101.5)</b>	<b>434.4</b>
<b>Operating expenses</b>			
Employee compensation and benefits	146.5		
Long-term incentive plans	49.2		
Distribution expenses	101.5		
Investment administration	11.1		
Marketing	8.1		
General, administrative and occupancy	67.7		
Depreciation and amortisation	33.3		
<b>Total operating expenses</b>	<b>417.4</b>	<b>(135.0)</b>	<b>282.4</b>
<b>Operating income</b>	<b>118.5</b>	<b>33.5</b>	<b>152.0</b>

Note: See adjusted financial measures reconciliation on slide 36 for additional information.

# Summary financial results

## US GAAP and adjusted

### Summary of results

US\$, except margin data	2Q19	1Q19	Change 2Q19 vs 1Q19	2Q18	Change 2Q19 vs 2Q18
Average AUM	357.7bn	350.0bn	2%	369.1bn	(3%)
Total revenue	535.9m	519.3m	3%	592.4m	(10%)
Operating income	118.5m	124.5m	(5%)	175.3m	(32%)
Operating margin	22.1%	24.0%	(1.9ppt)	29.6%	(7.5ppt)
US GAAP diluted EPS	0.56	0.48	17%	0.70	(20%)
Adjusted revenue	434.4m	417.4m	4%	477.7m	(9%)
Adjusted operating income	152.0m	143.4m	6%	191.4m	(21%)
Adjusted operating margin	35.0%	34.4%	0.6ppt	40.1%	(5.1ppt)
Adjusted diluted EPS	0.61	0.56	9%	0.74	(18%)

Note: See adjusted financial measures reconciliation on slides 36 and 37 for additional information.



# Revenue

## 2Q19 adjusted revenue reflects higher assets and improved performance

### 2Q19 adjusted revenue drivers

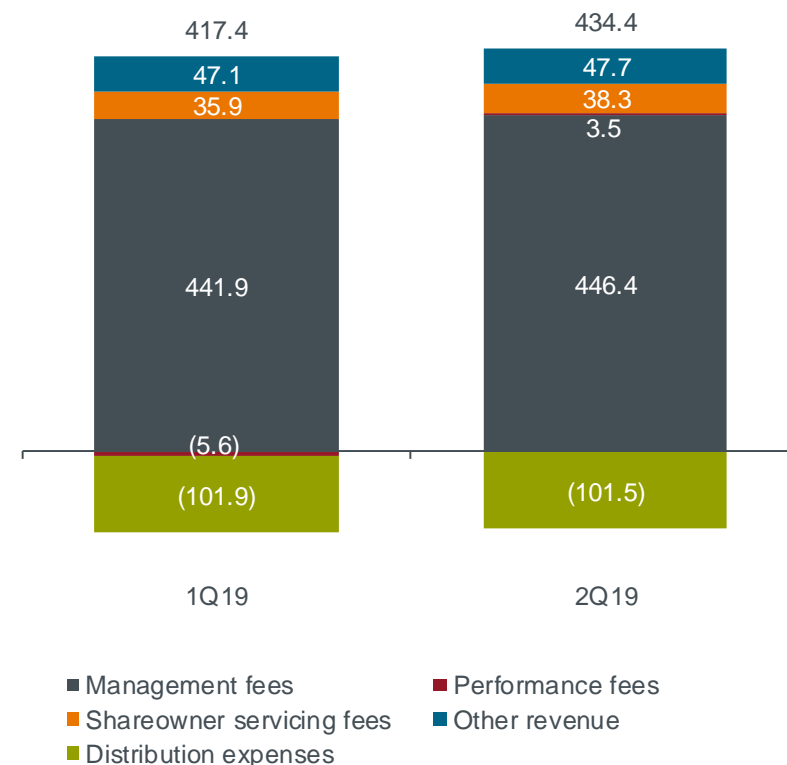
US\$m, except margin data	2Q19	1Q19	Change
<b>Total adjusted revenue</b>	<b>434.4</b>	<b>417.4</b>	<b>4%</b>
Management fees	446.4	441.9	1%
Performance fees	3.5	(5.6)	nm
Shareowner servicing fees	38.3	35.9	7%
Other revenue	47.7	47.1	1%
Distribution expenses	(101.5)	(101.9)	0%
<i>Average net<sup>1</sup> mgmt fee margin</i>	<i>42.2bps</i>	<i>42.9bps</i>	<i>(0.7bps)</i>

- Increase from 1Q19 management fees driven by higher average assets
- Performance fees improved from 1Q19 driven by fees from segregated mandates and improved mutual fund performance fees

Note: See adjusted financial measures reconciliation on slide 36 for additional information.

<sup>1</sup> Net margin based on management fees net of distribution expenses.

### Pro forma adjusted revenue – 1Q19 vs 2Q19 (US\$m)

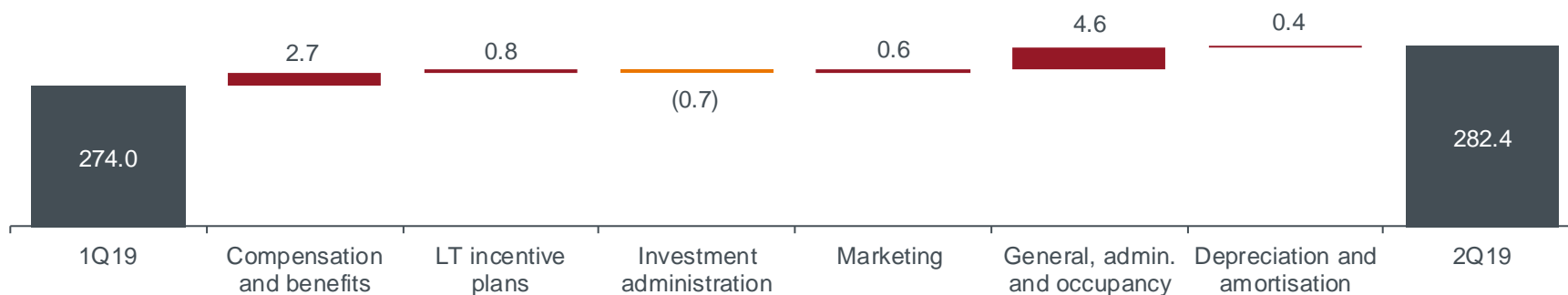


# Operating expenses

3% quarter-over-quarter increase in adjusted operating expenses

US\$m	2Q19 US GAAP	Adjustments	2Q19 adjusted	1Q19 adjusted	Change 2Q19 adjusted vs 1Q19 adjusted
Employee compensation and benefits	146.5	(3.1)	143.4	140.7	2%
Long-term incentive plans	49.2	0.2	49.4	48.6	2%
<b>Total compensation expenses</b>	<b>195.7</b>	<b>(2.9)</b>	<b>192.8</b>	<b>189.3</b>	<b>2%</b>
Distribution expenses	101.5	(101.5)	–	–	nm
Investment administration	11.1	–	11.1	11.8	(6%)
Marketing	8.1	–	8.1	7.5	8%
General, administrative and occupancy	67.7	(5.3)	62.4	57.8	8%
Depreciation and amortisation	33.3	(25.3)	8.0	7.6	5%
<b>Non-staff operating expenses</b>	<b>221.7</b>	<b>(132.1)</b>	<b>89.6</b>	<b>84.7</b>	<b>6%</b>
<b>Total operating expenses</b>	<b>417.4</b>	<b>(135.0)</b>	<b>282.4</b>	<b>274.0</b>	<b>3%</b>

## Adjusted operating expenses – 1Q19 vs 2Q19 (US\$m)



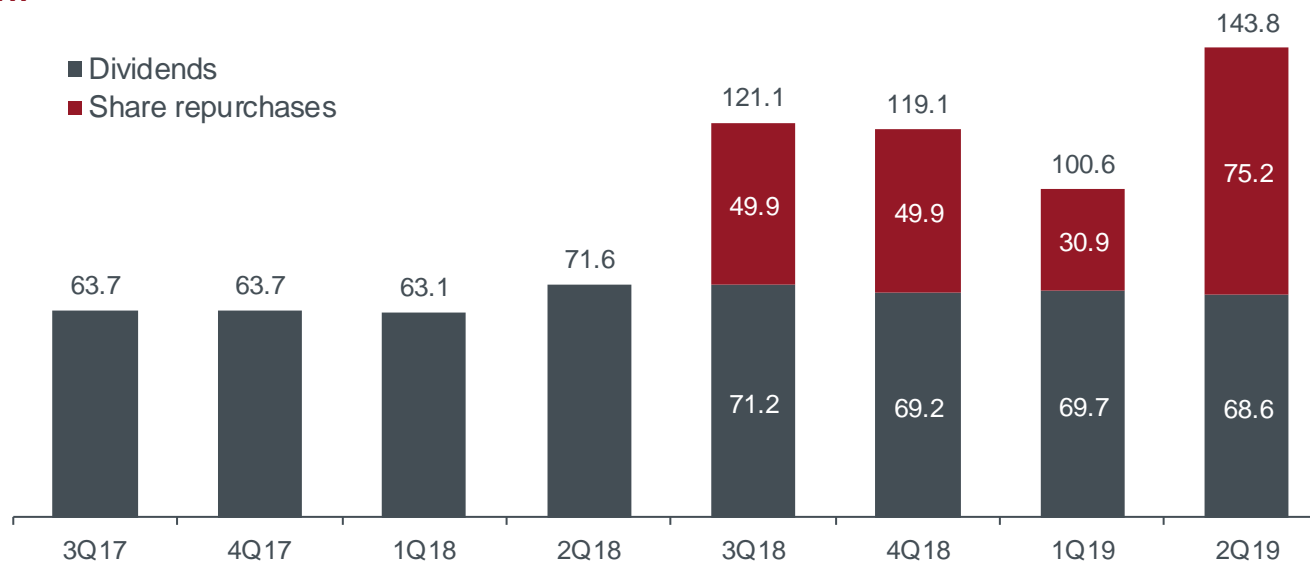
Note: See adjusted financial measures reconciliation on slide 36 for additional information.

# Capital management

Continued commitment to return of capital – US\$244m year to date

## Quarterly capital return

3Q17 to 2Q19



Dividend paid / share	\$0.32	\$0.32	\$0.32	\$0.36	\$0.36	\$0.36	\$0.36	\$0.36
Debt repayment (US\$m)	50.2	42.3	81.6	0.3	13.5	–	–	–
Shares repurchased (m)	–	–	–	–	1.8	2.2	1.3	3.5
Total shares outstanding <sup>1</sup> (m)	200.4	200.4	200.4	200.4	198.6	196.4	195.2	191.6

Note: JHG purchases shares on market for the annual share grants associated with variable compensation, which is not included in the above share repurchases.

<sup>1</sup> Total shares outstanding reflect amounts disclosed on forms 10-Q or 10-K for each respective quarter.

# 2Q19 results presentation

## Strategic priorities update

Dick Weil  
Chief Executive Officer

# Our path to success: Excellence and execution

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## Focus on our strategic priorities

**Produce dependable investment outcomes**



*Focus on quality and stability of investment performance*

**Excel in client experience**



*Deliver industry-leading client experiences that drive client loyalty and increase duration*

**Focus and increase operational efficiency**



*Standardise the global model and modernise our infrastructure*

**Proactive risk and control environment**



*Embed understanding and ownership of risk and controls at all levels and establish strong feedback loops for learning and improvement*

**Develop new growth initiatives**



*Build the businesses of tomorrow*

# Produce dependable investment outcomes

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Ensuring the success of a global, diversified investing platform

## The reality today

**A legacy of exceptional investment thinking that...**

- ... spans multiple asset classes
- ... is not tied by a central or dominant investment style or philosophy
- ... incorporates differing approaches to creating alpha

## What we are working on

- **Investment process:** Linking goals with client outcomes to improve transparency and accountability
- **Technology:** Continued development of portfolio management and risk management tools to enhance efficiency
- **People:** Building and nurturing talent within diverse teams, ensuring we have a strong bench for future growth

# Excel in client experience

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Enhancing a culture of excellence by weaving client experience into everything we do as a firm

## What we are working on

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**Building client  
experience  
capabilities**

- Embedding client-centric values into all of our policies, procedures and processes



**Driving market-  
leading  
experiences**

- Enhancing client relationship journeys and redesigning where necessary
- Improving feedback loops to understand and identify gaps between product and service promise and delivery



**Developing client  
feedback tools &  
measurement**

- Establishing a robust client feedback measurement system, baseline performance and test measurement approach

# Focus

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## Reliability, scalability and simplicity across the platform



### **Focus and increase operational efficiency**

### **What we are working on**

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- Focusing our product portfolio
- Standardising global operating model and systems
- Consolidating to a strategic data architecture
- Streamlining and reducing operational complexity



### **Proactive risk and control environment**

- Building strong relationships with global regulators
- Fostering a culture of risk management, transparency and urgency



# Develop new growth initiatives

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## Building the foundations for future businesses

### What we are working on

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#### Multi-Asset and Alternatives

- Appointed Head of Multi-Asset and Alternatives
- Organising existing capabilities and developing new ones for the future



#### ETFs

- Supporting our growing business with improved marketing and distribution capabilities



#### Asia Pacific region

- Capitalising on existing momentum and evaluating new growth opportunities

# Our outlook remains encouraging

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## Net outflows mask many encouraging results we see across our business



### Investment performance

- Total company investment performance is strong
- 66%, 72% and 80% of AUM beating benchmarks over the 1, 3 and 5 year time periods, respectively<sup>1</sup>



### Winning new business

- Gaining market share in US Equities in the US Retail channel
- 2Q19 annualised organic growth of 7% in Multi-Asset capability
- Net inflows in fixed income during 2Q19, driven by wins across US, European and Australian clients



### People and talent

- Attracting outstanding talent alongside a strong existing team
- Fostering a culture of diversity and inclusion



### Financial strength

- Strong cash flow generation and balance sheet is supporting ongoing investments in the business to meet evolving client needs
- Returning excess cash to shareholders via dividends and share repurchases

<sup>1</sup> Represents percentage of AUM outperforming the relevant benchmark. Full performance disclosures detailed in the appendix on slide 28.

**Q&A**

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# Appendix

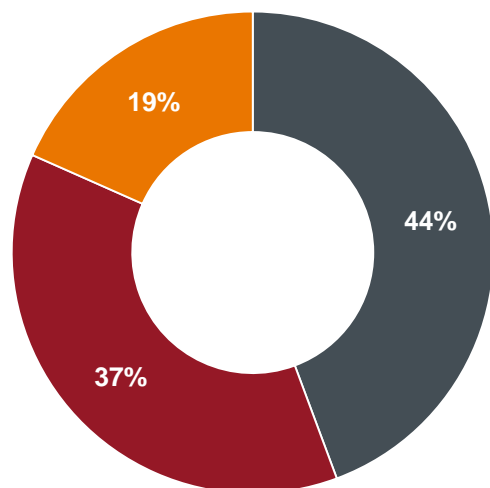


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# Assets under management as at 30 Jun 2019

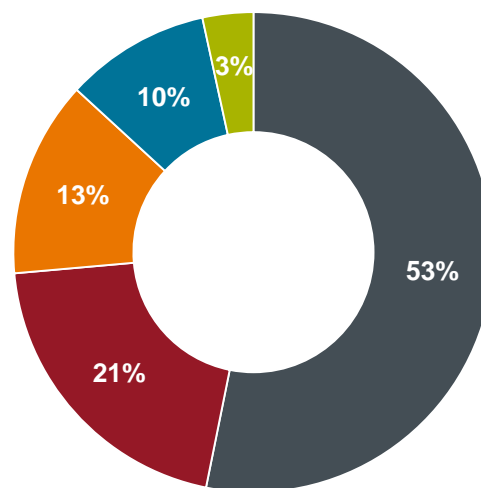
AUM: US\$359.8bn

By client type



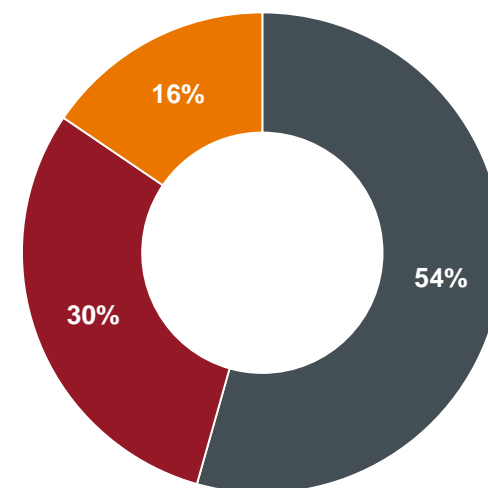
■ Intermediary	US\$159.5bn
■ Institutional	US\$134.2bn
■ Self-directed	US\$66.1bn

By capability



■ Equities	US\$191.3bn
■ Fixed Income	US\$73.5bn
■ Quantitative Equities	US\$47.6bn
■ Multi-Asset	US\$35.1bn
■ Alternatives	US\$12.3bn

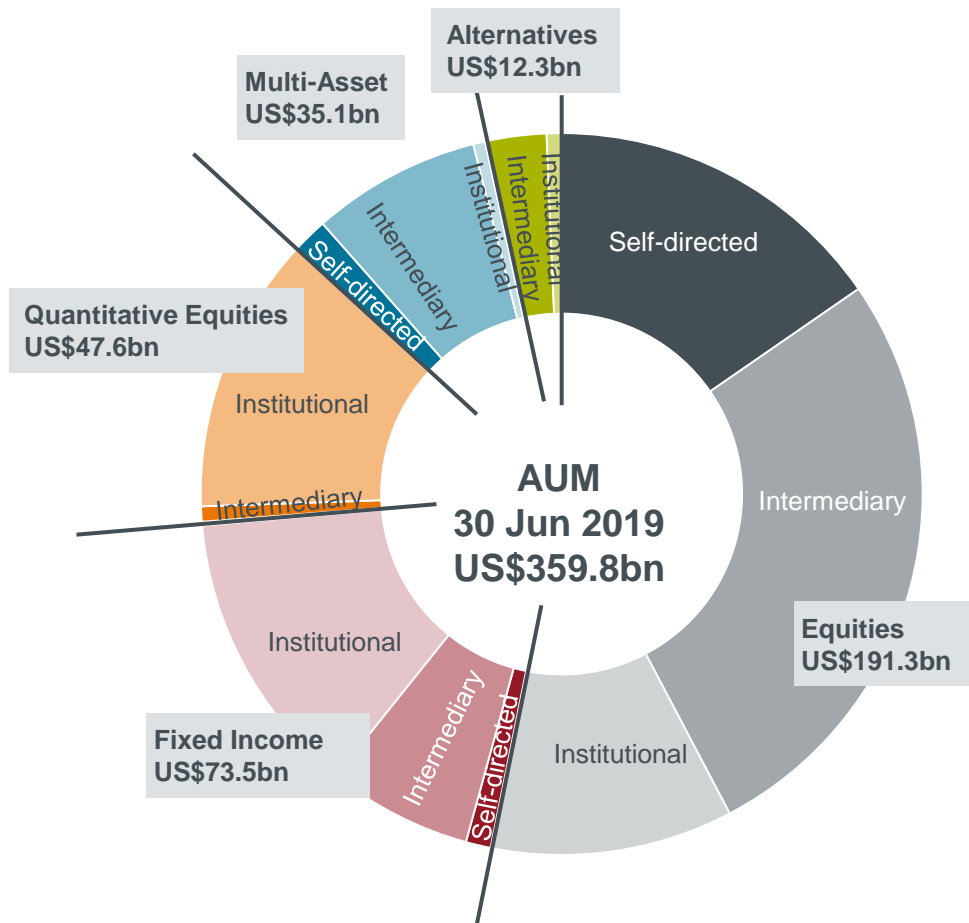
By client location



■ North America	US\$195.7bn
■ EMEA & LatAm	US\$108.3bn
■ Asia Pacific	US\$55.8bn

# Investment management capabilities

## Diversified product range



### Equities

- Wide range of equity strategies encompassing different geographic focuses and investment styles

### Fixed Income

- Coverage across the asset class, applying a wide range of differentiated techniques

### Quantitative Equities

- Intech applies advanced mathematics and systematic portfolio rebalancing intended to harness the volatility of movements in stock prices

### Multi-Asset

- Retail and Institutional offering through a diversity of asset allocation strategies

### Alternatives

- Expertise in liquid alternatives alongside traditional hedge funds

# Largest pooled funds by capability

Capability	Fund	Product	Strategy	AUM (US\$bn) 30 Jun 2019
Equity	JnsHnd Enterprise	US Mutual Fund	Mid Cap Growth	21.2
	JnsHnd Research	US Mutual Fund	US Research Growth Equity	14.5
	JnsHnd Forty	US Mutual Fund	Concentrated Growth	13.2
	JnsHnd Triton	US Mutual Fund	Small-Mid Cap Growth	12.1
	JnsHnd Growth and Income	US Mutual Fund	Growth & Income	6.1
Fixed Income	JnsHnd Flexible Bond	US Mutual Fund	Core Plus Fixed Income	4.2
	Kapstream Abs Rtn Inc	Australian UT	Absolute Return Income	4.1
	JnsHnd Strategic Bond	UK OEIC	Global Strategic Fixed Income	3.1
	JnsHnd Tactical Income	Australian MIS	Australian Tactical Income	2.3
	JnsHnd Hzn Euro Corporate Bond	SICAV	Investment Grade (EUR)	1.4
Quantitative Equities	JnsHnd US Mgd Volatility	US Mutual Fund	US Adaptive Volatility	1.4
	JnsHnd US Low Volatility Portfolio	US Mutual Fund	US Low Volatility	1.1
	JnsHnd Intech All World Minimum Variance Core	Dublin OEIC	All World Minimum Variance Core	0.7
	JnsHnd Global Inc Mgd Volatility	US Mutual Fund	Global Income Adaptive Volatility	0.3
	JnsHnd Intech Global All Country Low Volatility	Dublin OEIC	Global All Country Low Volatility	0.2
Multi-Asset	JnsHnd Balanced	US Mutual Fund	Balanced	16.8
	JnsHnd Balanced Portfolio	US Mutual Fund	Balanced	4.5
	JnsHnd Balanced	Dublin OEIC	Balanced	2.4
	JnsHnd Cautious Managed	UK OEIC	UK Income and Growth	1.9
	JnsHnd Multi-Manager Managed	UK OEIC	Multi Manager	0.5
Alternatives	JnsHnd UK Absolute Return	SICAV	UK Large Cap Absolute Return Equity	3.6
	JnsHnd UK Property PAIF / Feeder	UK OEIC/UT	Property	3.1
	JnsHnd UK Absolute Return	UK OEIC	UK Large Cap Absolute Return Equity	2.5
	JnsHnd Horizon Pan European Alpha	SICAV	Europe Large Cap Long/Short	0.6
	Alphagen Euro Best Ideas	Hedge Fund	Concentrated Pan Europe Equity	0.3
<b>Total</b>				<b>122.1</b>

Note: Numbers may not cast due to rounding. Excludes unregulated pooled funds.

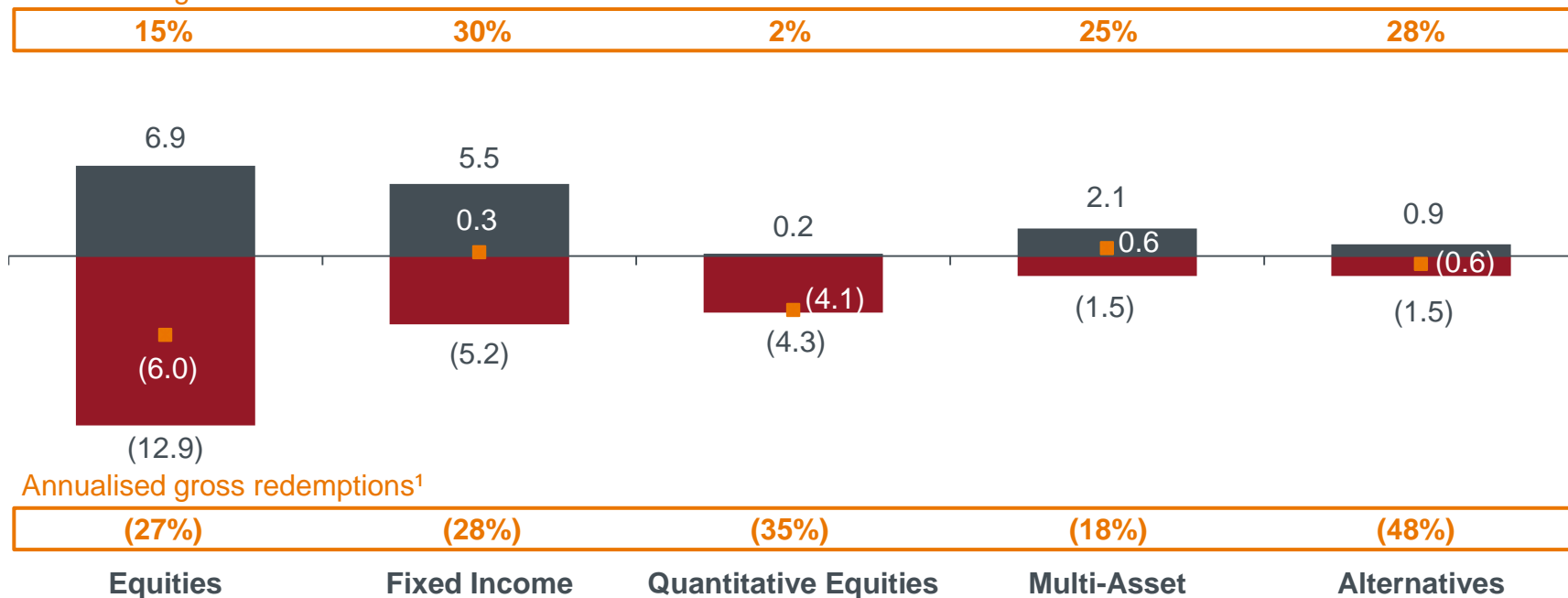
# 2Q19 flows by capability

## 2Q19 flows by capability

(US\$bn)

Annualised gross sales<sup>1</sup>

■ Sales ■ Redemptions — Net sales / (redemptions)



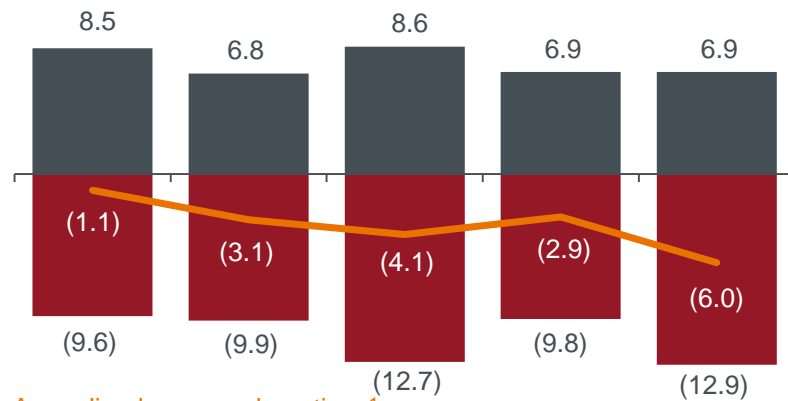
<sup>1</sup> Annualised gross sales and redemption rates calculated as a percentage of beginning period AUM.



# Flows: Equities and Fixed Income

## Equities (US\$bn)

Annualised gross sales<sup>1</sup>

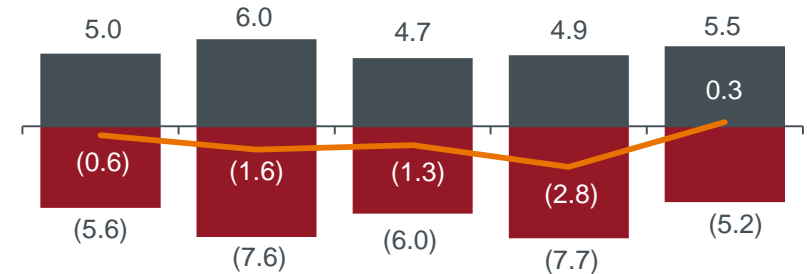


Annualised gross redemptions<sup>1</sup>



2Q18 3Q18 4Q18 1Q19 2Q19

## Fixed Income (US\$bn)



2Q18 3Q18 4Q18 1Q19 2Q19

■ Sales ■ Redemptions — Net sales / (redemptions)

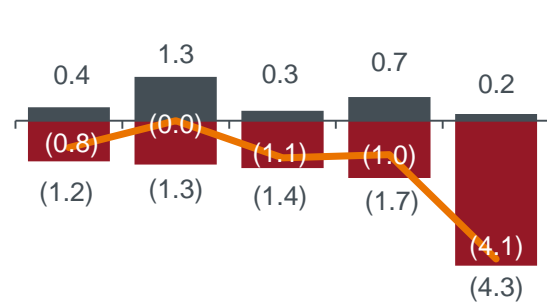
Note: Reflects operational reclassification of existing client's funds in 4Q18 as detailed on slide 27.

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

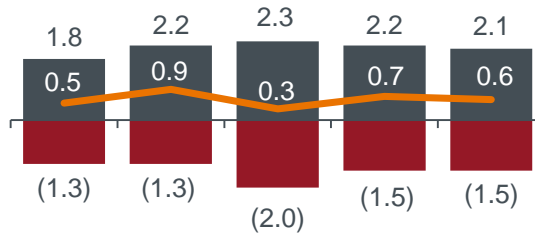
# Flows: Quantitative Equities, Multi-Asset and Alternatives

## Quantitative Equities (US\$bn)

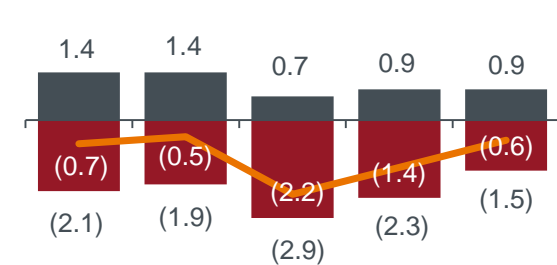
Annualised gross sales<sup>1</sup>



## Multi-Asset (US\$bn)



## Alternatives (US\$bn)



Annualised gross redemptions<sup>1</sup>



2Q18 3Q18 4Q18 1Q19 2Q19



2Q18 3Q18 4Q18 1Q19 2Q19



2Q18 3Q18 4Q18 1Q19 2Q19

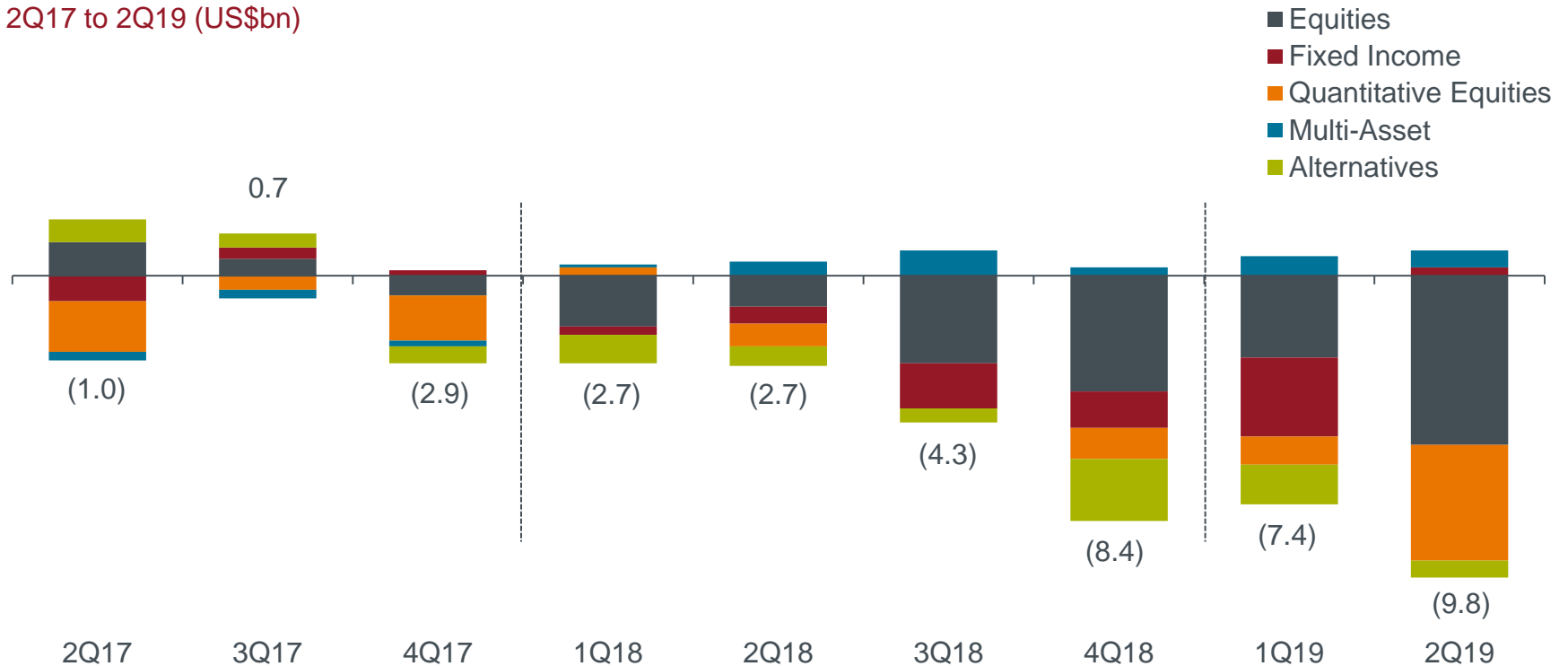
■ Sales ■ Redemptions — Net sales / (redemptions)

Note: Reflects operational reclassification of existing client's funds in 4Q18 as detailed on slide 27.

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

# Total net flows by capability

**Total net flows by capability**  
2Q17 to 2Q19 (US\$bn)



Note: Data for 2Q17 presents pro forma flows of JHG as if the merger had occurred at the beginning of the period shown. Reflects operational reclassification of existing client's funds in 4Q18 as detailed on slide 27.

# AUM and flows by capability

All data in US\$bn	Equities	Fixed Income	Quantitative Equities	Multi-Asset	Alternatives	Total
<b>AUM 31 Mar 2018</b>	<b>190.7</b>	<b>80.0</b>	<b>50.4</b>	<b>31.8</b>	<b>19.0</b>	<b>371.9</b>
Sales	8.5	5.0	0.4	1.8	1.4	17.1
Redemptions	(9.6)	(5.6)	(1.2)	(1.3)	(2.1)	(19.8)
Net sales / (redemptions)	(1.1)	(0.6)	(0.8)	0.5	(0.7)	(2.7)
Market / FX	3.7	(2.9)	0.5	0.3	(0.7)	0.9
<b>AUM 30 Jun 2018</b>	<b>193.3</b>	<b>76.5</b>	<b>50.1</b>	<b>32.6</b>	<b>17.6</b>	<b>370.1</b>
Sales	6.8	6.0	1.3	2.2	1.4	17.7
Redemptions	(9.9)	(7.6)	(1.3)	(1.3)	(1.9)	(22.0)
Net sales / (redemptions)	(3.1)	(1.6)	(0.0)	0.9	(0.5)	(4.3)
Market / FX	9.0	(0.4)	2.8	1.1	(0.2)	12.3
<b>AUM 30 Sep 2018</b>	<b>199.2</b>	<b>74.5</b>	<b>52.9</b>	<b>34.6</b>	<b>16.9</b>	<b>378.1</b>
Sales	8.6	4.7	0.3	2.3	0.7	16.6
Redemptions	(12.7)	(6.0)	(1.4)	(2.0)	(2.9)	(25.0)
Net sales / (redemptions)	(4.1)	(1.3)	(1.1)	0.3	(2.2)	(8.4)
Market / FX	(29.2)	(1.3)	(7.5)	(2.5)	(0.7)	(41.2)
Reclassification <sup>1</sup>	1.7	0.5	–	(2.2)	–	–
<b>AUM 31 Dec 2018</b>	<b>167.6</b>	<b>72.4</b>	<b>44.3</b>	<b>30.2</b>	<b>14.0</b>	<b>328.5</b>
Sales	6.9	4.9	0.7	2.2	0.9	15.6
Redemptions	(9.8)	(7.7)	(1.7)	(1.5)	(2.3)	(23.0)
Net sales / (redemptions)	(2.9)	(2.8)	(1.0)	0.7	(1.4)	(7.4)
Market / FX	24.1	2.9	6.3	2.5	0.4	36.2
<b>AUM 31 Mar 2019</b>	<b>188.8</b>	<b>72.5</b>	<b>49.6</b>	<b>33.4</b>	<b>13.0</b>	<b>357.3</b>
Sales	6.9	5.5	0.2	2.1	0.9	15.6
Redemptions	(12.9)	(5.2)	(4.3)	(1.5)	(1.5)	(25.4)
Net sales / (redemptions)	(6.0)	0.3	(4.1)	0.6	(0.6)	(9.8)
Market / FX	8.5	0.7	2.1	1.1	(0.1)	12.3
<b>AUM 30 Jun 2019</b>	<b>191.3</b>	<b>73.5</b>	<b>47.6</b>	<b>35.1</b>	<b>12.3</b>	<b>359.8</b>

<sup>1</sup> Reflects operational reclassification of existing client's funds.

# Investment performance

## % of AUM outperforming benchmark

Capability	2Q18			3Q18			4Q18			1Q19			2Q19		
	1yr	3yr	5yr	1yr	3yr	5yr	1yr	3yr	5yr	1yr	3yr	5yr	1yr	3yr	5yr
Equities	63%	58%	73%	61%	56%	75%	67%	55%	71%	64%	69%	77%	73%	74%	83%
Fixed Income	87%	93%	98%	79%	92%	94%	36%	88%	93%	58%	92%	89%	61%	90%	89%
Quantitative Equities	47%	25%	87%	21%	8%	83%	20%	11%	15%	15%	14%	12%	32%	11%	39%
Multi-Asset	90%	88%	90%	89%	89%	90%	81%	90%	91%	88%	91%	91%	90%	91%	92%
Alternatives	99%	73%	100%	99%	73%	100%	35%	94%	100%	89%	98%	100%	39%	100%	100%
Total	69%	64%	82%	63%	60%	81%	55%	61%	72%	60%	69%	74%	66%	72%	80%

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 5% of AUM as at 31 Dec 2018 and 4% of AUM for all other periods. Capabilities defined by Janus Henderson.

# Mutual fund investment performance

## % of mutual fund AUM in top 2 Morningstar quartiles

Capability	2Q18			3Q18			4Q18			1Q19			2Q19		
	1yr	3yr	5yr	1yr	3yr	5yr	1yr	3yr	5yr	1yr	3yr	5yr	1yr	3yr	5yr
Equities	56%	61%	75%	72%	65%	86%	67%	63%	85%	78%	72%	86%	85%	70%	88%
Fixed Income	42%	38%	42%	63%	36%	66%	46%	28%	57%	68%	42%	48%	50%	50%	51%
Quantitative Equities	58%	54%	53%	59%	5%	55%	98%	17%	100%	63%	3%	97%	61%	3%	51%
Multi-Asset	92%	83%	83%	86%	88%	88%	89%	89%	88%	84%	86%	88%	87%	87%	88%
Alternatives	92%	25%	25%	54%	26%	53%	26%	93%	59%	93%	33%	94%	32%	58%	58%
<b>Total</b>	<b>60%</b>	<b>57%</b>	<b>68%</b>	<b>71%</b>	<b>60%</b>	<b>81%</b>	<b>65%</b>	<b>62%</b>	<b>80%</b>	<b>78%</b>	<b>67%</b>	<b>81%</b>	<b>78%</b>	<b>68%</b>	<b>81%</b>

Note: Includes Janus Investment Fund, Janus Aspen Series and Clayton Street Trust (US Trusts), Janus Henderson 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, 74%, 84%, 82%, 80% and 74% of total mutual fund AUM were in the top 2 Morningstar quartiles for the 10-year periods ended 30 Jun 2018, 30 Sep 2018, 31 Dec 2018, 31 Mar 2019 and 30 Jun 2019, respectively. For the 1-, 3-, 5- and 10-year periods ending 30 Jun 2019, 62%, 52%, 62% and 62% of the 205, 199, 182 and 147 total mutual funds, respectively, were in the top 2 Morningstar quartiles.

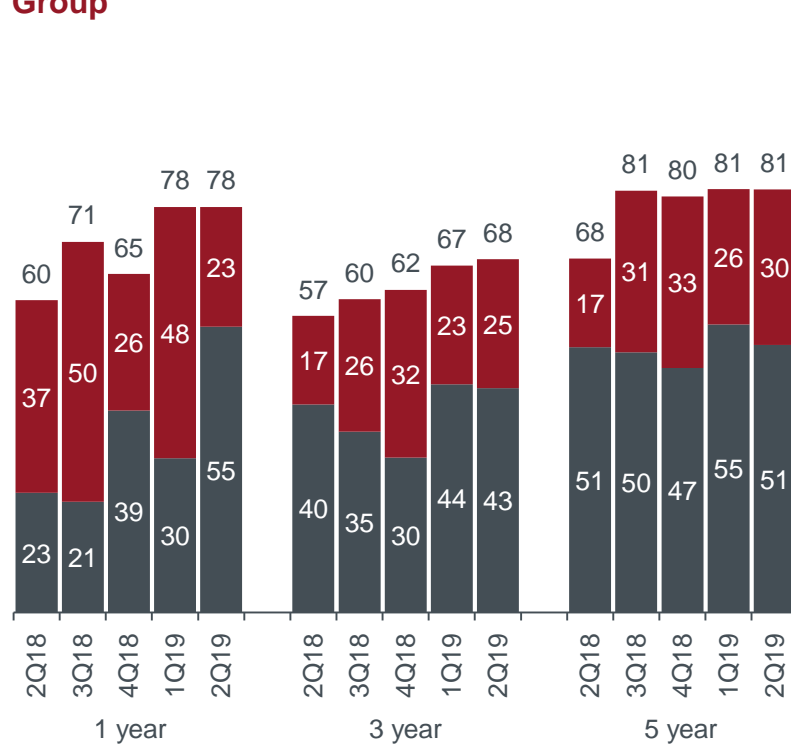
Analysis based on 'primary' share class (Class I Shares, Institutional Shares or share class with longest history for US Trusts; Class A Shares or share class with longest history for Dublin based; primary share class as defined by Morningstar for other funds). Performance may vary by share class. Rankings may be based, in part, on the performance of a predecessor fund or share class and are calculated by Morningstar using a methodology that differs from that used by Janus Henderson. Methodology differences may have a material effect on the return and therefore the ranking. When an expense waiver is in effect, it may have a material effect on the total return, and therefore the ranking for the period.

ETFs and funds not ranked by Morningstar are excluded from the analysis. Capabilities defined by Janus Henderson. © 2019 Morningstar, Inc. All Rights Reserved.

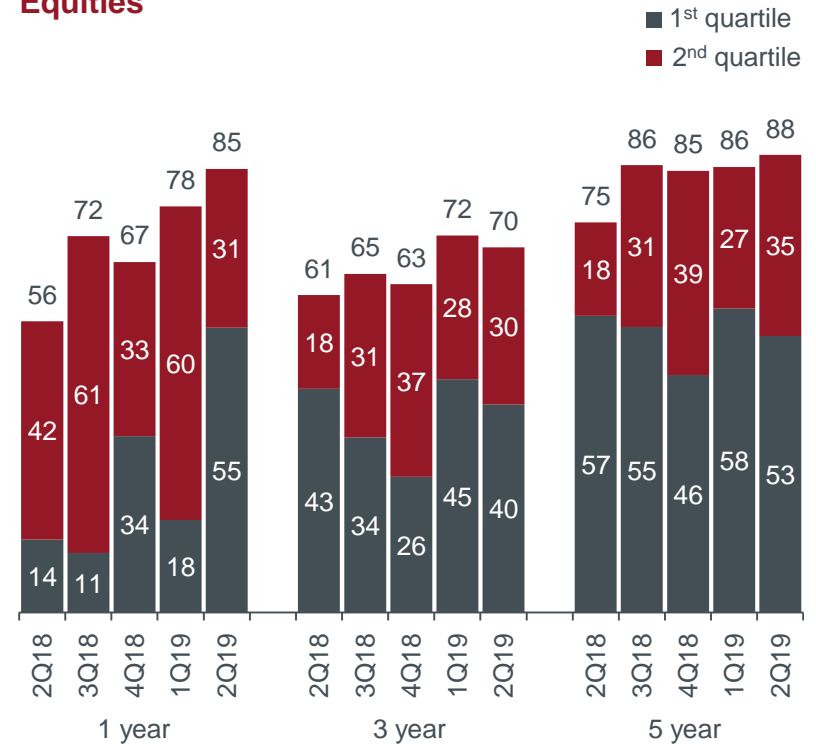
# Mutual fund investment performance (cont'd)

## % of mutual fund AUM in top 2 Morningstar quartiles

### Group



### Equities

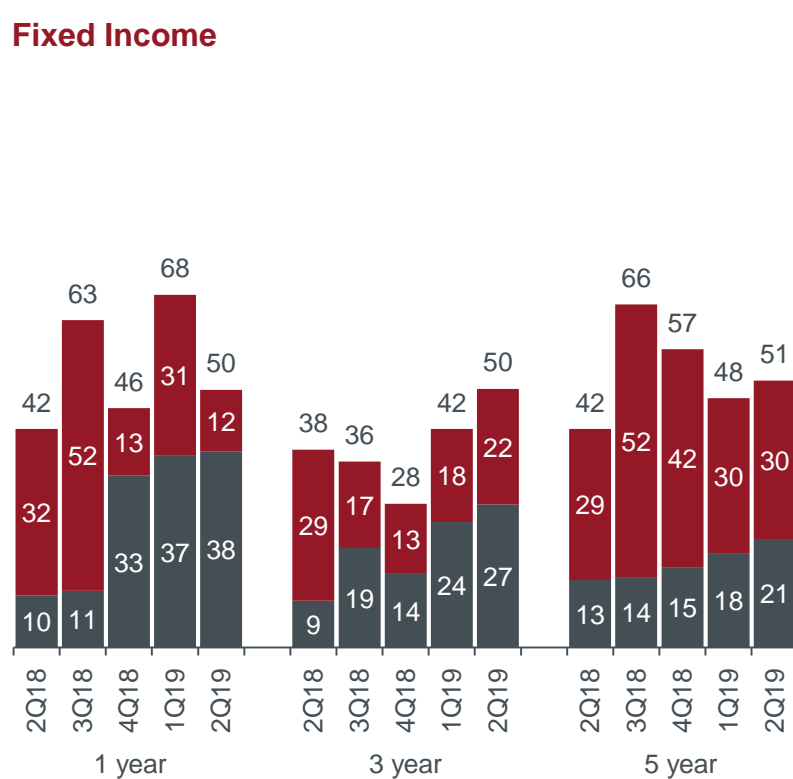


Note: Full performance disclosures detailed on slide 29. Numbers may not cast due to rounding.

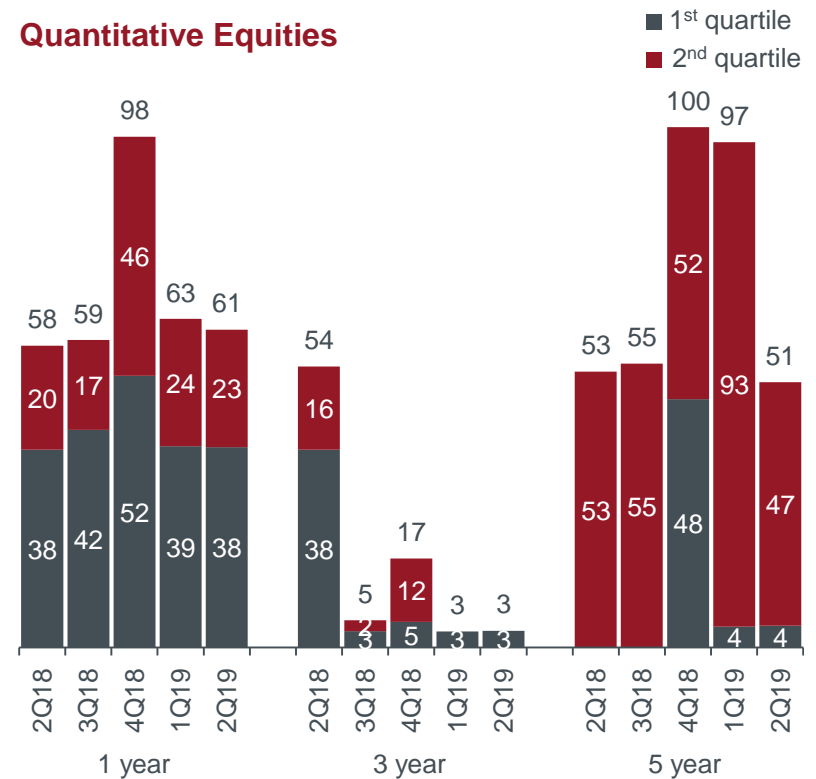
# Mutual fund investment performance (cont'd)

## % of mutual fund AUM in top 2 Morningstar quartiles

### Fixed Income



### Quantitative Equities



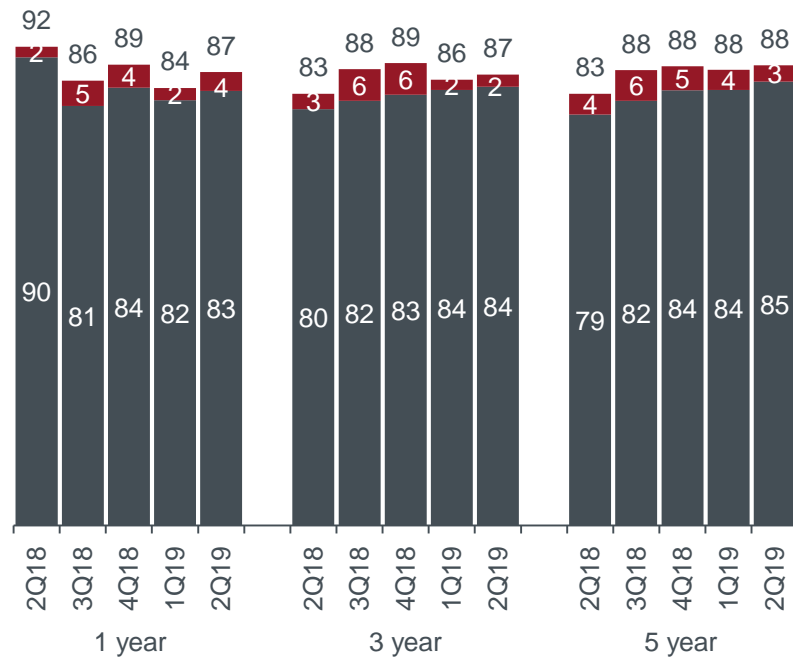
Note: Full performance disclosures detailed on slide 29. Numbers may not cast due to rounding.



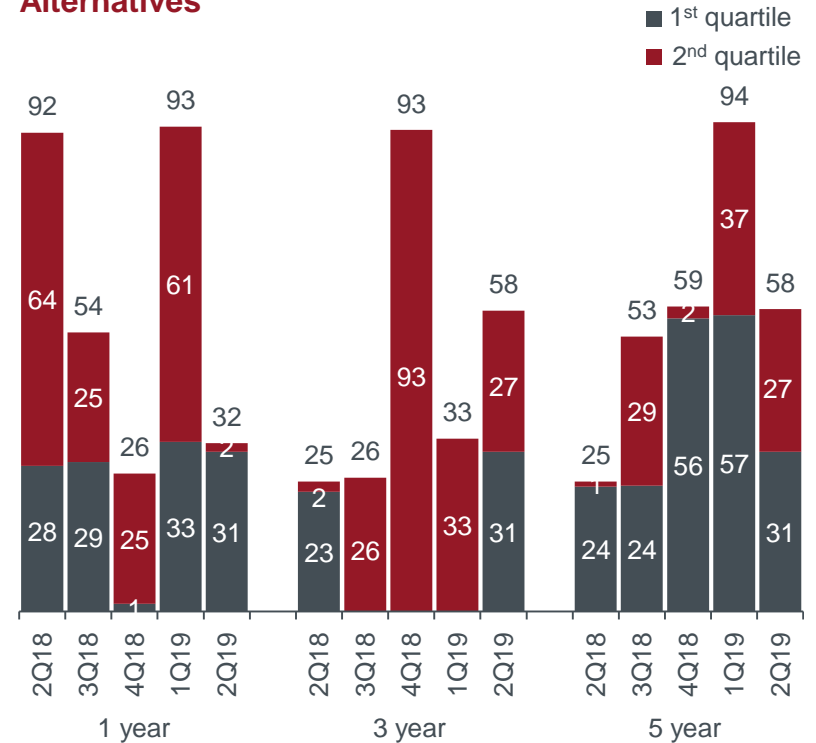
# Mutual fund investment performance (cont'd)

## % of mutual fund AUM in top 2 Morningstar quartiles

### Multi-Asset



### Alternatives



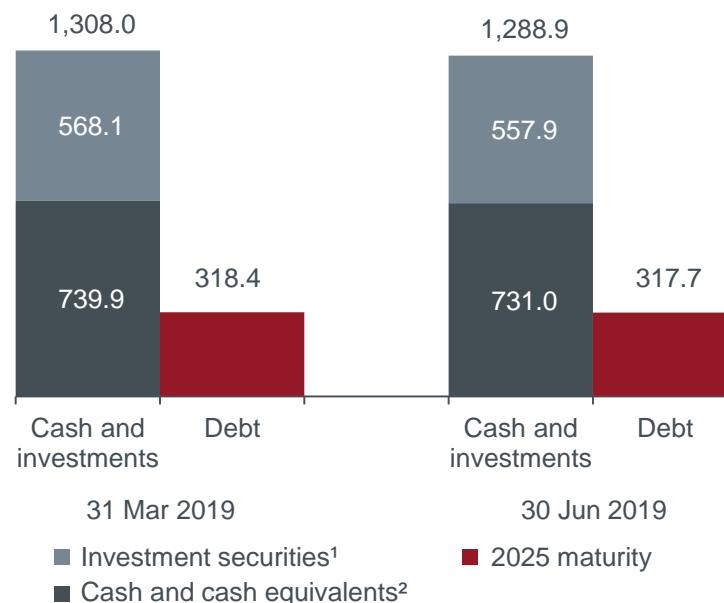
Note: Full performance disclosures detailed on slide 29. Numbers may not cast due to rounding.

# Balance sheet

## Strong liquidity position

- At 30 June 2019, cash and investment securities totalled US\$1,289m compared to outstanding debt of US\$318m
- Cash and cash equivalents decreased 1%, as cash flow generation was offset by capital return
- Board declared a dividend of US\$0.36 per share to be paid on 28 August to shareholders on record at the close of business on 12 August
- Repurchased approximately 3.5m shares for US\$75m, completing US\$106m year to date of the US\$200m buyback programme authorised in February 2019

### Balance sheet profile – carrying value (31 Mar 2019 vs 30 Jun 2019) (US\$m)



<sup>1</sup> Includes seed investments of US\$442.7m (including investment securities of consolidated variable interest entities of US\$297.4m), investments related to deferred compensation plans of US\$125.0m and other investments of US\$0.4m as at 31 March 2019; includes seed investments of US\$419.8m (including investment securities of consolidated variable interest entities of US\$311.1m), investments related to deferred compensation plans of US\$132.6m and other investments of US\$5.5m as at 30 June 2019.

<sup>2</sup> Includes cash and cash equivalents of consolidated variable interest entities of US\$22.8m and US\$24.0m as at 31 March 2019 and 30 June 2019, respectively.

# US GAAP: statement of income

US\$m, except per share data or as noted	3 months ended		
	30 Jun 2019	31 Mar 2019	30 Jun 2018
<b>Revenue</b>			
Management fees	446.4	441.9	493.5
Performance fees	3.5	(5.6)	13.5
Shareowner servicing fees	38.3	35.9	38.7
Other revenue	47.7	47.1	46.7
<b>Total revenue</b>	<b>535.9</b>	<b>519.3</b>	<b>592.4</b>
<b>Operating expenses</b>			
Employee compensation and benefits	146.5	145.0	151.0
Long-term incentive plans	49.2	48.4	55.2
Distribution expenses	101.5	101.9	114.7
Investment administration	11.1	11.8	11.7
Marketing	8.1	7.5	9.5
General, administrative and occupancy	67.7	65.2	59.2
Depreciation and amortisation	33.3	15.0	15.8
<b>Total operating expenses</b>	<b>417.4</b>	<b>394.8</b>	<b>417.1</b>
<b>Operating income</b>	<b>118.5</b>	<b>124.5</b>	<b>175.3</b>
Interest expense	(4.2)	(4.1)	(3.9)
Investment gains (losses), net	4.8	13.3	(16.6)
Other non-operating income (expenses), net	28.5	(3.9)	13.9
<b>Income before taxes</b>	<b>147.6</b>	<b>129.8</b>	<b>168.7</b>
Income tax provision	(35.3)	(29.9)	(38.2)
<b>Net income</b>	<b>112.3</b>	<b>99.9</b>	<b>130.5</b>
Net loss (income) attributable to noncontrolling interests	(2.9)	(5.8)	10.1
<b>Net income attributable to JHG</b>	<b>109.4</b>	<b>94.1</b>	<b>140.6</b>
Less: allocation of earnings to participating stock-based awards	(3.2)	(2.4)	(3.8)
<b>Net income attributable to JHG common shareholders</b>	<b>106.2</b>	<b>91.7</b>	<b>136.8</b>
Diluted weighted-average shares outstanding (m)	190.7	192.5	196.6
<b>Diluted EPS (in US\$)</b>	<b>0.56</b>	<b>0.48</b>	<b>0.70</b>

Note: 2Q18 reflects the reclassification of certain revenue amounts from 'Other revenue' to 'Shareowner servicing fees'.

# Adjusted: statement of income

US\$m, except per share data or as noted	3 months ended		
	30 Jun 2019	31 Mar 2019	30 Jun 2018
<b>Revenue</b>			
Management fees	446.4	441.9	493.5
Performance fees	3.5	(5.6)	13.5
Shareowner servicing fees	38.3	35.9	38.7
Other revenue	47.7	47.1	46.7
Distribution expenses	(101.5)	(101.9)	(114.7)
<b>Total adjusted revenue</b>	<b>434.4</b>	<b>417.4</b>	<b>477.7</b>
<b>Operating expenses</b>			
Employee compensation and benefits	143.4	140.7	145.0
Long-term incentive plans	49.4	48.6	54.5
Investment administration	11.1	11.8	11.0
Marketing	8.1	7.5	9.7
General, administrative and occupancy	62.4	57.8	57.7
Depreciation and amortisation	8.0	7.6	8.4
<b>Total adjusted operating expenses</b>	<b>282.4</b>	<b>274.0</b>	<b>286.3</b>
<b>Adjusted operating income</b>	<b>152.0</b>	<b>143.4</b>	<b>191.4</b>
Interest expense	(3.2)	(3.2)	(3.2)
Investment gains (losses), net	5.8	13.3	(16.6)
Other non-operating income (expenses), net	5.9	(3.5)	9.9
<b>Adjusted income before taxes</b>	<b>160.5</b>	<b>150.0</b>	<b>181.5</b>
Income tax provision	(37.9)	(34.2)	(41.7)
<b>Adjusted net income</b>	<b>122.6</b>	<b>115.8</b>	<b>139.8</b>
Net loss (income) attributable to noncontrolling interests	(2.9)	(5.8)	10.1
<b>Adjusted net income attributable to JHG</b>	<b>119.7</b>	<b>110.0</b>	<b>149.9</b>
Less: allocation of earnings to participating stock-based awards	(3.5)	(2.8)	(4.1)
<b>Adjusted net income attributable to JHG common shareholders</b>	<b>116.2</b>	<b>107.2</b>	<b>145.8</b>
Diluted weighted-average shares outstanding (m)	190.7	192.5	196.6
<b>Adjusted diluted EPS (in US\$)</b>	<b>0.61</b>	<b>0.56</b>	<b>0.74</b>

Note: 2Q18 reflects the reclassification of certain revenue amounts from 'Other revenue' to 'Shareowner servicing fees'. See adjusted financial measures reconciliation on slides 36 and 37 for additional information.

# Alternative performance measures

## Reconciliation of adjusted financial measures

US\$m, except margin data	3 months ended		
	30 Jun 2019	31 Mar 2019	30 Jun 2018
<b>Reconciliation of revenue to adjusted revenue</b>			
Revenue	535.9	519.3	592.4
Distribution expenses <sup>1</sup>	(101.5)	(101.9)	(114.7)
<b>Adjusted revenue</b>	<b>434.4</b>	<b>417.4</b>	<b>477.7</b>
<b>Reconciliation of operating income to adjusted operating income</b>			
Operating income	118.5	124.5	175.3
Employee compensation and benefits <sup>2,3</sup>	3.1	4.3	6.0
Long-term incentive plans <sup>2</sup>	(0.2)	(0.2)	0.7
Investment administration <sup>2</sup>	–	–	0.7
Marketing <sup>2</sup>	–	–	(0.2)
General, administrative and occupancy <sup>2,3</sup>	5.3	7.4	1.5
Depreciation and amortisation <sup>2,4</sup>	25.3	7.4	7.4
<b>Adjusted operating income</b>	<b>152.0</b>	<b>143.4</b>	<b>191.4</b>
<b>Operating margin</b>	<b>22.1%</b>	<b>24.0%</b>	<b>29.6%</b>
<b>Adjusted operating margin</b>	<b>35.0%</b>	<b>34.4%</b>	<b>40.1%</b>

Note: Reconciliation to be used in conjunction with slide 37. Footnotes included on slide 38.

# Alternative performance measures (cont'd)

## Reconciliation of adjusted financial measures

US\$m, except per share data	3 months ended		
	30 Jun 2019	31 Mar 2019	30 Jun 2018
<b>Reconciliation of net income to adjusted net income, attributable to JHG</b>			
<b>Net income attributable to JHG</b>	<b>109.4</b>	<b>94.1</b>	<b>140.6</b>
Employee compensation and benefits <sup>2,3</sup>	3.1	4.3	6.0
Long-term incentive plans <sup>2</sup>	(0.2)	(0.2)	0.7
Investment administration <sup>2</sup>	–	–	0.7
Marketing <sup>2</sup>	–	–	(0.2)
General, administrative and occupancy <sup>2,3</sup>	5.3	7.4	1.5
Depreciation and amortisation <sup>2,4</sup>	25.3	7.4	7.4
Interest expense <sup>3</sup>	1.0	0.9	0.7
Investment gains (losses), net <sup>2</sup>	1.0	–	–
Other non-operating income (expense) <sup>3</sup>	(22.6)	0.4	(4.0)
Income tax provision <sup>5</sup>	(2.6)	(4.3)	(3.5)
<b>Adjusted net income attributable to JHG</b>	<b>119.7</b>	<b>110.0</b>	<b>149.9</b>
<b>Diluted earnings per share (in US\$)</b>	<b>0.56</b>	<b>0.48</b>	<b>0.70</b>
<b>Adjusted diluted earnings per share (in US\$)</b>	<b>0.61</b>	<b>0.56</b>	<b>0.74</b>

Note: Reconciliation to be used in conjunction with slide 36. Footnotes included on slide 38.

# Alternative performance measures (cont'd)

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## Footnotes to reconciliation of adjusted financial measures

- <sup>1</sup> Substantially all 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 these costs are passed through to external parties that perform functions on behalf of, and distribute, the Group's managed AUM.
- <sup>2</sup> Adjustments primarily represent integration costs in relation to the Merger, including severance costs, legal costs and consulting fees. JHG management believes these costs do not represent the ongoing operations of the Group.
- <sup>3</sup> 2019 adjustments primarily represent contingent consideration adjustments associated with acquisitions prior to the Merger and increased debt expense as a consequence of the fair value uplift on debt due to acquisition accounting. Adjustments for the three months ended 30 June 2018 primarily represent fair value movements on options issued to Dai-ichi in addition to contingent consideration costs associated with acquisitions prior to the merger. JHG management believes these costs do not represent the ongoing operations of the Group.
- <sup>4</sup> 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. The three months ended 30 June 2019 also include a US\$18m impairment of certain mutual fund contracts. JHG management believes these non-cash and acquisition-related costs do not represent the ongoing operations of the Group.
- <sup>5</sup> 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.

# Performance fees

	2Q19 (US\$m)	1Q19 (US\$m)	2Q18 (US\$m)	AUM generating 2Q19 pfees (US\$bn)	# of funds generating 2Q19 pfees	Frequency	Timing
SICAVs	1.5	–	4.2	4.9	12	23 annually; 2 quarterly	23 at June; 2 on quarters
Offshore Absolute Return	–	–	1.5	–	–	Quarterly / Annually	Various
Segregated Mandates <sup>1</sup>	5.5	3.3	4.4	13.6	15	Quarterly / Annually	Various
UK OEICs & Unit Trusts	–	–	4.4	–	–	Quarterly	Various
Investment Trusts	–	–	6.7	–	–	Annually	Various
US Mutual Funds <sup>2</sup>	(3.5)	(8.9)	(7.7)	44.8	17	Monthly	Monthly
<b>Total</b>	<b>3.5</b>	<b>(5.6)</b>	<b>13.5</b>	<b>63.3</b>	<b>44</b>		

Note: Performance fees include prior quarter accrual true-ups.

<sup>1</sup> Segregated Mandates includes Private Accounts, Managed CDOs and Private Equity.

<sup>2</sup> AUM data presents US Mutual Fund AUM subject to performance fees as at 30 June 2019. 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 <sup>1</sup>	AUM 30 Jun 2019 US\$m	Benchmark	Base fee	Performance fee <sup>2</sup>	Performance cap/(floor) vs benchmark	2Q19 P&L impact US\$'000
Research Fund <sup>3</sup>	14,503	Russell 1000 <sup>®</sup> Growth Index	0.64%	± 15 bps	± 5.00%	(4,031)
Forty Fund <sup>3</sup> and Portfolio	14,064	Russell 1000 <sup>®</sup> Growth Index	0.64%	± 15 bps	± 8.50%	(126)
Global Research Fund and Portfolio	3,566	MSCI World Index <sup>SM</sup>	0.60%	± 15 bps	± 6.00%	869
Mid Cap Value Fund and Portfolio	3,350	Russell Midcap <sup>®</sup> Value Index	0.64%	± 15 bps	± 4.00%	117
Small Cap Value Fund	3,216	Russell 2000 <sup>®</sup> Value Index	0.72%	± 15 bps	± 5.50%	1
Contrarian Fund	2,785	S&P 500 <sup>®</sup> Index	0.64%	± 15 bps	± 7.00%	(431)
Overseas Fund and Portfolio	2,053	MSCI All Country World ex-U.S. Index <sup>SM</sup>	0.64%	± 15 bps	± 7.00%	302
Research Portfolio <sup>4</sup>	524	Russell 1000 <sup>®</sup> Growth Index	0.64%	± 15 bps	± 5.00%	(193)
Global Real Estate Fund	377	FTSE EPRA / NAREIT Global Index	0.75%	± 15 bps	± 4.00%	93
Global Value Fund	203	MSCI World Index <sup>SM</sup>	0.64%	± 15 bps	± 7.00%	(87)
Large Cap Value Fund	100	Russell 1000 <sup>®</sup> Value Index	0.64%	± 15 bps	± 3.50%	(36)
Select Value Fund	59	Russell 3000 <sup>®</sup> Value Index	0.70%	± 15 bps	± 5.00%	27
Asia Equity Fund	25	MSCI All Country Asia ex-Japan Index <sup>SM</sup>	0.92%	± 15 bps	± 7.00%	4
<b>Total</b>	<b>44,825</b>					<b>(3,490)</b>

Note: AUM data shown on a managed view. Numbers may not cast due to rounding.

<sup>1</sup> 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.

<sup>2</sup> Adjustment of ± 15 bps assumes constant assets and could be higher or lower depending on asset fluctuations.

<sup>3</sup> 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.

<sup>4</sup> 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<sup>®</sup> Index / 50% Russell 1000<sup>®</sup> Growth Index). Prior to 1 May 2017, the performance fee hurdle was ± 4.5% vs the Core Growth Index.

# Long-term incentive compensation

## Estimated future long-term incentive compensation amortisation

US\$m	Amount remaining to expense	2019	2020	2021	2022	2023
2016 annual grant	7	7	–	–	–	–
2017 annual grant	23	18	5	–	–	–
2018 annual grant	82	52	24	6	–	–
2019 annual grant	148	72	49	22	4	1
Other <sup>1</sup>	110	36	29	21	13	11
<b>Total long-term incentive compensation</b>	<b>371</b>	<b>186</b>	<b>107</b>	<b>49</b>	<b>17</b>	<b>12</b>

Note: 2016, 2017 and 2018 annual grants generally vest over three and four years. 2019 annual grants generally vest over three years. Assumes no forfeitures in future periods. Assumes no change in future values related to market or currency, which would impact expense related to cash based awards (MFSA's and DEP funds) and social security expense upon vesting. Numbers may not cast due to rounding.

<sup>1</sup> Includes retention and recruiting awards, other subsidiary grants and social security expense. Social security expense is estimated based on amount of existing awards expected to vest in that year.

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