

Third Quarter 2020 Results Presentation

29 October 2020

Janus Henderson Group plc ("Janus Henderson") today published its third quarter results for the three month period ended 30 September 2020.

A copy of the Group's Third Quarter Results Presentation is included below.

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About Janus Henderson

Janus Henderson Group is a leading global active asset manager dedicated to helping investors achieve long-term financial goals through a broad range of investment solutions, including equities, fixed income, quantitative equities, multi-asset and alternative asset class strategies.

At 30 September 2020, Janus Henderson had approximately US\$358 billion in assets under management, more than 2,000 employees, and offices in 27 cities worldwide. Headquartered in London, the company is listed on the New York Stock Exchange (NYSE) and the Australian Securities Exchange (ASX).

Janus Henderson Group 3Q20 results presentation

Thursday 29 October 2020

Dick Weil
Chief Executive Officer

Roger Thompson
Chief Financial Officer



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3Q20 results

- Long-term investment performance remains solid
- AUM increased 6.4% to US\$358.3bn; strength in global markets was partially offset by net outflows of US\$(2.9)bn
- Adjusted diluted EPS of US\$0.70
- Declared US\$0.36 per share dividend and completed US\$50m of share buybacks at an average price per share of US\$20.48

Key metrics – 3Q20 vs 2Q20

	3Q20	2Q20
3-year investment outperformance ¹	61%	62%
Net flows	US\$(2.9)bn	US\$(8.2)bn
Total AUM	US\$358.3bn	US\$336.7bn
US GAAP diluted EPS	US\$0.65	US\$0.55
Adjusted diluted EPS ²	US\$0.70	US\$0.67
Dividend per share	US\$0.36	US\$0.36

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

² See adjusted financial measures reconciliation on slides 28 and 29 for additional information.

Our strategy: Simple Excellence

Strengthening our core foundation while maximising growth potential

Delivering on our strategy of Simple Excellence



Produce
dependable
investment
outcomes



Excel in
client
experience



Focus and
increase
operational
efficiency



Proactive risk
and control
environment



Develop
new growth
initiatives

Focus and execution lay the foundation for a successful business built for the long term

Positive flows and AUM growth

A return to consistent net inflows driven by organic growth across regions, client types and investment capabilities

A growing and diversified AUM and client base, able to weather shifting market environments

Revenue stability and profitability

Revenue yield stability resulting from a focus on profitable growth, in context of changing global investor trends

A balanced approach to managing costs, allowing for investment, expanded profitability and increased cash flow generation

3Q20 results presentation

Business and financial update

Roger Thompson
Chief Financial Officer



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Investment performance

Firmwide investment performance remains solid

% of AUM outperforming benchmark (as at 30 Sep 2020)

Capability	1 year	3 years	5 years
Equities	38%	53%	71%
Fixed Income	88%	92%	97%
Quantitative Equities	64%	8%	8%
Multi-Asset	93%	93%	95%
Alternatives	97%	97%	100%
Total	58%	61%	73%

% of mutual fund AUM in top 2 Morningstar quartiles (as at 30 Sep 2020)

Capability	1 year	3 years	5 years
Equities	60%	68%	76%
Fixed Income	76%	78%	72%
Quantitative Equities	4%	30%	4%
Multi-Asset	91%	92%	92%
Alternatives	100%	100%	100%
Total	68%	74%	78%

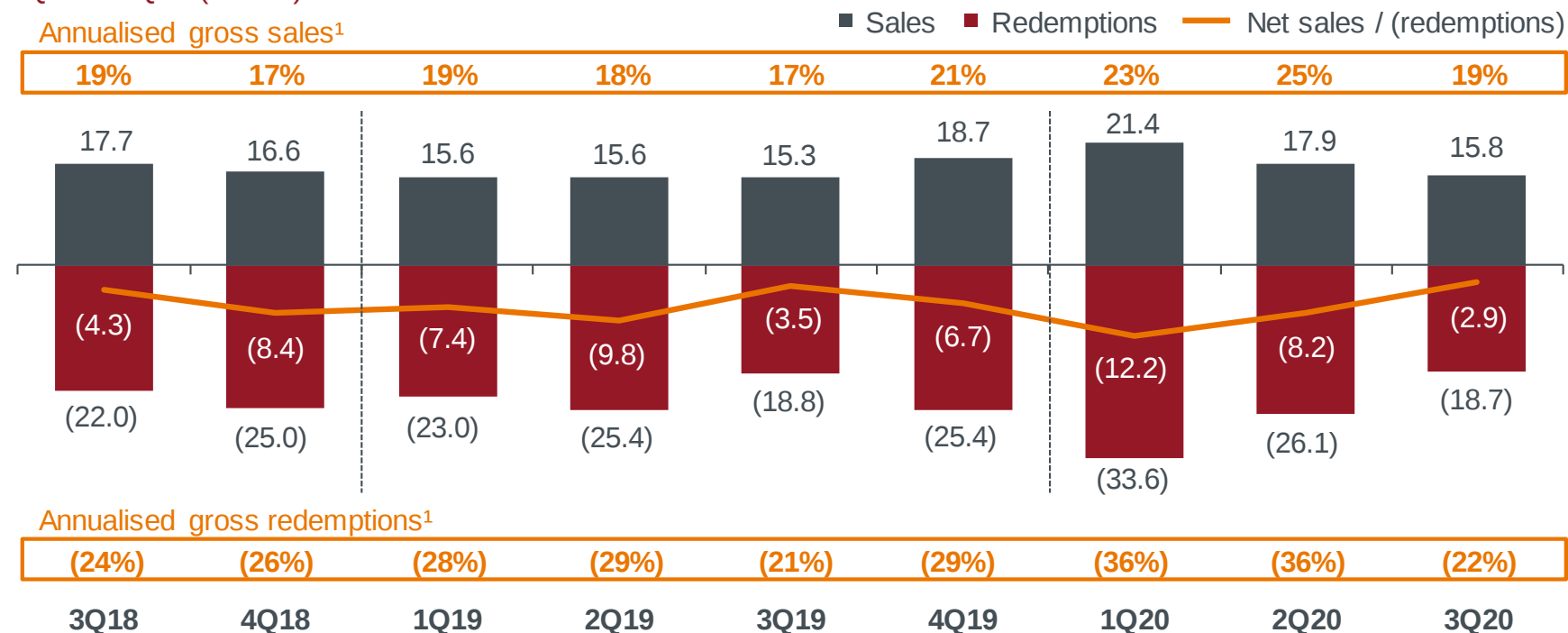
Note: Full performance disclosures detailed in the appendix on slides 21 and 22. Past performance is no guarantee of future results. The top two Morningstar quartiles represent funds in the top half of their category based on total return. Refer to slide 22 for the 10-year period, percent of funds in the top 2 quartiles for all periods, and description and quantity of funds included in the analysis.

Total flows

Net flows improved quarter over quarter and year over year

Total flows

3Q18 to 3Q20 (US\$bn)

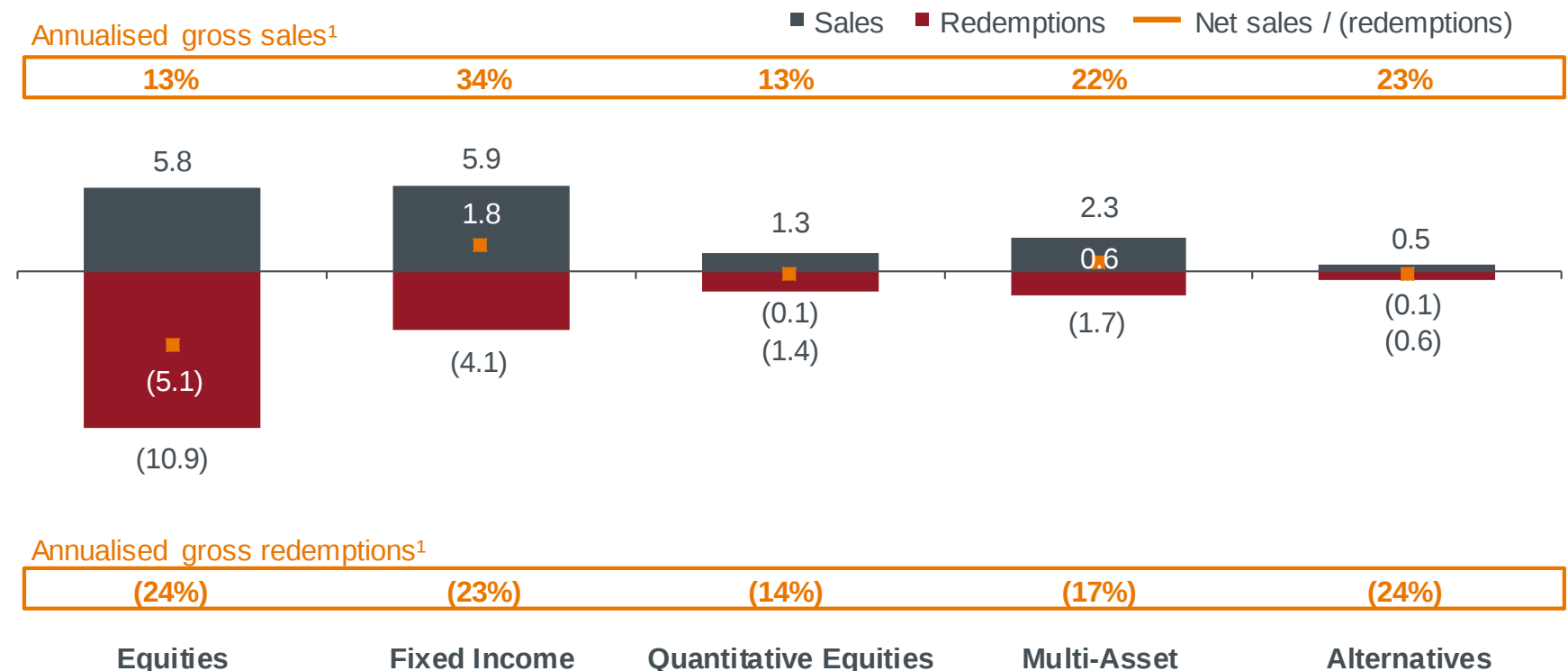


¹ Annualised gross sales and redemption rates calculated as a percentage of beginning period AUM.

3Q20 flows by capability

Net flows reflect strength in Fixed Income and Multi-Asset, improvement in Quantitative Equities

3Q20 flows by capability (US\$bn)



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

Statement of income

US GAAP and adjusted

US\$m	3 months ended 30 Sep 2020		
	US GAAP	Adjustments	Adjusted
Revenue			
Management fees	457.7		
Performance fees	7.0		
Shareowner servicing fees	53.7		
Other revenue	50.1		
Total revenue	568.5	(118.8)	449.7
Operating expenses			
Employee compensation and benefits	154.9		
Long-term incentive plans	42.7		
Distribution expenses	118.8		
Investment administration	13.1		
Marketing	5.3		
General, administrative and occupancy	65.6		
Depreciation and amortisation	11.6		
Total operating expenses	412.0	(124.4)	287.6
Operating income	156.5	5.6	162.1

Note: See adjusted financial measures reconciliation on slides 28 and 29 for additional information.

Summary financial results

US GAAP and adjusted

Summary of results

US\$, except margin data	3Q20	2Q20	Change 3Q20 vs 2Q20	3Q19	Change 3Q20 vs 3Q19
Average AUM	356.0bn	323.0bn	10%	358.2bn	(1%)
Total revenue	568.5m	518.0m	10%	536.0m	6%
Operating income	156.5m	106.7m	47%	143.6m	9%
Operating margin	27.5%	20.6%	6.9ppt	26.8%	0.7ppt
US GAAP diluted EPS	0.65	0.55	18%	0.58	12%
Adjusted revenue	449.7m	413.3m	9%	433.2m	4%
Adjusted operating income	162.1m	138.4m	17%	160.2m	1%
Adjusted operating margin	36.0%	33.5%	2.5ppt	37.0%	(1.0ppt)
Adjusted diluted EPS	0.70	0.67	4%	0.64	9%

Note: See adjusted financial measures reconciliation on slides 28 and 29 for additional information.

Revenue

3Q20 adjusted revenue reflects higher average assets

3Q20 adjusted revenue drivers

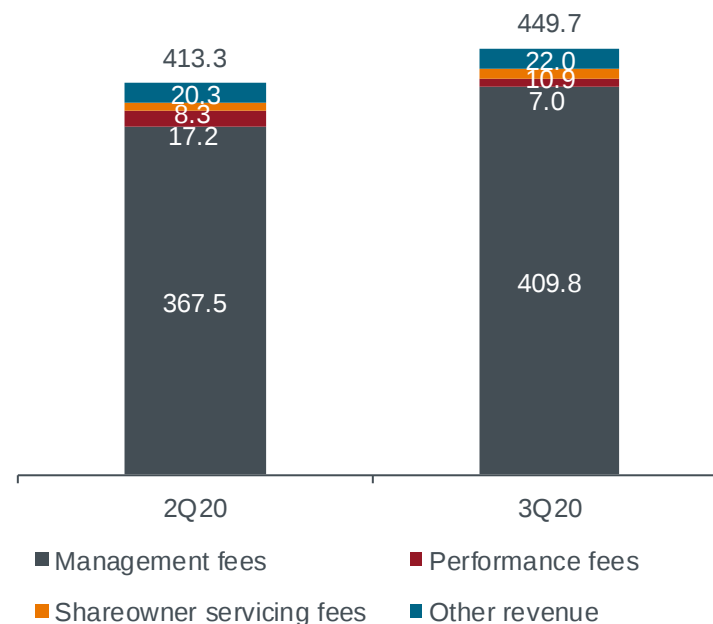
US\$m, except margin data	3Q20	2Q20	Change
Total adjusted revenue	449.7	413.3	9%
Management fees	409.8	367.5	12%
Performance fees	7.0	17.2	(59%)
Shareowner servicing fees	10.9	8.3	31%
Other revenue	22.0	20.3	8%
<i>Average net¹ mgmt fee margin</i>	<i>45.8bps</i>	<i>45.7bps</i>	<i>0.1bps</i>

- Increase from 2Q20 management fees driven by higher average assets
- Performance fees declined from 2Q20 driven by seasonality
- Improved average net management fee margin due to asset mix shift

Note: See adjusted financial measures reconciliation on slides 28 and 29 for additional information.

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

Adjusted revenue – 2Q20 vs 3Q20 (US\$m)

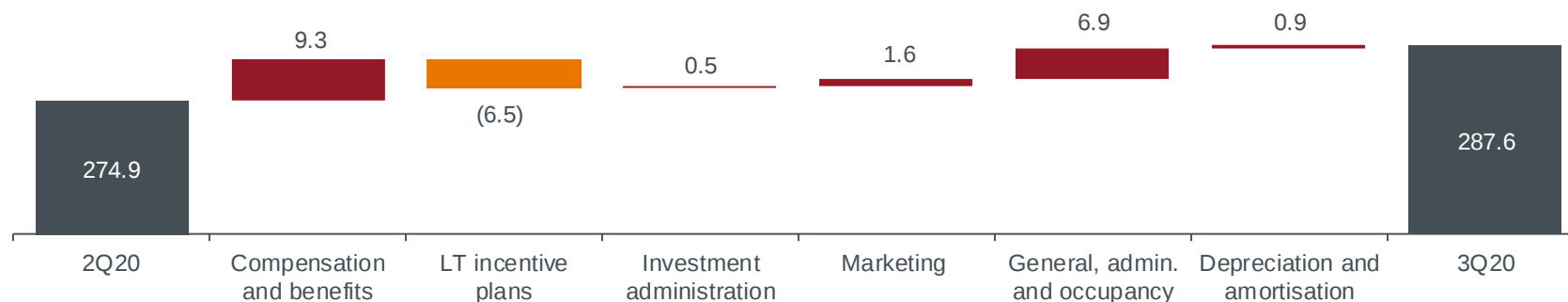


Operating expenses

3Q20 adjusted expenses reflect higher average assets, FX and professional services

US\$m	3Q20 US GAAP	Adjustments	3Q20 adjusted	2Q20 adjusted	Change 3Q20 adjusted vs 2Q20
Employee compensation and benefits	154.9	(0.3)	154.6	145.3	6%
Long-term incentive plans	42.7	0.1	42.8	49.3	(13%)
Total compensation expenses	197.6	(0.2)	197.4	194.6	1%
Distribution expenses	118.8	(118.8)	–	–	nm
Investment administration	13.1	–	13.1	12.6	4%
Marketing	5.3	–	5.3	3.7	43%
General, administrative and occupancy	65.6	(3.5)	62.1	55.2	13%
Depreciation and amortisation	11.6	(1.9)	9.7	8.8	10%
Non-staff operating expenses	214.4	(124.2)	90.2	80.3	12%
Total operating expenses	412.0	(124.4)	287.6	274.9	5%

Adjusted operating expenses – 2Q20 vs 3Q20 (US\$m)



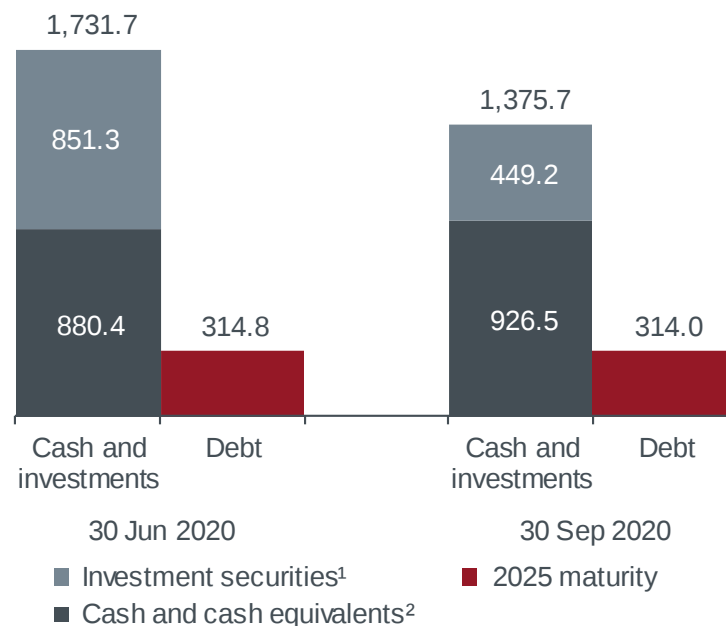
Note: See adjusted financial measures reconciliation on slides 28 and 29 for additional information.

Balance sheet

Strong liquidity position

- Significant decrease in investment securities due to third-party investment resulting in deconsolidation of certain seed products
- At 30 September 2020, cash and investment securities totalled US\$1,376m compared to outstanding debt of US\$314m
- Board declared a dividend of US\$0.36 per share to be paid on 23 November to shareholders on record at the close of business on 9 November

Balance sheet profile – carrying value (30 Jun 2020 vs 30 Sep 2020) (US\$m)



¹ Includes seed investments of US\$763.2m (including investment securities of consolidated variable interest entities of US\$632.2m), investments related to deferred compensation plans of US\$82.8m and other investments of US\$5.3m as at 30 June 2020; includes seed investments of US\$354.9m (including investment securities of consolidated variable interest entities of US\$158.4m), investments related to deferred compensation plans of US\$88.9m and other investments of US\$5.4m as at 30 September 2020.

² Includes cash and cash equivalents of consolidated variable interest entities of US\$43.8m and US\$17.5m as at 30 June 2020 and 30 September 2020, respectively.

Q&A

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Appendix

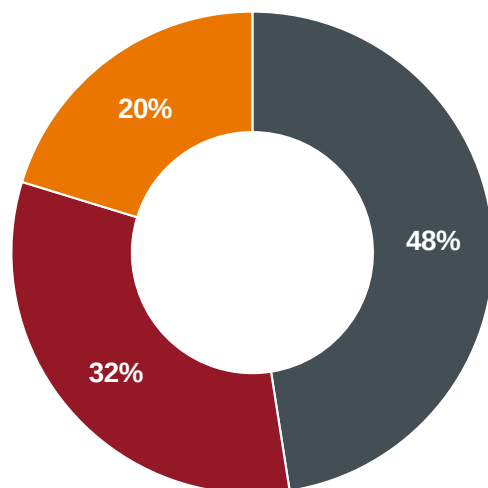


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Assets under management as at 30 Sep 2020

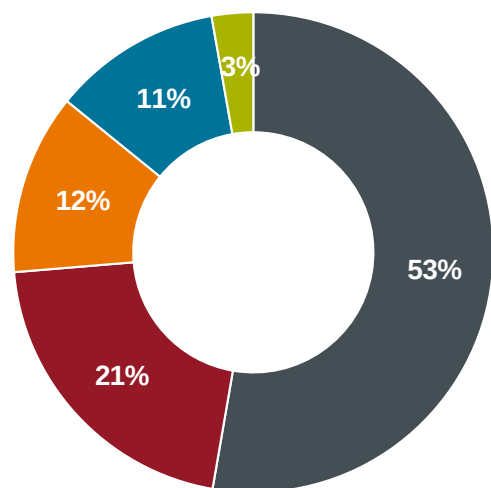
AUM: US\$358.3bn

By client type



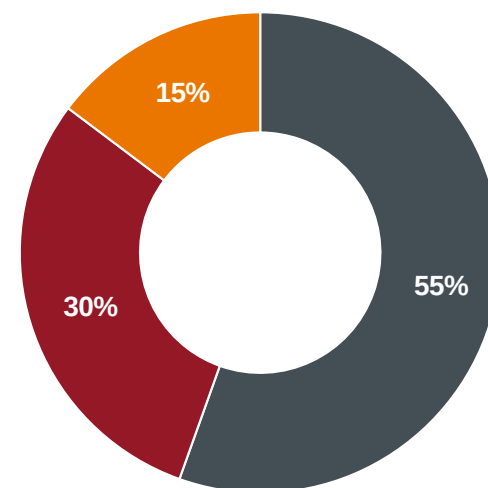
■ Intermediary	US\$170.3bn
■ Institutional	US\$115.4bn
■ Self-directed	US\$72.6bn

By capability



■ Equities	US\$188.9bn
■ Fixed Income	US\$75.1bn
■ Multi-Asset	US\$43.6bn
■ Quantitative Equities	US\$40.7bn
■ Alternatives	US\$10.0bn

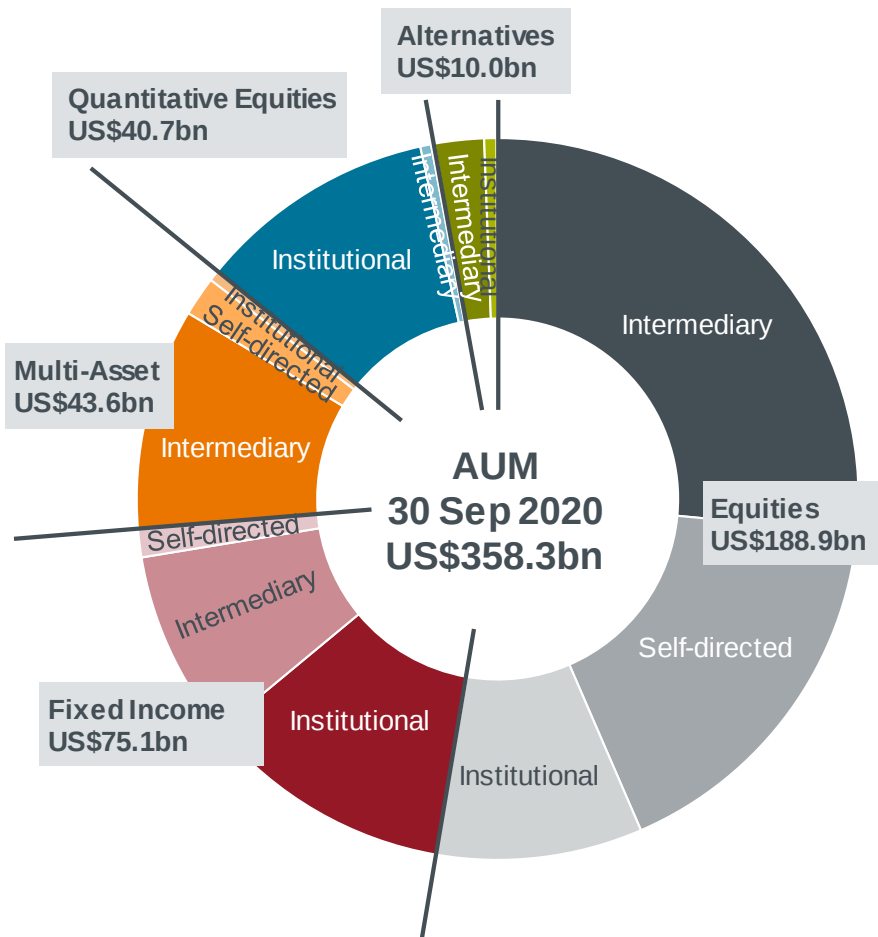
By client location



■ North America	US\$198.7bn
■ EMEA & LatAm	US\$106.8bn
■ Asia Pacific	US\$52.8bn

Investment management capabilities

Diversified product range



Equities

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

Fixed Income

- Innovative and differentiated techniques designed to support clients as they navigate each unique economic cycle

Multi-Asset

- Provides a range of diversified core investment solutions with the aim of delivering attractive returns over the long term with lower levels of volatility

Quantitative Equities

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

Alternatives

- Investment solutions aimed at delivering specific outcomes tailored to meet the needs and constraints of clients

Largest strategies by capability

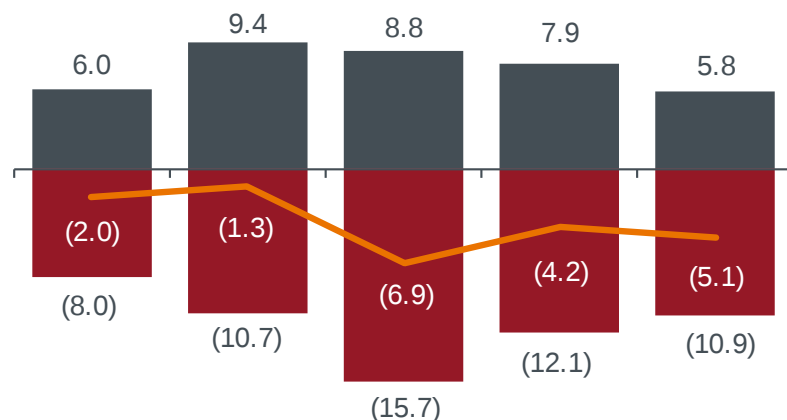
Capability	Strategy	AUM (US\$bn) 30 Sep 2020
Equity	US Mid Cap Growth	26.0
	US Concentrated Growth	22.1
	US Research Growth Equity	18.6
	Global Life Sciences	11.8
	US SMID Cap Growth	11.8
Fixed Income	Absolute Return Income	11.3
	Buy & Maintain Credit	10.4
	Global Strategic Fixed Income	8.6
	Core Plus Fixed Income	7.4
	Australian Fixed Income	5.3
Quantitative Equities	Intech Global Large Cap Core ex-Japan - ESG	9.2
	Intech Global Large Cap Core	5.2
	Intech US Enhanced Plus	4.3
	Intech US Broad Large Cap Growth	2.9
	Intech US Large Cap Growth	2.5
Multi-Asset	Balanced	37.9
	UK Cautious Managed	1.4
	Global Adaptive Capital Appreciation	0.6
	Multi Manager Managed	0.4
	Global Diversified Growth	0.3
Alternatives	UK Large Cap Absolute Return Equity	5.0
	Property	2.5
	Europe Large Cap Long/Short	0.5
	Global Commodities	0.5
	Multi Strategy Liquidity Risk Premia	0.3
Total		207.0

Note: Numbers may not cast due to rounding.

Flows: Equities and Fixed Income

Equities (US\$bn)

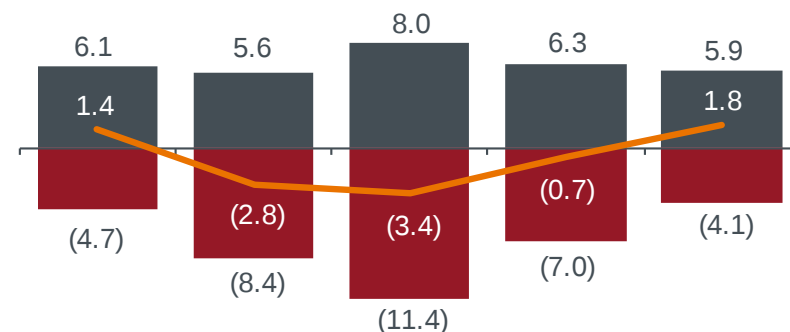
Annualised gross sales¹



Annualised gross redemptions¹



Fixed Income (US\$bn)



■ Sales ■ Redemptions — Net sales / (redemptions)

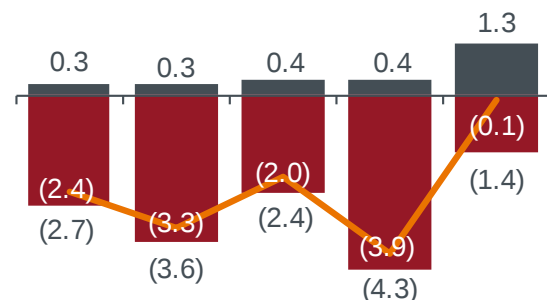
¹ Annualised gross sales and redemption rates calculated as a percentage of beginning period AUM.

Flows: Quantitative Equities, Multi-Asset and Alternatives

Quantitative Equities (US\$bn)

Annualised gross sales¹

2% 3% 4% 5% 13%



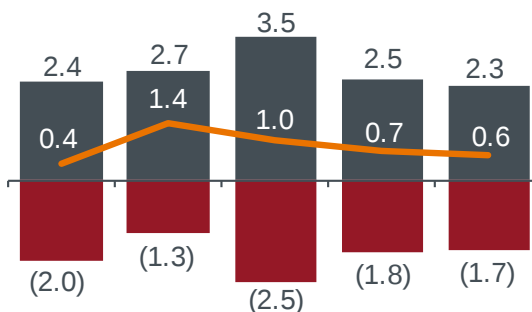
Annualised gross redemptions¹

(22%) (31%) (22%) (50%) (14%)

3Q19 4Q19 1Q20 2Q20 3Q20

Multi-Asset (US\$bn)

27% 29% 36% 29% 22%

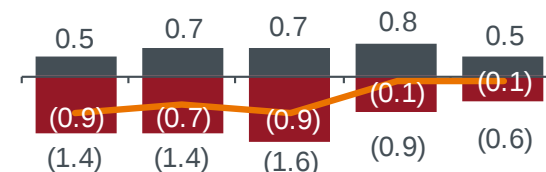


(22%) (14%) (26%) (21%) (17%)

3Q19 4Q19 1Q20 2Q20 3Q20

Alternatives (US\$bn)

16% 24% 25% 36% 23%



(45%) (49%) (58%) (40%) (24%)

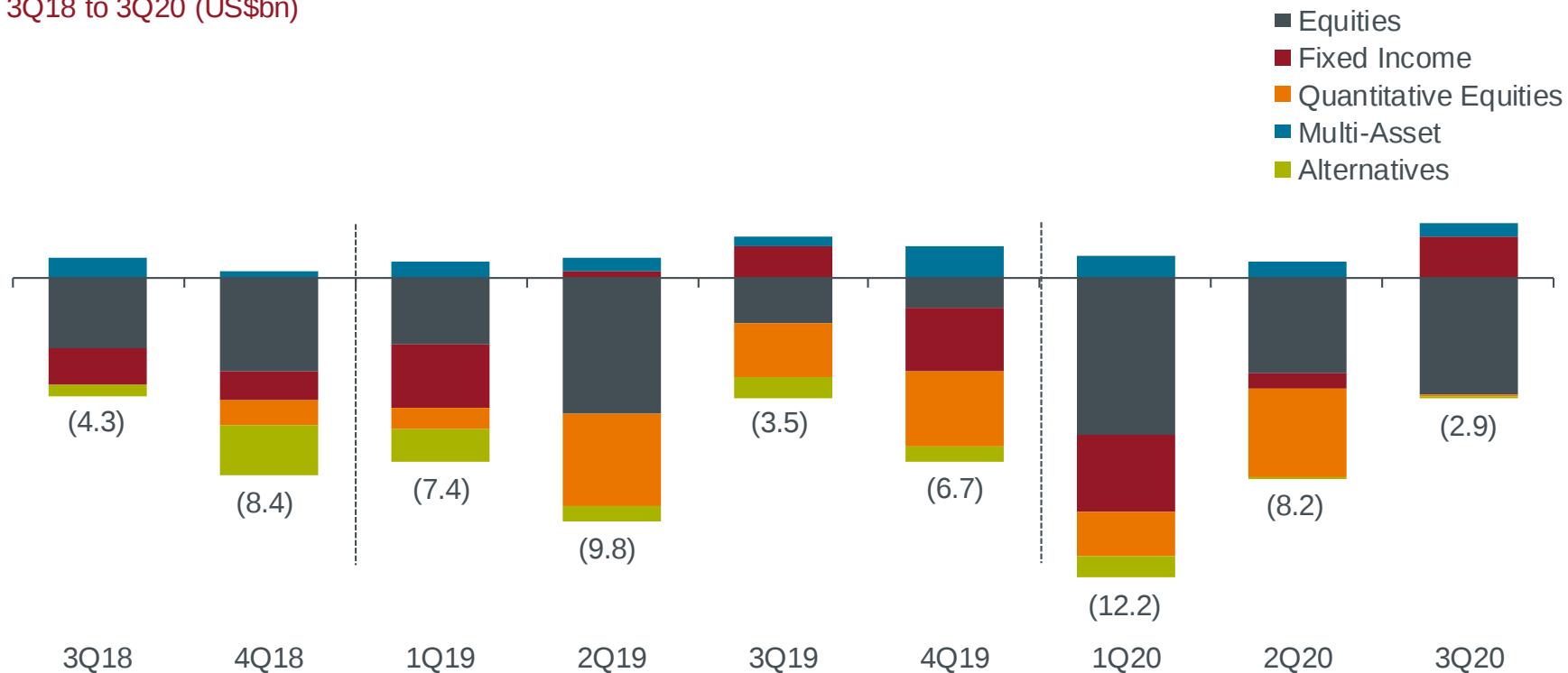
3Q19 4Q19 1Q20 2Q20 3Q20

■ Sales ■ Redemptions — Net sales / (redemptions)

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

Total net flows by capability

Total net flows by capability
3Q18 to 3Q20 (US\$bn)



AUM and flows by capability

All data in US\$bn	Equities	Fixed Income	Quantitative Equities	Multi-Asset	Alternatives	Total
AUM 30 Jun 2019	191.3	73.5	47.6	35.1	12.3	359.8
Sales	6.0	6.1	0.3	2.4	0.5	15.3
Redemptions	(8.0)	(4.7)	(2.7)	(2.0)	(1.4)	(18.8)
Net sales / (redemptions)	(2.0)	1.4	(2.4)	0.4	(0.9)	(3.5)
Market / FX	(1.1)	0.1	0.4	0.8	(0.4)	(0.2)
AUM 30 Sep 2019	188.2	75.0	45.6	36.3	11.0	356.1
Sales	9.4	5.6	0.3	2.7	0.7	18.7
Redemptions	(10.7)	(8.4)	(3.6)	(1.3)	(1.4)	(25.4)
Net sales / (redemptions)	(1.3)	(2.8)	(3.3)	1.4	(0.7)	(6.7)
Market / FX	17.1	2.6	2.9	2.1	0.7	25.4
AUM 31 Dec 2019	204.0	74.8	45.2	39.8	11.0	374.8
Sales	8.8	8.0	0.4	3.5	0.7	21.4
Redemptions	(15.7)	(11.4)	(2.4)	(2.5)	(1.6)	(33.6)
Net sales / (redemptions)	(6.9)	(3.4)	(2.0)	1.0	(0.9)	(12.2)
Market / FX	(43.2)	(6.1)	(8.6)	(5.3)	(0.8)	(64.0)
Acquisitions / (disposals)	(4.0)	0.0	0.0	(0.2)	0.0	(4.2)
AUM 31 Mar 2020	149.9	65.3	34.6	35.3	9.3	294.4
Sales	7.9	6.3	0.4	2.5	0.8	17.9
Redemptions	(12.1)	(7.0)	(4.3)	(1.8)	(0.9)	(26.1)
Net sales / (redemptions)	(4.2)	(0.7)	(3.9)	0.7	(0.1)	(8.2)
Market / FX	33.5	5.6	6.8	4.3	0.3	50.5
Reclassification ¹	(0.1)	0.0	0.0	0.0	0.1	0.0
AUM 30 Jun 2020	179.1	70.2	37.5	40.3	9.6	336.7
Sales	5.8	5.9	1.3	2.3	0.5	15.8
Redemptions	(10.9)	(4.1)	(1.4)	(1.7)	(0.6)	(18.7)
Net sales / (redemptions)	(5.1)	1.8	(0.1)	0.6	(0.1)	(2.9)
Market / FX	14.9	3.1	3.3	2.7	0.5	24.5
AUM 30 Sep 2020	188.9	75.1	40.7	43.6	10.0	358.3

¹ Reflects reclassification of an existing fund from Equities to Alternatives.

Investment performance

% of AUM outperforming benchmark

Capability	3Q19			4Q19			1Q20			2Q20			3Q20		
	1yr	3yr	5yr	1yr	3yr	5yr	1yr	3yr	5yr	1yr	3yr	5yr	1yr	3yr	5yr
Equities	75%	74%	80%	67%	76%	80%	43%	69%	70%	52%	54%	64%	38%	53%	71%
Fixed Income	63%	94%	90%	82%	84%	92%	48%	55%	61%	83%	87%	96%	88%	92%	97%
Quantitative Equities	39%	26%	25%	37%	40%	16%	35%	28%	9%	23%	22%	9%	64%	8%	8%
Multi-Asset	90%	91%	93%	91%	91%	93%	86%	87%	93%	93%	91%	94%	93%	93%	95%
Alternatives	96%	99%	100%	94%	99%	100%	95%	97%	97%	96%	96%	99%	97%	97%	100%
Total	70%	74%	78%	69%	76%	77%	50%	65%	66%	60%	62%	68%	58%	61%	73%

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 30 Sep 2020, 30 Jun 2020, 31 Dec 2019 and 30 Sep 2019, and 6% of AUM as at 31 Mar 2020. Capabilities defined by Janus Henderson.

Mutual fund investment performance

% of mutual fund AUM in top 2 Morningstar quartiles

Capability	3Q19			4Q19			1Q20			2Q20			3Q20		
	1yr	3yr	5yr	1yr	3yr	5yr	1yr	3yr	5yr	1yr	3yr	5yr	1yr	3yr	5yr
Equities	84%	79%	87%	88%	87%	77%	60%	85%	78%	59%	56%	76%	60%	68%	76%
Fixed Income	53%	53%	55%	70%	55%	56%	75%	82%	70%	77%	86%	74%	76%	78%	72%
Quantitative Equities	97%	57%	97%	22%	22%	19%	37%	57%	46%	3%	60%	8%	4%	30%	4%
Multi-Asset	87%	88%	89%	93%	89%	90%	91%	91%	92%	90%	92%	92%	91%	92%	92%
Alternatives	38%	37%	56%	36%	74%	95%	98%	60%	98%	98%	100%	96%	100%	100%	100%
Total	78%	74%	82%	83%	82%	76%	69%	84%	79%	67%	67%	78%	68%	74%	78%

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, 82%, 82%, 86%, 86% and 88% of total mutual fund AUM were in the top 2 Morningstar quartiles for the 10-year periods ended 30 Sep 2019, 31 Dec 2019, 31 Mar 2020, 30 Jun 2020 and 30 Sep 2020, respectively. For the 1-, 3-, 5- and 10-year periods ending 30 Sep 2020, 58%, 62%, 58% and 69% of the 201, 193, 184 and 147 total mutual funds, respectively, were in the top 2 Morningstar quartiles.

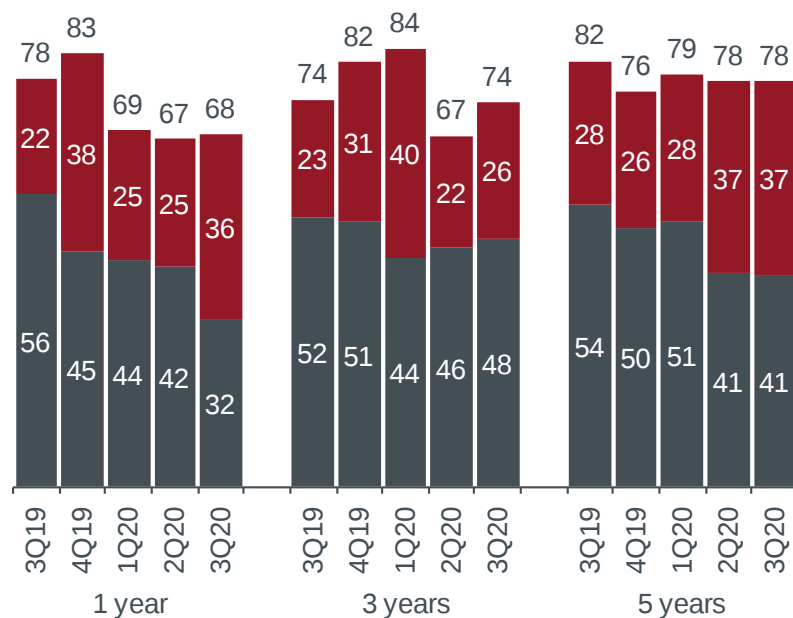
Analysis based on 'primary' share class (Class I Shares, Institutional Shares or share class with longest history for US Trusts; Class A Shares or share class with longest history for Dublin based; primary share class as defined by Morningstar for other funds). Performance may vary by share class. Rankings 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. © 2020 Morningstar, Inc. All Rights Reserved.

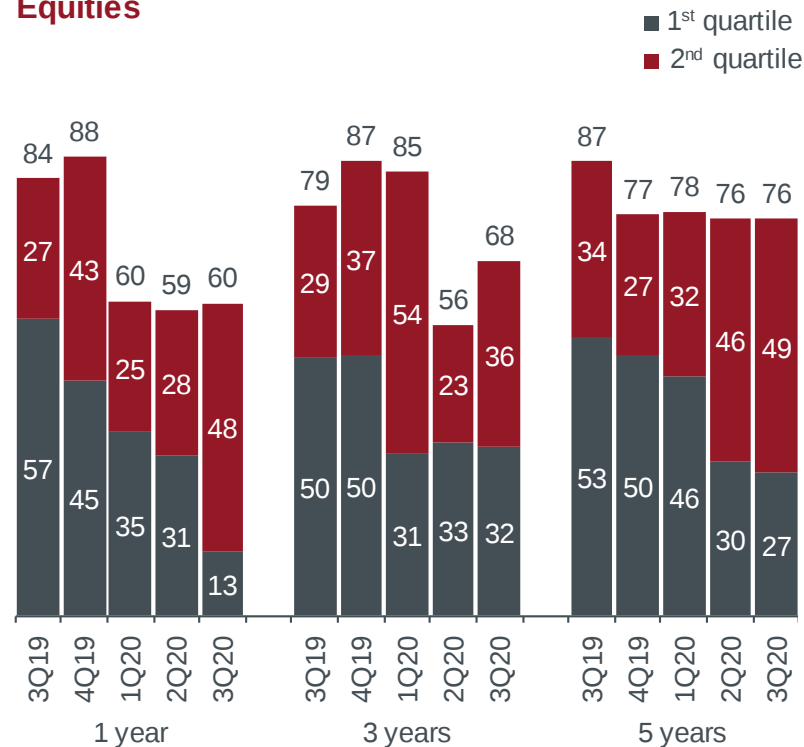
Mutual fund investment performance (cont'd)

% of mutual fund AUM in top 2 Morningstar quartiles

Group



Equities

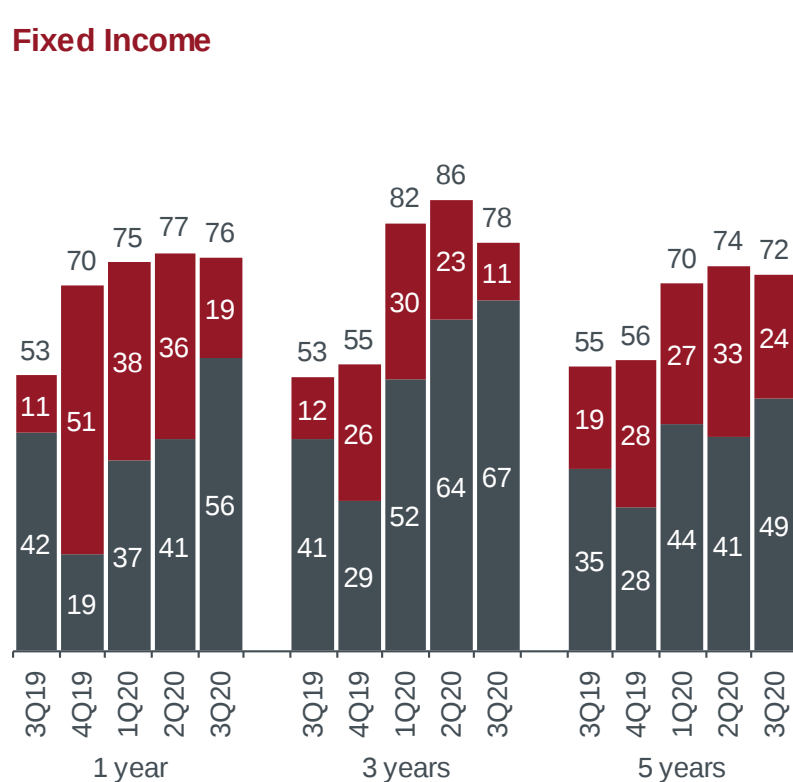


Note: Full performance disclosures detailed on slide 22. Numbers may not cast due to rounding.

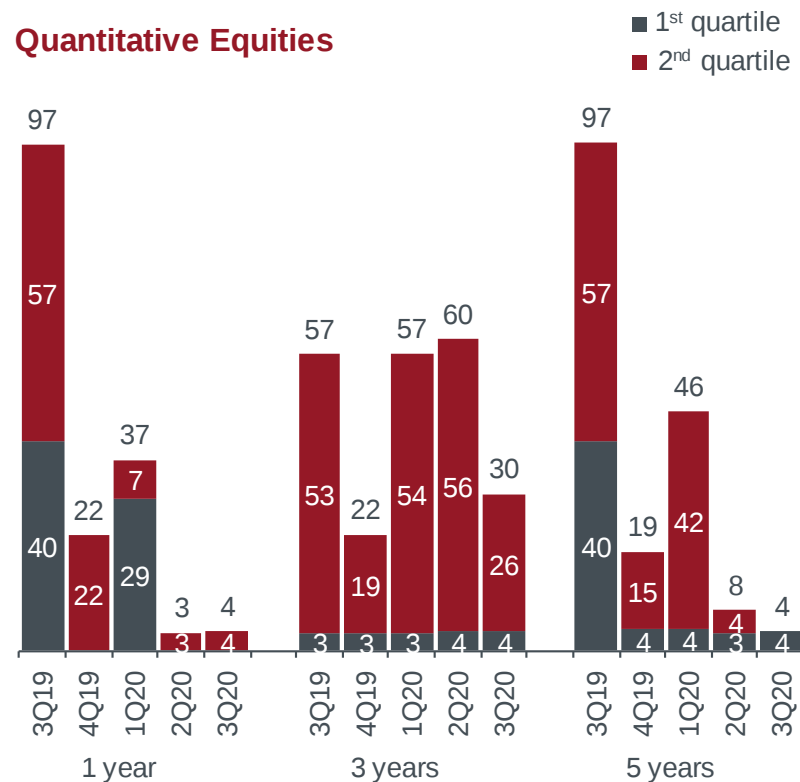
Mutual fund investment performance (cont'd)

% of mutual fund AUM in top 2 Morningstar quartiles

Fixed Income



Quantitative Equities

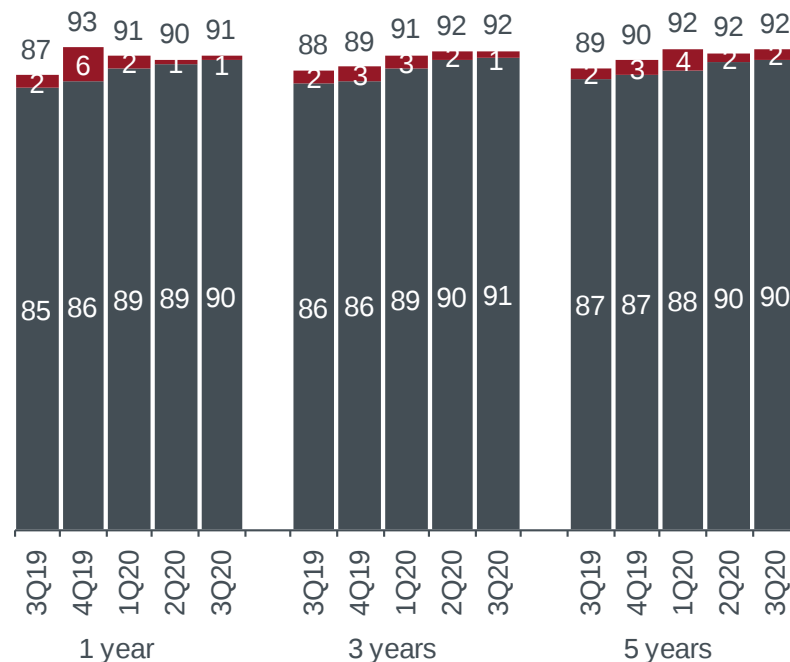


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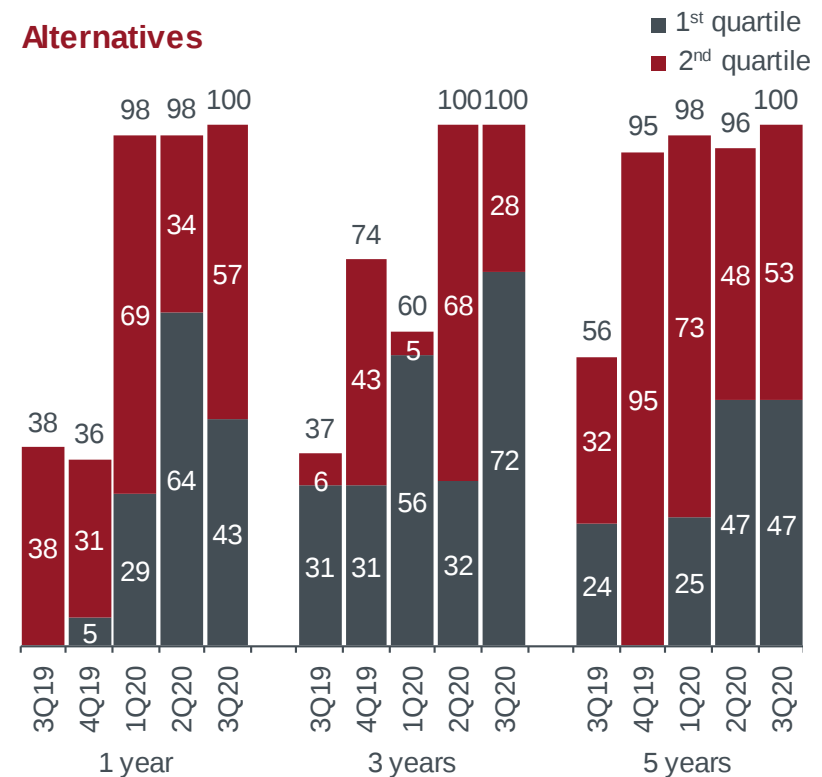
Mutual fund investment performance (cont'd)

% of mutual fund AUM in top 2 Morningstar quartiles

Multi-Asset



Alternatives



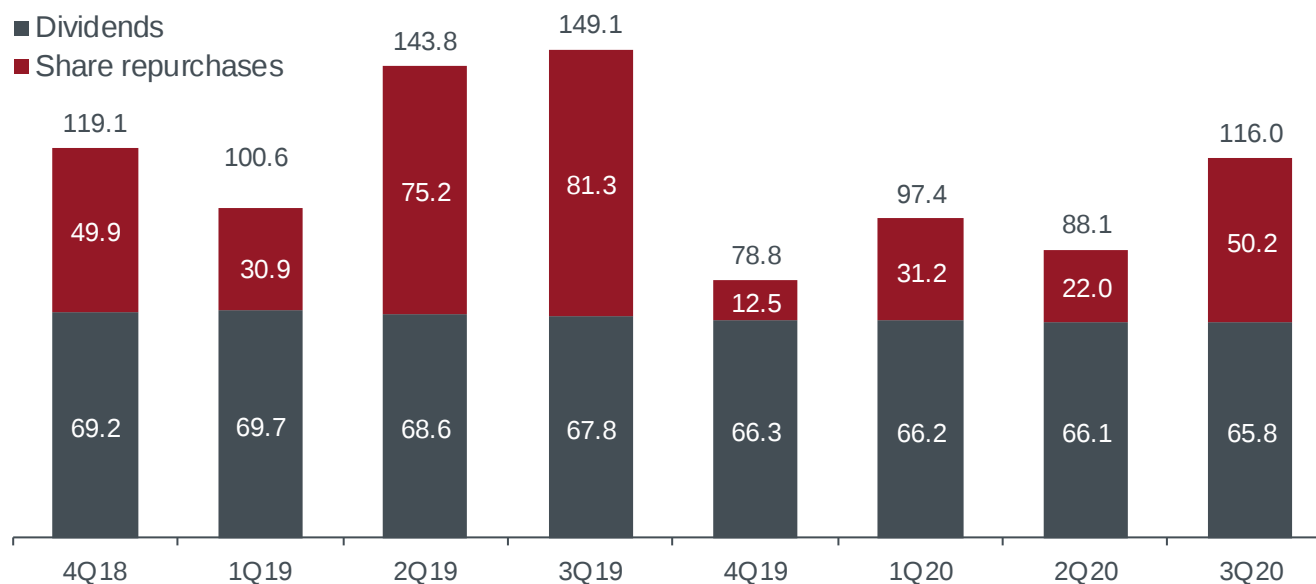
Note: Full performance disclosures detailed on slide 22. Numbers may not cast due to rounding.

Capital management

Continued commitment to return of capital – over US\$300m year to date

Quarterly capital return

4Q18 to 3Q20



Dividend paid / share	\$0.36	\$0.36	\$0.36	\$0.36	\$0.36	\$0.36	\$0.36	\$0.36
Shares repurchased (m)	2.2	1.3	3.5	4.2	0.5	2.1	1.1	2.4
Total shares outstanding ¹ (m)	196.4	195.2	191.6	187.5	187.0	184.9	183.9	181.4

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

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

US GAAP: statement of income

US\$m, except per share data or as noted	3 months ended		
	30 Sep 2020	30 Jun 2020	30 Sep 2019
Revenue			
Management fees	457.7	407.7	446.2
Performance fees	7.0	17.2	1.4
Shareowner servicing fees	53.7	47.3	39.3
Other revenue	50.1	45.8	49.1
Total revenue	568.5	518.0	536.0
Operating expenses			
Employee compensation and benefits	154.9	145.8	147.9
Long-term incentive plans	42.7	49.1	42.2
Distribution expenses	118.8	104.7	102.8
Investment administration	13.1	12.6	11.2
Marketing	5.3	3.7	5.5
General, administrative and occupancy	65.6	58.0	67.6
Impairment of goodwill and intangible assets	—	26.4	—
Depreciation and amortisation	11.6	11.0	15.2
Total operating expenses	412.0	411.3	392.4
Operating income	156.5	106.7	143.6
Interest expense	(3.2)	(3.2)	(3.5)
Investment gains, net	25.5	50.3	4.0
Other non-operating income (expense), net	(0.9)	8.6	4.7
Income before taxes	177.9	162.4	148.8
Income tax provision	(40.8)	(30.1)	(35.7)
Net income	137.1	132.3	113.1
Net income attributable to noncontrolling interests	(18.2)	(29.4)	(1.0)
Net income attributable to JHG	118.9	102.9	112.1
Less: allocation of earnings to participating stock-based awards	(3.5)	(3.0)	(3.1)
Net income attributable to JHG common shareholders	115.4	99.9	109.0
Diluted weighted-average shares outstanding (m)	178.8	182.1	188.3
Diluted EPS (in US\$)	0.65	0.55	0.58

Alternative performance measures

Reconciliation of adjusted financial measures

US\$m, except margin data	3 months ended		
	30 Sep 2020	30 Jun 2020	30 Sep 2019
Reconciliation of revenue to adjusted revenue			
Revenue	568.5	518.0	536.0
Management fees ¹	(47.9)	(40.2)	(45.6)
Shareowner servicing fees ¹	(42.8)	(39.0)	(30.4)
Other revenue ¹	(28.1)	(25.5)	(26.8)
Adjusted revenue	449.7	413.3	433.2
Reconciliation of operating expenses to adjusted operating expenses			
Operating expenses	412.0	411.3	392.4
Employee compensation and benefits ²	(0.3)	(0.5)	(5.4)
Long-term incentive plans ²	0.1	0.2	0.2
Distribution expenses ¹	(118.8)	(104.7)	(102.8)
General, administrative and occupancy ²	(3.5)	(2.8)	(4.1)
Impairment of goodwill and intangible assets ³	–	(26.4)	–
Depreciation and amortisation ³	(1.9)	(2.2)	(7.3)
Adjusted operating expenses	287.6	274.9	273.0
Adjusted operating income	162.1	138.4	160.2
Operating margin	27.5%	20.6%	26.8%
Adjusted operating margin	36.0%	33.5%	37.0%

Note: Reconciliation to be used in conjunction with slide 29. Footnotes included on slide 30.

Alternative performance measures (cont'd)

Reconciliation of adjusted financial measures

US\$m, except per share data	3 months ended		
	30 Sep 2020	30 Jun 2020	30 Sep 2019
Reconciliation of net income attributable to JHG to adjusted net income attributable to JHG			
Net income attributable to JHG	118.9	102.9	112.1
Employee compensation and benefits ²	0.3	0.5	5.4
Long-term incentive plans ²	(0.1)	(0.2)	(0.2)
General, administrative and occupancy ²	3.5	2.8	4.1
Impairment of goodwill and intangible assets ³	–	26.4	–
Depreciation and amortisation ³	1.9	2.2	7.3
Interest expense ⁴	–	–	0.4
Investment gains, net ⁴	–	–	(1.0)
Other non-operating income (expense), net ⁴	(0.5)	(0.6)	(0.2)
Income tax benefit (provision) ⁵	5.6	(7.4)	(3.2)
Adjusted net income attributable to JHG	129.6	126.6	124.7
Diluted earnings per share (in US\$)	0.65	0.55	0.58
Adjusted diluted earnings per share (in US\$)	0.70	0.67	0.64

Note: Reconciliation to be used in conjunction with slide 28. Footnotes included on slide 30.

Alternative performance measures (cont'd)

Footnotes to reconciliation of adjusted financial measures

- ¹ JHG contracts with third-party intermediaries to distribute and service certain of its investment products. Fees for distribution and servicing related activities are either provided for separately in an investment product's prospectus or are part of the management fee. Under both arrangements, the fees are collected by JHG and passed through to third-party intermediaries who are responsible for performing the applicable services. The majority of distribution and servicing fees collected by JHG are passed through to third-party intermediaries. JHG management believes that the deduction of distribution and service fees from revenue in the computation of adjusted revenue reflects the pass-through nature of these revenues. In certain arrangements, JHG performs the distribution and servicing activities and retains the applicable fees. Revenues for distribution and servicing activities performed by JHG are not deducted from GAAP revenue.
- ² Adjustments primarily represent integration costs in relation to the Merger, including severance costs, legal costs and consulting fees. JHG management believes these costs are not representative of 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. Adjustments also include impairment charges of our goodwill and certain mutual fund investment management agreements and client relationships. JHG management believes these non-cash and acquisition-related costs are not representative of the ongoing operations of the Group.
- ⁴ Adjustments primarily relate to contingent consideration adjustments associated with prior acquisitions and increased debt expense as a consequence of the fair value uplift on debt due to acquisition accounting. JHG management believes these costs are not representative of the ongoing operations of the Group.
- ⁵ The tax impact of the adjustments is calculated based on the applicable US or foreign statutory tax rate as it relates to each adjustment. Certain adjustments are either not taxable or not tax-deductible.

Performance fees

	3Q20 (US\$m)	2Q20 (US\$m)	2Q19 (US\$m)	AUM generating 3Q20 pfees (US\$bn)	# of funds generating 3Q20 pfees	Frequency	Timing
SICAVs	2.8	9.2	–	3.4	2	22 annually; 3 quarterly	22 at June; 3 on quarters
Offshore Absolute Return	0.1	–	0.2	0.1	1	Quarterly / Annually	Various
Segregated Mandates ¹	3.2	9.3	2.5	3.7	6	Quarterly / Annually	Various
UK OEICs & Unit Trusts	6.4	2.3	–	1.8	2	Quarterly	Various
US Mutual Funds ²	(5.5)	(3.6)	(1.3)	51.6	17	Monthly	Monthly
Total	7.0	17.2	1.4				

Note: Performance fees include prior quarter accrual true-ups. Numbers may not cast due to rounding.

¹ Segregated Mandates includes Private Accounts, Managed CDOs and Private Equity.

² AUM data presents US Mutual Fund AUM subject to performance fees as at 30 September 2020. 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 2020 US\$m	Benchmark	Base fee	Performance fee ²	Performance cap/(floor) vs benchmark	3Q20 P&L impact US\$'000
Forty Fund and Portfolio	18,414	Russell 1000® Growth Index	0.64%	± 15 bps	± 8.50%	(787)
Research Fund and Portfolio	18,049	Russell 1000® Growth Index	0.64%	± 15 bps	± 5.00%	(5,516)
Global Research Fund and Portfolio	3,756	MSCI World Index SM	0.60%	± 15 bps	± 6.00%	1,218
Contrarian Fund	3,091	S&P 500® Index	0.64%	± 15 bps	± 7.00%	459
Small Cap Value Fund	3,063	Russell 2000® Value Index	0.72%	± 15 bps	± 5.50%	(175)
Mid Cap Value Fund and Portfolio	2,508	Russell Midcap® Value Index	0.64%	± 15 bps	± 4.00%	(963)
Overseas Fund and Portfolio	1,804	MSCI All Country World ex-U.S. Index SM	0.64%	± 15 bps	± 7.00%	278
Global Real Estate Fund	652	FTSE EPRA / NAREIT Global Index	0.75%	± 15 bps	± 4.00%	135
Global Value Fund	107	MSCI World Index SM	0.64%	± 15 bps	± 7.00%	(76)
Large Cap Value Fund	83	Russell 1000® Value Index	0.64%	± 15 bps	± 3.50%	(41)
Small-Mid Cap Value Fund ³	53	Russell 2500 TM Value Index	0.70%	± 15 bps	± 5.00%	(3)
Asia Equity Fund	28	MSCI All Country Asia ex-Japan Index SM	0.92%	± 15 bps	± 7.00%	(0)
Total	51,607					(5,470)

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

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 Until 1 August 2022, the Fund's performance during the portion of the performance measurement period prior to 1 August 2019 will be compared to the Fund's former benchmark, the Russell 3000® Value Index.

Long-term incentive compensation

Estimated future long-term incentive compensation amortisation

US\$m	Amount remaining to expense	2020	2021	2022	2023	2024
2017 annual grant	5	5	–	–	–	–
2018 annual grant	28	23	5	–	–	–
2019 annual grant	68	46	19	3	–	–
2020 annual grant	131	65	43	19	3	1
Other ¹	74	25	23	14	8	4
Total long-term incentive compensation	306	164	90	36	11	5

Note: Annual grants generally vest over three and four years. Assumed no forfeitures in future periods. Assumed no change in future values related to market or currency, which would impact expense related to cash-based awards (MFSAs, DIP and DEP funds) and social security expense upon vesting.

¹ 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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