

## PERFORMANCE REVIEW

The Portfolio outperformed the Russell 1000® Value Index for the second quarter, driven by strong stock selection across financials, health care and real estate. In a volatile quarter for large caps, the Portfolio performed well, particularly during the difficult month of May as the market, albeit briefly, focused on trade issues and falling interest rates from disappointing economic results globally. However, and fortunately for the equity markets, the calendar flipped to June and central banks around the world trumpeted dovish commentary regarding monetary policy, igniting a sizable rebound in stock prices. Within financials, our insurance holdings such as RenaissanceRe and Hartford Financial were notable outperformers as pricing was better than expected, which helped lift earnings estimates. Additionally, the stocks benefited from lower interest rates, which are favorable to the value of insurers' investment portfolios. In health care, independent clinical laboratory operator Laboratory Corporation of America (LabCorp) posted stronger-than-expected margins and overall improved financial performance leading to solid performance during the period. Notable areas of weakness were stock selection in communication services and energy, the weakest-performing group in the quarter. In communication services, Alphabet detracted from performance due to increased regulatory scrutiny. Within energy, Occidental Petroleum underperformed after winning its bidding war with Chevron for Anadarko Petroleum that resulted in an extremely rich price for the company.



**Portfolio Manager:**  
Kevin Preloger

## EXECUTIVE SUMMARY

- The Portfolio outperformed, driven by stock selection in financials, health care and real estate.
- We increased our weight in technology and decreased exposure to consumer staples.
- We remain focused on higher-quality companies with strong balance sheets, and diversified earnings streams at attractive prices.

## REPRESENTATIVE ACCOUNT TOP CONTRIBUTORS AND DETRACTORS FOR THE QUARTER ENDED 6/30/19

Top Contributors	Ending Weight (%)	Contribution (%)	Top Detractors	Ending Weight (%)	Contribution (%)
RenaissanceRe Holdings Ltd	2.07	0.49	Occidental Petroleum Corp	0.00	-0.56
Total System Services Inc	1.49	0.40	Bank of New York Mellon Corp	1.46	-0.18
Hartford Financial Services Group Inc	2.82	0.33	Cimarex Energy Co	1.21	-0.16
US Bancorp	3.60	0.33	Alphabet Inc	1.52	-0.14
Laboratory Corp of America Holdings	2.56	0.31	Cognizant Technology Solutions Corp	1.76	-0.11

The holdings identified in this table, in compliance with Janus Henderson 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 800.668.0434 or visit [janushenderson.com/info](http://janushenderson.com/info).

Past performance is no guarantee of future results.

Discussion is based on performance gross of fees and expenses.

Information relating to portfolio holdings is based on the representative account in the composite and may vary for other accounts in the strategy due to asset size, client guidelines and other factors. The representative account is believed to most closely reflect the current portfolio management style.

As of 6/30/19 the top ten portfolio holdings of the Representative Account are: US Bancorp (3.59%), Chubb Ltd (3.16%), Berkshire Hathaway Inc (3.08%), Evergy, Inc. (2.90%), Public Storage (2.85%), Hartford Financial Services Group Inc (2.82%), Oracle Corp (2.77%), Chevron Corp (2.76%), M&T Bank Corp (2.57%) and Equity Residential (2.56%). There are no assurances that any portfolio currently holds these securities or other securities mentioned.

Portfolio holdings are as of the date indicated, and are subject to change. This material should not be construed as a recommendation to buy or sell any security.

The opinions are as of 6/30/19 and are subject to change without notice. Janus Henderson 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.

### Investing involves risk, including the possible loss of principal and fluctuation of value.

Perkins Large Cap Value Managed Account Composite, benchmarked to the Russell 1000 Value Index, includes portfolios that are broadly diversified and seek to identify quality large sized US companies trading at discounted prices with favorable risk/reward potential. The strategy emphasizes common stocks of companies with market capitalizations above \$9 billion. A typical portfolio will contain no more than 75 securities. Prior to January 1, 2010 returns for the composite are for the Perkins Large Cap Value Composite, which consisted of separately managed institutional accounts, proprietary mutual funds as well as sub-advised pooled funds and normally invested in 90-140 securities. The composite was created in January 2010.

**Russell 1000<sup>®</sup> Value Index** reflects the performance of U.S. large-cap equities with lower price-to-book ratios and lower expected growth values.

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