INTECH

A JANUS CAPITAL Group Company

Contact: Maxine C. Bergstein, INTECH: 561.775.1128 August 18, 2014

INTECH'S RESEARCH INDICATES A PARADIGM SHIFT TO GLOBAL INVESTING
Global Equities a Starting Point for Asset Allocation

West Palm Beach, Florida – According to INTECH Investment Management (INTECH) research, during the past few years a paradigm shift has been occurring in the relative risk and value of investing in the U.S., when compared to non-U.S. markets. Today, one of the most powerful ways to diversify a portfolio is to distribute it over many countries, each with a unique political system, currency and central bank policy. On balance, not investing globally could be the riskier proposition.

Nearly ten years after launching its first global large-cap equity strategy, INTECH now offers 17 global products, in both the relative- and absolute-risk space. These strategies are benchmarked to the MSCI World, All Country World or World High Dividend Yield Indexes, as well as the Russell Global Large Cap Defensive Index. INTECH is also able to customize a portfolio to meet an investor's specific investment and risk objectives.

In discussing why pension plans are selecting his firm to manage global equities, INTECH Chief Executive Officer and CIO, Dr. Adrian Banner, said, "When we launched our first global strategy in 2005, Global Large Cap Core, investors were adhering to a more traditional asset allocation split between U.S. and non-U.S. equities – similar to the breakdown of the MSCI World Index. Many investors are now approaching global investing differently than in the past. They are viewing their investments from the overall plan level rather than the asset level and are allocating a larger portion of their portfolios to global equities. Investing globally provides potential benefits not found in a U.S.-only portfolio, including greater diversification, which may help to protect portfolio values against downturns in the U.S. market."

John F. Brown, executive vice president and head of global client development at INTECH, added "We are seeing significant interest in our global capabilities. We believe this reflects a new paradigm for global investing. Plans are looking at their investments more holistically and allocating their risk budget accordingly. By clinging to a home-country bias, they are losing the potential benefits of diversification and thereby may actually be taking on greater risk than if they had invested globally. Many plan sponsors and their consultants are now choosing a global equity strategy as their starting point for asset allocation. Avoiding global markets could mean leaving too much money on the table." One reason for this emphasis on global investing is likely the result of globalization of trade and, at a practical level, the reduction of structural impediments to the effective management of non-U.S. assets.

For many investors, the global financial crisis was an eye-opening experience and as a result they are looking for asset managers that offer the opportunity for growth of capital during normal market conditions and preservation of capital during periods of market stress. “For plan sponsors concerned about meeting their future funding obligations, it’s not a question of capital appreciation or capital preservation. It’s about protecting portfolio values while realizing needed alpha. Mitigating risk at the asset level allows investors to increase their allocation to global assets without taking on additional risk at the plan level and potentially realizing higher overall portfolio returns over a full market cycle,” Banner noted.

Despite the reasons for broadening a portfolio to take on a more global perspective, many investors today remain concerned about volatility (risk) of non-U.S. markets. To help mitigate this volatility, INTECH’s suite of global offerings includes its Global Managed Volatility strategy. This strategy targets risk reduction of up to 35% less than the MSCI World Index and an excess return of 300-to-400 basis points over the index. Estimates of volatility rather than forecasting the future returns of stocks, and risk controls embedded in the investment process, provide the potential to achieve these targets. For investors seeking even greater risk reduction, in exchange for targeting modest above-market returns, INTECH also offers a Global Low Volatility strategy. Additionally the firm offers global low- and managed-volatility portfolios benchmarked to the MSCI All Country World Index, which offer even greater targeted risk reduction than its strategies benchmarked to the MSCI World Index. Another option, for investors seeking a higher dividend yield than the broad market, is INTECH’s Global High Dividend Core strategy, benchmarked to the MSCI World High Dividend Yield Index. This strategy’s focus on dividend-paying stocks tends to provide a defensive tilt, which may help protect against the effects of high volatility.

Given the wide range of volatility environments, in both the U.S. and abroad, INTECH’s dynamic approach to risk-reduction eliminates the need to try to time the market based on evolving risk regimes. This methodology can prove to be extremely useful in balancing the seemingly conflicting objectives of capital preservation with capital appreciation in global investing.

About INTECH

For more than 25 years, global investment manager INTECH has been offering institutional investors highly disciplined, mathematical equity strategies that seek long-term returns in excess of the target benchmark, while attempting to reduce the risk of significant underperformance relative to that benchmark. Since 1987, INTECH has been generating alpha by taking advantage of stock-price volatility while limiting relative risk and trading costs. The company’s global headquarters is located in West Palm Beach, Florida, with its research office in Princeton, New Jersey, and an international division in London. As of June 30, 2014, INTECH had approximately $49.8 billion under management and 82 employees worldwide. INTECH was named a “Best Places to Work in Money Management” company by *Pensions & Investments*. INTECH is an independently managed subsidiary of Janus Capital Group Inc. (NYSE: JNS), based in Denver.

About Janus Capital Group Inc.

Janus Capital Group Inc. (JCG) is a global investment firm dedicated to delivering better outcomes for clients through differentiated investment solutions from three independent managers: Janus Capital Management LLC (Janus), INTECH Investment Management LLC (INTECH) and Perkins Investment Management LLC (Perkins). Each manager brings a distinct perspective, style-specific expertise and a disciplined approach to risk. JCG's multi-boutique approach provides clients with distinctive solutions across a broad range of asset classes including equities, fixed income, alternatives, asset allocation and income products.

At the end of June 2014, JCG managed approximately $177.7 billion in assets for shareholders, clients and institutions around the globe. Based in Denver, JCG also has offices in London, Milan, Munich, Singapore, Hong Kong, Tokyo, Melbourne, Paris, The Hague, Zurich, Frankfurt, Dubai and Taipei.

Past performance does not guarantee future results. Investing involves risk including fluctuation in value, the possible loss of principal and total loss of investment. Global investments are subject to certain risks including currency fluctuations and changes in political and economic conditions, which could result in significant market fluctuations. These risks are magnified in emerging markets. There is no guarantee that dividend paying stocks will continue to pay dividends. There is no guarantee that any managed-volatility strategy will provide excess returns over the long term with less volatility. A managed-volatility strategy may underperform a benchmark during certain periods of up markets and may not achieve the desired level of protection in down markets. This material represents the current market environment and is not intended to be a forecast or guarantee of future results. It should not be used as the sole basis for investment decisions.

$$\gamma_{\pi}^{*} = \frac{1}{2}\left(\sum_{i} \pi_i \sigma_i^2 - \sum_{ij} \pi_i \pi_j \sigma_{ij} \right)$$