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INTECH'S RESEARCH DESCRIBES THE BENEFITS OF LOW-VOLATILITY INVESTING

Growth Potential Plus Downside Protection for DC Plan Participants

West Palm Beach, Florida – In a just-published research paper, INTECH Investment Management (INTECH) discusses the merits of allocating part of a Defined Contribution (DC) retirement plan i.e., 401(k), to a low-volatility equity strategy.

In a paper titled "Low-Volatility Equity Portfolios: Helping Defined Contribution Plan Participants Meet Their Retirement Goals" co-authored by INTECH EVP and head of global client development, John F. Brown, and senior managing director James McHugh, M.B.A., INTECH explains how low-volatility equity strategies offer plan participants that much-needed opportunity for growth during normal market conditions and protection from downside risk during periods of market stress.

Mr. Brown explained, "The goal, when adding a low-volatility strategy to a DC plan platform, is to offer employees saving for their retirement an opportunity to reduce the active risk of their portfolio while maintaining an allocation to equities and sustaining the expected return of the total portfolio. Exposure to a low-volatility equity portfolio allows for continued equity-market participation, while significantly reducing total portfolio active risk."

Low-volatility strategies offer DC plan participants, who do not have the resources or access to hedging strategies, the opportunity to provide some protection to their portfolios against the effects of a 2008-like crisis. With equities proven to generate the growth needed to help keep pace with rising costs, over time, integrating a low-volatility portfolio into an overall plan could be an effective and efficient solution for providing some downside protection to guard against the next severe market decline.

Mr. McHugh added that "With the current shift away from Defined Benefit plans to DC plans, employee participants now have more control over how their future retirement dollars are invested. In making asset allocation decisions, they need to consider: their age and number of years to retirement, as well as the expectations for the capital markets during that time span." What percentage of an overall portfolio is allocated to low-volatility investing depends on how many years the plan participant has until retirement.

People are living longer and fixed income yields remain historically low. DC plan participants should consider allocating a portion of their investment portfolio to equities for the growth potential that stocks provide, over time, and low-volatility equity strategies, in particular, for the potential downside protection needed should the stock market experience a significant sell off, such as we experienced in 2008.

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 September 30, 2014, INTECH had approximately $49.4 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 September 2014, JCG managed approximately $174.4 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. 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.

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