

# INVESTED IN CONNECTING





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Connections enable strong relationships with clients based on trust and insight as well as the flow of ideas among our investment teams and our engagement with companies, all of which allow us to make a positive difference.

These connections are central to our values as a firm, to what active management stands for and to the outperformance we seek to deliver.

## **Why Janus Henderson**

### **Active because active matters**

We selectively invest in what we believe are the most compelling opportunities. Our investment teams are free to form their own views and seek to actively position portfolios to connect clients with their financial objectives.

### **Global strength to deliver local solutions**

We offer true global reach with a presence in all major markets, combined with the responsiveness, tailored solutions and personal touch you would expect from a local partner.

### **Empowering clients through Knowledge Shared**

We connect our clients with insights and knowledge that empower them to make better investment and business decisions.



## BUSINESS HIGHLIGHTS

2021 was a year marked by continued progress on our strategy of Simple Excellence, as we launched new products in focus areas of growth, strengthened our leadership with key hires and improved our operating platform. Global markets and investment performance drove an 8% year-over-year increase in assets under management (AUM) to a record US\$432.3 billion, despite challenging net outflows of US\$16.2 billion. Investment performance remained solid, distribution continued to gather momentum, as seen in our flow trends throughout 2021, and our financial results were strong, allowing us to increase capital returns to shareholders through both dividends and share buybacks.

3-year investment outperformance<sup>1</sup> (%)

# 58%



Assets under management (US\$bn)

# 432.3



US GAAP diluted EPS<sup>2</sup> (US\$)

# 3.59



US GAAP operating margin<sup>2</sup> (%)

# 29.8%



Adjusted diluted EPS<sup>3</sup> (US\$)

# 4.28



Adjusted operating margin<sup>3</sup> (%)

# 43.5%



Net new money growth<sup>4</sup> (%)

# (4)%



Dividend per share (US\$)

# 1.50



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#### Notes

In accordance with the Australian Securities and Investment Commission Corporations Instrument 2016/191, amounts in this Annual Report have been rounded to the nearest US\$0.1 million, unless otherwise stated.

1. Investment performance data represents percentage of AUM outperforming the relevant benchmark over three years. See page 2 for additional time periods. Full performance disclosures are detailed on the inside back cover.
2. In March 2020, the World Health Organization declared the novel coronavirus a pandemic. Our financial results were directly impacted by volatility in the global financial markets. This resulted in the recognition of a US\$513.7 million goodwill and intangible asset impairment charge during the year ended 31 December 2020.
3. See adjusted financial measures reconciliation on Form 10-K pages 44 to 46 for additional information.
4. Calculated as total flows divided by beginning of period AUM.

# GROUP AT A GLANCE

Janus Henderson is an independent global asset manager, specialising in active management. We offer a broad range of investment solutions across all major asset classes to a client base around the world.

## Our values

<b>OUR PURPOSE</b> We exist to help our clients achieve their long-term financial goals	<b>WE PUT OUR CLIENTS FIRST</b>	<b>We aim to be a partner our clients can trust:</b> Working to deliver excellence in both investment returns and service
	<b>WE ACT LIKE AN OWNER</b>	<b>We aim to be a responsible custodian for our owners:</b> Taking pride in delivering stable and consistent financial returns based on long-term investments and a deep understanding of our clients
	<b>WE SUCCEED AS A TEAM</b>	<b>We aim to create a collaborative environment:</b> Fostering a culture where our colleagues support each other to thrive and achieve their personal and professional goals

## Assets under management (AUM)

Capability	AUM (US\$bn)	Percentage of AUM outperforming benchmark			
		1 year	3 years	5 years	10 years
<b>Equities</b> Wide range of equity strategies encompassing different geographic focuses and investment styles.	<b>244.3</b> 2020: 219.4	39%	37%	68%	81%
<b>Fixed Income</b> Innovative and differentiated techniques designed to support clients as they navigate each unique economic cycle.	<b>79.6</b> 2020: 81.5	91%	96%	96%	98%
<b>Multi-Asset</b> Provides a range of diversified core investment solutions with the aim of delivering attractive returns over the long term with lower levels of volatility.	<b>59.7</b> 2020: 48.0	99%	96%	96%	97%
<b>Quantitative Equities</b> Quantitative Equity manager Intech® applies advanced mathematics and systematic portfolio rebalancing intended to harness the volatility of movements in stock prices.	<b>38.0</b> 2020: 42.0	8%	58%	53%	21%
<b>Alternatives</b> Investment solutions aimed at delivering specific outcomes tailored to meet the needs and constraints of clients.	<b>10.7</b> 2020: 10.7	91%	100%	100%	100%
<b>Total assets under management</b>	<b>432.3</b> 2020: 401.6	54%	58%	76%	84%

Note: Investment performance data represents percentage of AUM outperforming the relevant benchmark. Full performance disclosures detailed on the inside back cover. All data as at 31 December 2021, unless stated otherwise.

## Investments by capability

We offer expertise across all major asset classes, with investment teams situated around the world.

➔ For more information go to page 10.

## Corporate social responsibility (CSR)

In our business operations, we are committed to acting responsibly, not only in the way we invest and engage with our clients, but also in supporting our employees, managing our impact on the environment and contributing to the communities in which we work.

➔ For more information go to page 14.

## Global geographic distribution

We have strong distribution platforms and deep client relationships in the US, UK, Continental Europe, Japan and Australia, and an evolving business in Latin America and the Middle East.

### North America

Established North American distribution network serving a diverse set of clients across financial intermediaries, institutions and self-directed channels.

Total AUM:  
**US\$241.0bn**

Investment professionals:  
**157**

Distribution professionals:  
**285**

### EMEA & Latin America

Strong retail and institutional client base in the UK with an established Investment Trust business. Strong relationships with global distributors in Continental Europe and growing institutional opportunities. The organic build-out of our Latin American business is gathering momentum.

Total AUM:  
**US\$132.3bn**

Investment professionals:  
**153**

Distribution professionals:  
**242**

### Asia Pacific

Strategic partnership with Dai-ichi Life and its partners helps to support our Japanese business. Australian distribution offers a suite of global and domestic capabilities. The wider Asian business continues to evolve, with growing brand presence.

Total AUM:  
**US\$59.0bn**

Investment professionals:  
**43**

Distribution professionals:  
**75**

## Simple Excellence

Strengthening our core foundation while maximising growth potential.

### DELIVERING ON OUR STRATEGY OF SIMPLE EXCELLENCE

**PRODUCE DEPENDABLE INVESTMENT OUTCOMES**  
**EXCEL IN DISTRIBUTION AND CLIENT EXPERIENCE**  
**FOCUS AND INCREASE OPERATIONAL EFFICIENCY**  
**PROACTIVE RISK AND CONTROL ENVIRONMENT**  
**DEVELOP NEW GROWTH INITIATIVES**

Simple Excellence lays the foundation for sustained organic and inorganic growth to create value for all our stakeholders: our clients, shareholders and employees

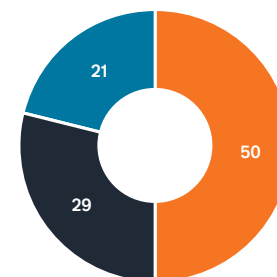
**POSITIVE FLOWS AND  
AUM GROWTH**

**REVENUE STABILITY  
AND PROFITABILITY**

## Assets under management

### AUM by client type (%)

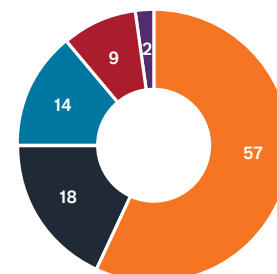
Our clients are financial professionals as well as private and institutional investors.



■ Intermediary US\$215.0bn  
 ■ Institutional US\$127.2bn  
 ■ Self-directed US\$90.1bn

### AUM by capability (%)

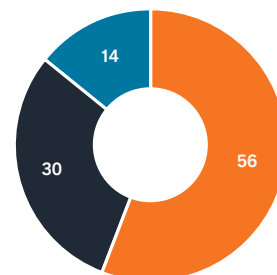
We manage assets diversified across five core investment capabilities.



■ Equities US\$244.3bn  
 ■ Fixed Income US\$79.6bn  
 ■ Multi-Asset US\$59.7bn  
 ■ Quantitative Equities US\$38.0bn  
 ■ Alternatives US\$10.7bn

### AUM by client location (%)

We manage assets for a globally diverse client base.



■ North America US\$241.0bn  
 ■ EMEA & Latin America US\$132.3bn  
 ■ Asia Pacific US\$59.0bn

# CHAIRMAN'S STATEMENT

“Janus Henderson has responded well operationally in 2021 to the challenges of COVID-19, and this alongside strong market returns helped to enable Janus Henderson to have a successful year.”

**Richard Gillingwater**, Chairman



## 2021 markets and business environment

2021 saw another year of considerable volatility in the markets, with fluctuations tied to microeconomic and macroeconomic factors and capricious market sentiment. The rollout of COVID-19 vaccines initially alleviated worry, yet new COVID-19 variants extended the duration of the pandemic and delayed a return to normalcy. As central banks continued the stimulus sparked by the pandemic and delayed quantitative tightening, geopolitical tensions, supply chain disruptions, labour shortages and high turnover, the demand for higher wages and the jump of long-dormant inflation exacerbated uncertainty. Despite these concerns, markets performed solidly in 2021 as investors remained optimistic of a post-pandemic economic recovery; the S&P 500 gained 26.9%, and notably hit 70 all-time highs during the year, and the FTSEurofirst 300 gained 23.0%.

## Business performance

Janus Henderson has responded well operationally in 2021 to the challenges of COVID-19, and this alongside strong market returns helped to enable Janus Henderson to have a successful year. Long-term investment performance remained solid, despite some mixed performance in 2021 across our diverse set of capabilities. With the assistance of both markets and investment performance, we were pleased to see assets under management finish the year at a record high of US\$432.3 billion, 8% higher than at the end of 2020. While we are encouraged by the progress we have made in recent years, we appreciate that our potential is much greater than our current financial results. This is most evident in our net flows, which, despite improving significantly in each of the past two years, remain negative overall. Total company net outflows of US\$16.2 billion improved versus US\$24.4 billion in 2020; excluding the impact of flows from our Quantitative Equities subsidiary Intech, the impending sale of which we announced in February 2022, net outflows were a much improved US\$4.2 billion in 2021 compared to US\$15.0 billion in 2020. With robust revenues and expense control, 2021 adjusted diluted EPS increased 42% compared to 2020 to US\$4.28, and our full-year adjusted operating margin increased to a record of 43.5% from 38.0% in 2020.

In addition to strong financial results, I am pleased with the continued headway we made in 2021 in delivering on our strategy of Simple Excellence centred on our strategic priorities – producing dependable investment outcomes, serving our customers with excellence, operating with efficiency, maintaining a proactive risk and control environment and developing new growth initiatives.

During the year, we made significant progress towards delivering on our first four strategic priorities which focus on building a strong and resilient foundation. This was evidenced by key personnel hires across Investments, Distribution and Operations, in addition to substantial investments in technology and enhanced data architecture across the business, including client-facing and portfolio management technology. These transformational technology projects are expected to significantly improve efficiency in delivering results for the firm's clients and to support a stronger, growing business.

Due to the significant progress made in achieving these priorities, our Board and management increased energy and focus on the fifth strategic priority: Develop new growth initiatives. Among the strategy's focus areas for growth, environmental, social and governance (ESG) was a critical component during the year; we increased efforts and investment in developing a robust ESG platform with key hires, technology advancements and launching of additional ESG products for clients. Of the 20 new products we launched globally, we launched a suite of five sustainable active ETFs in the US across Equities and Fixed Income as well as a US Sustainable Equity strategy and a Sustainable Technology fund in Europe. We expect to make additional investments to develop new growth initiatives over time, both organically and potentially inorganically to support growth.

## Financial strength and capital management

Janus Henderson's financial position and operating cash flows remain strong; the firm completed the year with net cash and investments, net of debt, of US\$1,347 million and 2021 cash flows from operations of US\$895 million. The Board's active, disciplined approach to managing the Group's cash and capital resources balances the capital needs and the investment opportunities of the business with shareholder interests, without emphasising the use of leverage. Along those lines, the Board approved a US\$0.02 increase in the quarterly dividend to US\$0.38 and the firm repurchased 11.4 million shares, or 6% of shares outstanding. Overall, the Group returned US\$628 million, or 70% of cash flows from operations, to shareholders through dividends and buybacks, demonstrating the Board's commitment of returning excess capital to shareholders.

## Corporate social responsibility

As a company, we are committed to acting responsibly, not only in the way we invest and engage with our clients, but also in supporting our colleagues, managing our impact on the environment and contributing to the communities in which we work. The Board recognises the importance of CSR in order to achieve long-term sustainable success, and we are pleased by the progress made during the year towards developing a comprehensive approach to ESG issues across the Company.

We appreciate that our clients, colleagues and shareholders are interested in how we manage sustainability within our business and culture. We remain committed to furthering our efforts, and we continue to implement policies, training, recruitment and recognition practices that help foster a diverse and inclusive environment. We have worked diligently to increase underrepresented talent in the workplace, setting measurable goals around specific demographic groups – such as increasing the number of women employees in senior leadership positions to 30%, after meeting our 2022 Women in Finance Charter goal of 25% in the UK as at 31 August 2021, and increasing the number of racial and ethnically diverse senior managers to 16% by 2023. We are also pleased to have been recognised for the past three years by the Bloomberg Gender-Equality Index and Human Rights Campaign Foundation's Corporate Equality Index for our inclusive practices.

We also remain steadfast in our commitment to reduce our impact on the environment, which continues to be reflected in our ongoing target to maintain carbon neutral emissions for all our global operations, which we have maintained since 2007. In 2019, we committed to reducing our carbon footprint by 15% per full-time employee over three years based on 2018 consumption. In 2021, we reached this target, and in 2022 we will be setting new targets using 2019 as a new baseline, as well as reviewing science-based targets and net zero targets across our business operations and travel.

We invite you to explore our 2021 Impact Report to be published later this month and the dedicated CSR section in the following pages of this document to explore additional accomplishments and undertakings.

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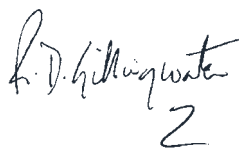
**“As a company, we are committed to acting responsibly, not only in the way we invest and engage with our clients, but also in supporting our colleagues, managing our impact on the environment and contributing to the communities in which we work.”**

## Conclusion

I would like to take the opportunity to express thanks to Dick Weil for his outstanding service to the firm over the past 12 years. As the leader of Janus Capital Group, Dick was integral in constructing the strategic partnership with Dai-ichi Life Holdings, Inc. and successfully executed the merger integration resulting in the Janus Henderson that we know today. Under his vision and stewardship, the Company has transformed into one of the world's leading active asset managers with steadfast investment principles and an unparalleled commitment to serving clients. Dick instilled a unified culture of excellence throughout Janus Henderson, and, as a result, we have built a global firm well positioned for continued growth, an exciting and impressive platform to build upon when a new CEO takes the helm. On behalf of the Board, I would like to also thank the Executive Committee for their strong leadership, support and resolve to ensure a seamless transition.

Through 2021 and early 2022, we were also pleased to welcome three new members to Janus Henderson's Board of Directors. Nelson Peltz and Edward Garden, who represent our largest shareholder Trian Partners, and Alison Davis add deep industry experience, fresh perspectives and valuable insights to complement members' skill sets. We are deeply thankful for the contributions of Tatsusaburo Yamamoto, Dick Weil and Glenn Schafer, who have stepped down, or announced they will do so, from their Board seats over the past year; their collaboration, experience and insights have helped transform Janus Henderson into the strong global franchise it is today.

In conclusion, I express my gratitude to my fellow Board members for their commitment, to our colleagues at Janus Henderson for their dedicated efforts, and to our clients and shareholders for their ongoing support. I am pleased by the progress made in the business in 2021, and the focus remains on building upon this momentum. As we enter 2022, there does not seem to be a moderation of market volatility, considering we are seeing lingering impacts of COVID strains, markets are reacting to central banks tightening monetary policy to soften steep inflation and geopolitical concerns remain. Nevertheless, we believe investors may focus more on fundamentals and the pace of economic growth, and I believe we are well prepared and are on the right path with the strong foundations for growth.



**Richard Gillingwater, Chairman**

# CHIEF EXECUTIVE OFFICER'S STATEMENT

"It has been a true privilege to lead Janus Henderson, and I am incredibly proud of all that our team has achieved over my 12 years with the Company."

**Richard Weil**, Chief Executive Officer



2021 was a year of significant progress towards our strategy of Simple Excellence. We launched new products in focus areas of growth. We strengthened our leadership with key hires. We improved our platform through significant technology and data upgrades and simplified our operating model through our focus on strategic initiatives. Our financial results were strong. We continued to generate significant cash flow and increased capital returns to shareholders through both dividends and share buybacks. As we enter 2022, we believe that the significant progress towards our strategic objectives and the momentum in our business positions the firm well on the path to sustained growth.

## 2021 results

Our financial results for the full year were strong and show significant improvement over the prior year. Our adjusted diluted EPS increased 42% over last year, which was a record for Janus Henderson. Our full-year adjusted operating margin also increased to a record of 43.5% from 38.0%

in 2020. Our increased profitability led us to generate US\$895 million in cash flow from operations in the 12 months to 31 December 2021, compared to US\$646 million in the prior year. This significant cash flow enabled us to reinvest in the business as well as to return US\$628 million to shareholders through a 4% increase in dividends per share and by repurchasing 6% of total shares outstanding.

Long-term investment performance remained solid in a very volatile year for global markets. As at 31 December 2021, 54%, 58%, 76% and 84% of assets beat their respective benchmarks over the one-, three-, five- and ten-year time periods<sup>1</sup>. With the benefit of markets, AUM ended up at US\$432.3 billion – a record high for us – despite challenging headline net outflows for the year. We did, however, experience good momentum in our flows compared to the prior year. In 2021, net outflows were US\$16.2 billion, compared to US\$24.4 billion in 2020. Excluding the impact of flows from our Quantitative Equities subsidiary Intech, the sale of which is expected to close in the first half of 2022, the improvement is

## About us

### 1930s

- **1934**  
Founded in the UK to administer the estate of Alexander Henderson

### 1960s

- **1969**  
Founded as a fundamental bottom-up equity investment manager

### 1980s

- **1983**  
Began trading on the London Stock Exchange (LSE)

- **1986**  
Opened investment office in Japan

- **1987**  
Began managing fixed income assets

### 1990s

- **1992**  
Henderson established as the UK's leading investment trust manager

- **1995**  
Opened office in Singapore

- **1998**  
Acquired by AMP (Australia)

- **1998**  
Established London Office

- **1999**  
Set up hedge fund business

### 2000s

- **2000**  
Opened office in Hong Kong

- **2000**  
Opened office in Hong Kong

- **2001**  
Started US mutual fund business

- **2003**  
Demerged from AMP and began trading on the LSE and the Australian Securities Exchange (ASX)



more marked; net outflows were US\$4.2 billion in 2021 compared to US\$15.0 billion in 2020. We haven't yet delivered the consistent organic growth which we aspire to, but it is a significant improvement.

### Simple Excellence: progress

During 2021, we continued to focus on the delivery of initiatives across our five Simple Excellence strategic pillars: 1) Produce dependable investment outcomes; 2) Excel in distribution and client experience; 3) Focus and increase operational efficiency; 4) Foster a proactive risk and control environment; and 5) Develop new growth initiatives.

Throughout the year, we continued to bolster our investment team with key hires and investments in technology to strengthen our risk-adjusted returns. We made critical senior appointments globally in sales, consultant relations and client experience that helped to expand our client base across products and regions and should serve to deepen our relationships with our clients.

Operating with discipline through efficiency and by proactively enhancing risk controls continues to be a priority. Throughout the year, we made additional, substantial investments in technology and data architecture, including our key front office technology through retooling our customer relationship management system and our investment teams' order management system. These transformational projects are expected to significantly improve our efficiency in delivering for our clients. In October 2021, we appointed James Lowry as Global Chief Operating Officer, and he has already made significant contributions in strengthening our infrastructure through additional platform upgrades and technology enhancements. As part of simplifying and strengthening our platform, in early 2021 we announced the reorganisation, rationalisation and full integration of our Perkins brand to better align with the changing needs of clients. As previously mentioned, in February 2022 we announced the management-led buyout of Intech, allowing Janus Henderson to focus on providing active, fundamental investing. We also made significant progress strengthening our risk model and relationships with regulators, resulting

in lower capital requirements, which has helped facilitate increased capital returns to our shareholders.

We made significant progress in developing new growth initiatives and had our most active year in launching new products. The Distribution and Product teams collaborated globally to launch more than 20 new and innovative products in our focus areas of growth in 2021, including active ETFs, ESG, Fixed Income and Alternatives. In addition to our product launches, we had some early successes in expanding our distribution channels by growing relationships with model portfolio providers in the US. We also continued to invest substantially in our ESG teams in investments and products. We grew the size of our central ESG team within investments from four people to a team of 15 people, and we made strides in our ESG data architecture, building a cloud-based approach to ESG data management, helping to ensure delivery of a consistent central data standard to support our front office applications. We view this as a key foundation in building a credible ESG platform for the long term.

### Retirement

In November 2021, I announced my intention to retire as CEO and as a member of the Company's Board, effective 31 March 2022. It has been a true privilege to lead Janus Henderson, and I am incredibly proud of all that our team has achieved over my 12 years with the Company. Together with my colleagues, we have built a strong operational and financial foundation, extended our product offering, created significant value for our clients and our shareholders alike, and we have successfully positioned the Company for future growth.



**Richard Weil, Chief Executive Officer**

1. Full performance disclosures detailed on the inside back cover. See page 2 for data by capability.

○ Henderson Group ● Janus Capital Group ○ Janus Henderson Group

## 2000s

- **2003**  
Began trading on the New York Stock Exchange (NYSE)  
  
Acquired Intech Investment Management and Perkins Investment Management as investment subsidiaries
- **2007**  
Opened office in Singapore
- **2009**  
Acquired New Star Asset Management Group in the UK

## 2010s

- **2011**  
Acquired Gartmore Group in the UK
- **2012**  
Launched alternatives business
- **2013**  
Opened office in Australia  
  
Acquired H3 Global Advisors in Australia
- **2014**  
Acquired ETF specialist VelocityShares

## 2010s

- **2015**  
Acquired Perennial Fixed Interest in Australia
- **2015**  
Acquired Australia-based, global absolute return fixed income specialist Kapstream Capital
- **2017**  
Merger of equals formed Janus Henderson Group plc, which began trading on the NYSE and ASX

## 2020s

- **2020**  
Global strength to deliver local solutions:
-  **2,000+** Employees
-  **25** Offices worldwide
-  **350+** Investment professionals

# INVESTMENT MANAGEMENT OVERVIEW

“Our primary goal is to maintain robust performance and meet client needs.”

**Enrique Chang**, Global Chief Investment Officer



## How would you characterise asset markets in 2021?

Beyond the obvious disruption caused by coronavirus, two dominant themes were the reflation and inflation narrative. By reflation, I mean the capacity for economies to return to growth, which was aided by the progressive rollout of vaccines. Equity markets generally rose in anticipation of the recovery in earnings, albeit punctuated by concerns around the delta and omicron coronavirus variants. There was bifurcation in markets, however, with many emerging markets struggling versus developed markets, while performance concentration in a few large stocks, together with violent swings between style factors, led to challenges. With regard to inflation, this had the biggest bearing on fixed income markets, as a shift in tone among leading central banks towards tighter monetary policy caused volatility.

## How was investment performance in 2021?

As the tables on pages 10 and 11 demonstrate, most of Fixed Income, Multi-Asset and Alternatives outperformed their benchmarks, cementing a consistent record over the medium to longer term. The weaker one-year relative performance for Equities owes much to an equity market in which performance was driven by a cohort of stocks that dominate certain benchmarks or which trade at multiples that require earnings growth beyond reasonable expectations. As a manager of diversified equity funds that apply valuation discipline when investing, this created challenges in beating benchmark indices in some of our US large cap and global equity portfolios. As such, while many portfolios delivered double-digit returns – and rankings against peers were reasonable – the benchmark relative numbers disappointed. Intech, the Quantitative Equities business, was similarly impacted. Intech's investment process produces portfolios designed to be better diversified than their target benchmarks, so the market concentration created a substantial headwind.

There were, however, some encouraging developments within Equities. Strong stock-picking led to a return to form in some of our sizeable US small- and mid-cap growth strategies, while in Europe, an assessment of relative valuations and economies reopening revived interest in several of our European strategies, with outperformance and strong inflows for our Euroland value strategy. Amid our specialist sector strategies, real estate equities continued to perform well and generated inflows, aided by global commercial real estate investment reaching record levels after the weakness in 2020.

Our Fixed Income capability navigated the 2021 volatility well, outperforming in most of the strategies, although absolute returns were dented by the capital decline associated with rising yields. Organic growth was achieved in many key strategies, including multi-sector income, high yield and strategic income products. The US fixed income team performed well, delivering solid relative outperformance amid a backdrop of shifting central bank policy. Meanwhile the Australian fixed income business built on its reputation for consistency and was named Money Management's Fund Manager of the Year in the Australian Fixed Income category.

Investors value consistency and our flagship Balanced strategy within Multi-Asset continued to deliver solid performance. With market volatility a perennial concern for investors, its asset mix resonated with investors looking to diversify risk, which, together with the team's reputation, led to substantial inflows. Within Alternatives, risk management is central to our absolute return strategies, and strategies determined their worth by reducing volatility and delivering positive returns. The multi-strategy capability performed well, and with inflows across its Cayman, UCITS and separately managed account vehicles, it demonstrated harmony between our solutions offering and distribution efforts.

## ESG investment principles for long-term investment success

As investment professionals, our first responsibility is, and always has been, to our clients' interests and goals – growing and smartly managing their capital and fulfilling our fiduciary responsibilities. In every market, client demand is also increasing for us to invest with processes that incorporate ESG and sustainability.

1. Investment portfolios are built with the aim of maximising long-term risk-adjusted returns for our clients.
2. Evaluation of ESG factors is a material component to achieving investment success.
3. Corporate engagement is vital to understanding and promoting sustainable business practices.
4. Investment teams should have the freedom to interpret and implement ESG factors in the way best suited to their asset class and investment strategy objective.

 For more information go to page 15.

### What stood out for you in 2021?

It was satisfying to deliver on several key objectives. Key among these was the deepening of our ESG capabilities, which Paul LaCoursiere, our Global Head of ESG Investments, discusses in more detail on page 15. We made significant progress on new research structures, strengthened processes, developed enhanced reporting and launched new investment vehicles.

We worked hard to ensure common purpose between the Investment and Distribution teams. We strengthened the links between investment desks and client communication by bolstering the client portfolio management teams and working with the Portfolio Construction Services team to bring analysis and solutions direct to financial intermediaries.

In fact, a strong collaborative culture across the firm has been critical to our success. Without the dedication of Legal, Operations, Technology, Sales and Marketing or Compliance – to name just a few of the teams involved – we simply could not have delivered the product launches or infrastructure modernisation that we did, nor kept on top of what was a demanding year in terms of regulatory change – and let's not forget much of this was achieved with lockdown rules in force.

### How important was innovation?

Asset markets are constantly in flux, so we need to keep abreast of that, but as investors we should also recognise our core competencies. Fortunately, we have a lot to choose from. Evidence of our strength in breadth is that the top 10 biggest institutional mandate wins in 2021 were each in a different strategy. During 2021 we worked in close partnership with clients to create solutions such as a portable alpha strategy for a leading insurer.

We have been successful at taking a team and nurturing strategies that are a natural fit, for example the development of Biotech from the Global Life Sciences Team or a US Sustainable Equity strategy to offer investors more regional specialisation within our global sustainable offering. Given the growing popularity of ETFs, we launched five sustainable ETFs that covered equities, natural resources and bonds. This sustainable ETF suite involves four investment teams across three continents, forming a nexus between our global investment coverage and investor demand for ESG investing. If we can become the go-to ETF manager for certain asset types or style factors, then this can become a major source of growth. For example, our mortgage-backed security ETF is valued at nearly at US\$900 million, having launched just three years ago.

### What are your priorities for 2022?

Our primary goal is to maintain robust performance and meet client needs. We are determined to strengthen our relationships with consultants and bring our solutions more prominently to an institutional audience. There is still work to be done on data management and reporting, which will bring improved efficiencies, but I am excited to see work nearing completion on the transformation of our Order Management System. I am also determined that we make investing as a career more accessible because in a changing world it is important that we capture diversity of thought. Thanks to initiatives such as the Greenwood Project and a newly created investment task force to address diversity, equity and inclusion, investments saw a 1% increase in women in investment professional roles and a 2% increase in ethnically diverse employees in 2021, but more can be done.

With central banks and governments embarking on a path to policy normalisation, one of the main drivers of capital market returns in recent years may become less supportive. This should create more opportunities for active managers to demonstrate their worth. Having spent the last few years shaping our solutions-based product offering, formalising processes and embedding ESG, we are in a strong position to meet clients' investment needs and grow organically.

# INVESTMENTS BY CAPABILITY

We offer expertise across major asset classes, with investment teams situated around the world.

## Equity

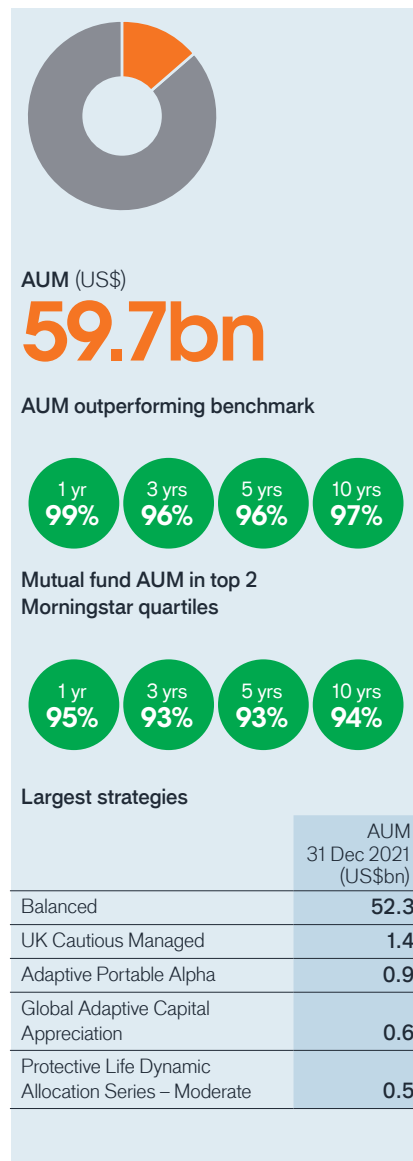
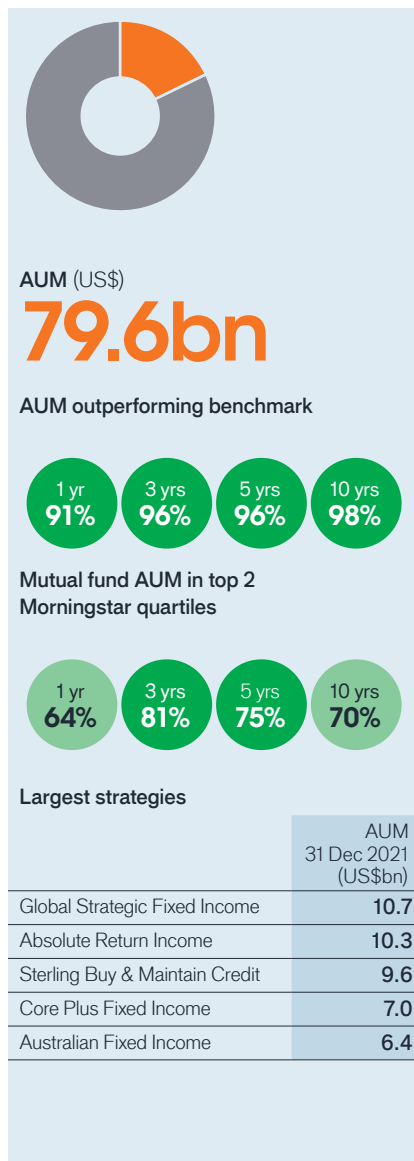
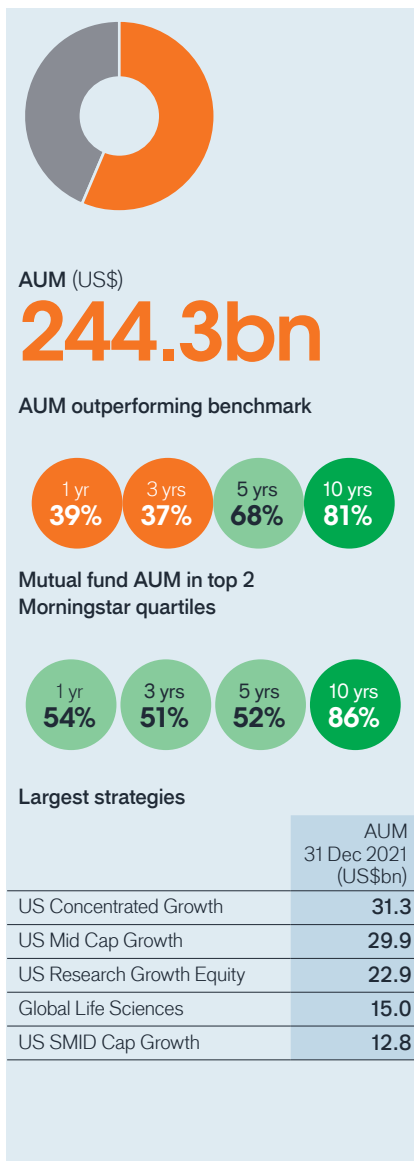
We offer a wide range of equity strategies encompassing different geographic focuses and investment styles. The teams include those with a global perspective, those with a regional focus – US, Europe, Asia Pacific and Emerging Markets – and those invested in specialist sectors. These teams generally apply processes based on fundamental research and bottom-up stock picking.

## Fixed Income

Our Fixed Income teams provide active asset management solutions to help clients meet their investment objectives. From core and multi-sector investing to more focused mandates, we offer innovative and differentiated techniques expressly designed to support our clients as they navigate each unique economic cycle. The capabilities of these teams are available through individual strategies or combined in custom-blended solutions.

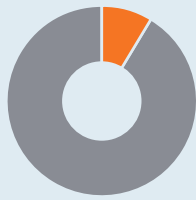
## Multi-Asset

Multi-Asset includes teams in the US and UK. The US-based teams manage US and global asset allocation strategies. The UK-based team has asset allocation specialists, traditional multi-manager investors and those focused on alternative asset classes.



## Quantitative Equities

Quantitative Equities business Intech applies advanced mathematics and systematic portfolio rebalancing intended to harness the volatility of movements in stock prices – a source of excess returns and risk control. With over 30 years of volatility expertise, the Intech team employs a distinctive quantitative approach based on observations of actual price movements, not on subjective forecasts of companies' future performance.



AUM (US\$)

**38.0bn**

AUM outperforming benchmark



Mutual fund AUM in top 2 Morningstar quartiles

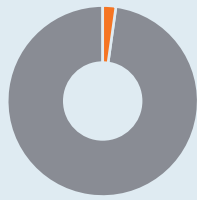


Largest strategies

	AUM 31 Dec 2021 (US\$bn)
Intech Global Large Cap Core ex-Japan – ESG	13.0
Intech US Enhanced Plus	4.1
Intech Global Enhanced Index ex-Australia ex-Tobacco 1% Risk	2.8
Intech Global Large Cap Core	2.3
Intech US Broad Equity Plus	2.0

## Alternatives

The Alternatives teams manage a range of investment solutions aimed at delivering specific outcomes tailored to meet the needs and constraints of clients. The team brings together specialised skills to manage multi-asset, absolute return investment solutions for clients within risk controlled frameworks.



AUM (US\$)

**10.7bn**

AUM outperforming benchmark



Mutual fund AUM in top 2 Morningstar quartiles



Largest strategies

	AUM 31 Dec 2021 (US\$bn)
Absolute Return Equity	5.3
UK Direct Property	1.5
Multi Strategy	1.1
Europe Large Cap Long/Short	0.7
Concentrated Pan Europe Equity	0.4

Note: AUM outperforming benchmark represents percentage of AUM outperforming the relevant benchmark. The top two Morningstar quartiles represent funds in the top half of their category based on total return. Full performance and ranking disclosures detailed on the inside back cover, including additional time periods and descriptions and quantities of assets and funds included in the analysis. Past performance is no guarantee of future results.

# DISTRIBUTION OVERVIEW

“Building on our belief in the ‘power of connection’, we look forward to continuing to strengthen long-lasting relationships with our clients and building new ones as we focus on delivering organic growth in 2022 and beyond.”

**Suzanne Cain**, Global Head of Distribution



## What were the key areas of focus for Distribution in 2021?

In last year’s Annual Report, I described our focus on building trust, establishing a clear global distribution roadmap and enhancing connectivity with clients. If 2020 was about laying foundations, 2021 was about building on those foundations with a focus on growth.

Against the shifting backdrop of COVID restrictions, we were delighted to be able to spend some time back in the office with colleagues and meet with clients in person. When this wasn’t possible, the virtual working environment served us well, and the commitment of our distribution teams to meeting client needs was outstanding. To be able to strengthen our Distribution team, capable of producing real ‘sales alpha’, we hired 11 talented senior people into key roles from top tier asset management and finance competitors.

Our focus for 2021 was again shaped by an updated roadmap setting out clear intentions for the year. The six pillars in 2021 were: 1) Global Products in Local Markets, 2) Client Experience & Simple Excellence, 3) Strategically Manage Client Relationships, 4) Data & Digital Advancement, 5) Embrace ESG and 6) Support and Retain our People. The roadmap sought to improve our clients’ experience, increase efficiencies and globalise processes as well as support global revenue initiatives. These pillars give our teams a clear direction of travel and coordinate efforts to support clients across not only Sales, Marketing and Product, but also Investments, Operations and Technology.

Our two revenue initiatives included our *Global Focus Strategy*: a focused commitment to capabilities most suited to meeting client needs relevant to current markets, and our *Strategic Account Programme (SAP)*: focusing resources on the largest global pockets of addressable assets and enhancing service to key clients. The successful Global Focus Strategy Initiative has seen an accelerated organic growth rate of 7% in assets under management for products included, which represents an increase of c.400 basis points (bps) in organic growth versus pre-inclusion levels. Additionally, we saw a positive revenue differential of 7bps between the gross sales and redemptions for products that are included, which contributed to positive revenue margin expansion.

## What were the key accomplishments?

Of note was the success of our EMEA and Latin American Intermediary team with an organic growth rate of 5.5% and over US\$3 billion of net new money. In Australia, Asia (ex-Japan) and Japan, our Intermediary teams saw a second consecutive year of positive net flows contributing a combined total of US\$2 billion, an organic growth rate of nearly 20%. A large contribution came from Australia with growing interest in our attractive Alternatives offerings. Within global institutional, we won a diverse set of mandates across products and regions. We also move into 2022 with a strong pipeline of ‘won but not funded’ business, reflecting the positive momentum for the long term.

Globalising our best practices was another key accomplishment. Notably, we worked hard to expand our award-winning Portfolio Construction Services (PCS) capability. With its roots in North America, we made new hires to begin to broaden the offering to Europe. The PCS team took centre stage in our new corporate positioning as they strengthen connections with clients by applying ‘whole of portfolio’ solutions analysis to seek to ensure better outcomes. It was gratifying to see our brand ‘*Invested in Connecting*’ and the initial roll-out awarded best marketing strategy by Gramerly Institute in North America. Client experience also remained firmly in the spotlight with a reboot of our initial programme, including the creation of our first portfolio manager ‘*avatar*’ to support our Global Sustainable Equity franchise. We also globalised our social media presence, taking us to more than 63,000 LinkedIn followers by year end.

Finally, we significantly advanced our ESG agenda and ambitions. This included meaningfully increasing resources, expanding our product offerings across the globe (including Article 8 and 9 classifications in Europe) and further strengthening our governance framework. We also demonstrated our commitment by leading a panel debate on decarbonisation and emerging markets at the Investment COP in Glasgow, speaking at industry and client events globally and actively contributing our insights on how ESG requirements could evolve. Our narrative on ESG is captured on our new ESG corporate web page that was launched in the second quarter of 2021. A key milestone was launching five sustainable ETFs in the US, showcasing the power of an active investment philosophy meeting the demand for investing with a sense of purpose.

### What are your expectations for 2022?

There was a huge amount to be proud of in 2021, and we expect this positive momentum to continue through 2022. While flows were challenging following our merger in 2017, these have been trending steadily upwards since the third quarter of 2020. The combination of an increase in the rate of gross sales and a reduction in redemptions gives us confidence that, while unlikely to be linear, the story of growth at Janus Henderson is very much in place for 2022.

We take confidence from the strength and breadth of our product offering and distribution footprint globally, both of which we will continue to develop in 2022. Interest remains strong in our core equity franchise. Our Global Sustainable Equity strategy, which celebrated its 30th anniversary in 2021, is well placed to meet client demand in a variety of vehicles. Our Life Sciences/Biotech offerings are seeing global interest and our Technology teams continue to offer investors a route into exciting

innovation themes. Growing interest in Emerging Markets and Natural Resources are also likely to be areas of client demand. Our broad Fixed Income platform is catering to a range of client needs globally, particularly within Strategic Bond, High Yield, Investment Grade and Absolute Return Income/Short Duration Income strategies. Our entirely active ETF platform saw new launches over the past year, including the five sustainable ETFs, but also preparing the launch of the highly differentiated ETF focused on B-BBB-rated CLOs in North America. Growing ETFs will continue to be a large area of focus for us. We also expect the differentiated approach of our Diversified Alternatives/Multi-Strategy teams to continue to find favour in 2022 as well as the long-held expertise of our multi-asset Balanced team.

This diverse range of product offerings, tactical product extension plans, a broadening of best practices and the strong pipeline in place mean we are excited about the opportunities ahead. Building on our belief in the 'power of connection', we look forward to continuing to strengthen long-lasting relationships with our clients and building new ones as we focus on delivering organic growth in 2022 and beyond.

## Global Distribution footprint

### Total AUM (US\$)

**432.3bn**

### Global distribution professionals

**602**

### EMEA & Latin America

AUM (US\$)

**132.3bn**

Distribution professionals

**242**

### North America

AUM (US\$)

**241.0bn**

Distribution professionals

**285**

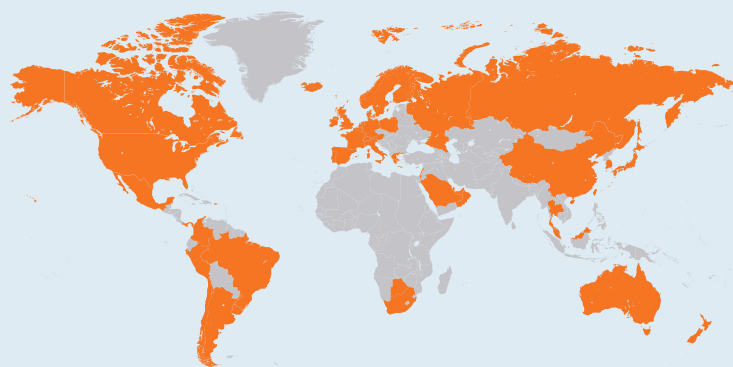
### Asia Pacific

AUM (US\$)

**59.0bn**

Distribution professionals

**75**



# CORPORATE SOCIAL RESPONSIBILITY

Janus Henderson is focused on acting responsibly, not only in the way we invest and engage with our clients, but also in supporting our employees, managing our impact on the environment and contributing to the communities in which we work.

## Governance of ESG at Janus Henderson

Being a global asset management organisation comes with important responsibilities. As an active manager, we believe that integrating environmental, social and governance (ESG) factors into our investment decision-making practices is fundamental to delivering the results clients seek. ESG investing demands active and ongoing engagement, and we are committed to maintaining a focus on long-term sustainability and returns. We also recognise that the ESG investment world is evolving, and we seek to partner with clients and act as a guide on that journey.

- At a corporate level, ESG principles influence our people, our culture and our choices, helping to make us a better company.
- At an investment level, we have integrated ESG factors into our analysis and processes, helping us to identify opportunities and risks, and influence positive change as we engage with companies.
- Recognising that there is a lack of consistency in ESG implementation and articulation across the industry, we seek to be clear in our communication as well as providing insight and education for our clients.

To help ensure that strategic issues relating to ESG are appropriately identified and managed across the firm in the best interest of our clients, Janus Henderson established an ESG Steering Committee during 2021. This body, which is chaired by Enrique Chang, our Global Chief Investment Officer, contains several members of our Executive Committee and senior representatives responsible for ESG activities within our Distribution and Investments teams. Under this ESG Steering Committee, individual initiatives have been created to ensure that:

- the ESG operating model within Investments continues to evolve;
- our funds and mandates respect emerging regulation pertaining to ESG; and
- there is sufficient awareness of the firm's activities relating to corporate social responsibility.

In addition to this governance structure, regular management meetings are organised around various topics relating to ESG. Janus Henderson's approach to incorporating ESG-related risks and opportunities into its management structure has broadly been to rely on the existing framework, rather than creating a parallel structure specifically for ESG. An exception to this has been decided for Investments, where an ESG Oversight Committee was set up in 2021. Other management committees with ESG-related responsibilities include the Diversity, Equity & Inclusion Committee, the Ethics and Conflicts Committee and the Proxy Voting Committee.





## Responsible investing



As a global active asset manager, we believe integrating ESG factors into our investment decision-making and ownership practices is fundamental to delivering the results clients seek. An issue as pressing as ESG investing demands active and ongoing engagement, and our heritage and expertise allow us to target long-term sustainable returns and positive outcomes. We also recognise that the ESG investment world is evolving, and we seek to partner with clients and act as a guide on that journey.

2021 was a breakthrough year for us in advancing our journey in embedding ESG at the heart of our investment proposition.

### Key accomplishments in 2021:

- Created a dedicated ESG investments team to promote ESG integration across Janus Henderson and serve as a resource for all investment teams. We grew the size of our central ESG team within Investments from four people to a team of 15 people. The three pillars of the central team comprise:
  - Governance & Stewardship team. This team was strengthened during the year and is focused on evolving the firm's engagement and voting policy and process, as well as leading on collaborative and thematic engagements.
  - ESG Investment Research team. This is a newly created team supporting investment desks with ESG research and insights.
  - ESG Strategy & Development team. This is also a newly created team with a focus on ESG data, product design and ESG thought leadership.
- Evolved our governance of ESG investment oversight through the formation of an ESG Investment Oversight Committee, chaired by our Global Head of ESG Investments. This committee is responsible for ensuring that the investments framework to manage ESG-related risks is adequate and effective.
- Updated our ESG investment policy by enhancing our voting and stewardship process and adding engagement expectations and exclusions.
- Strengthened our ESG data and tools by working with MSCI as a strategic ESG data partner alongside our existing ESG data providers and by building out our cloud-based infrastructure to automate and feed ESG data into front office and reporting systems.
- Continued to participate in select ESG industry initiatives to advance sustainability across responsible investment, impact, stewardship, climate change, governance, and disclosures and standards.
- Launched a range of five sustainable ETFs in the US and two funds in Europe that comply with Article 9 of the European Commission's Sustainable Finance Disclosure Regulation (SFDR). We also continued to focus on the roll-out of funds under Articles 8 and 9 of the SFDR with more to follow in 2022.
- Shared our insights on ESG with our clients through generating approximately 50 thought leadership pieces on ESG topics delivered via articles, white papers, podcasts, videos and panel debates.

For more information on our commitment to responsible investing, please read our ESG Corporate Statement and ESG Investment Principles online at [janushenderson.com](https://www.janus-henderson.com)

## Paul LaCoursiere Global Head of ESG Investments

When I took up the position as Global Head of ESG Investments at the beginning of 2021, I was excited by the firm's proactive attitude to ESG and recognition of its commercial importance. I was impressed by the foundation already in place and looked forward to helping evolve the ESG integration story across the global investment desks.

As the industry undergoes significant change, Janus Henderson is evolving to be well positioned to approach the opportunities on our clients' behalf. During the year we identified priorities, developed strategy and committed to significantly enhancing resources to support ESG activities across the business. Within investments, this meant evolving from the previous generalist model to a specialist model with skill sets grouped into three accountability pillars:

### 1. Governance & Stewardship

A Governance & Responsible Investment team has been in place since 2010 with a focus on supporting investment teams on governance, proxy voting advisory and ESG company engagement. The team continues to support these areas and now, with additional headcount, will also provide thematic engagement.

### 2. ESG Investment Research

The primary purpose of this newly created team, for which we made five new hires through the year, is to support a more consistent methodology for evaluating the ESG performance of issuers across our opportunity sets, with a focus on financial materiality. The group will present thematic/industry/region level analysis to inform the decision-making of our investment teams.

### 3. ESG Strategy & Development

This is a new team of specialists focusing on data, content, product design and investment desk support with advisory services on ESG investing across all asset classes. The group will help articulate our ESG approach and views for clients, supporting thought leadership and investment desks.

ESG-related regulation continues to evolve at a fast pace globally and requires vigilance and analysis. Alongside developments at a product level, we continued to share our thinking on ESG themes and developments. I was privileged to represent Janus Henderson as chair of a panel discussion at the Investment COP in Glasgow with academic, business and government experts from across the world discussing the opportunities and challenges that decarbonisation presents across emerging markets.

Looking ahead, it is clear ESG investing will continue to gather momentum and be a key consideration for investors. We believe open and meaningful debate on the opportunities and challenges is imperative. 2021 saw significant progress for Janus Henderson and the industry more widely, and we look forward to further evolution as we seek to ensure our offerings align with our clients' varying ESG objectives.

**CORPORATE SOCIAL RESPONSIBILITY CONTINUED**

**Our people**



Our commitment to our people is key to our way of life at Janus Henderson. Our people-driven culture and commitment to our mission allow us to create an inclusive environment where all employees can bring their authentic self to work. We invest time and resources in supporting the ambitions of our employees by reflecting their values and priorities in our work. Our workplace is built on trust, connections, collaboration and communication, and these fundamental principles are how we connect our employees to what matters.

We believe that through thoughtful conversations, intentional actions and a commitment to inclusion, we can continue to build upon the #StrongerTogether campaign launched in 2020. We fostered conversation around injustices, allyship and inequity. These conversations prompted us to go beyond diversity and inclusion and focus on equity to ensure we are aware of barriers and taking steps to remove those unintentional barriers.

**Key accomplishments in 2021:**

- Implemented a hybrid working model and evaluating a longer-term hybrid model to address the diverse needs of our employees.
- Encouraged by the strong trend of increasing employee engagement scores from our annual survey over the past three years, given the backdrop of our remote working model. Our score rose from 68% in 2019 to 78% in 2021, and we made positive progress in areas where opportunities to improve were identified in 2020.
- Focused on increasing underrepresented talent in the workplace and set five new measurable goals for specific demographic groups, including increasing the number of women employees in senior leadership positions to 30% and increasing the number of racial and ethnically diverse senior managers to 16% by 2023.
- Met our 2022 Women in Finance Charter target goal of 25% representation of women in senior management in the UK. We committed to a new goal of 30% (+/-5%) with a target date of 2023.
- Recognised for the past three years by the Bloomberg Gender-Equality Index and Human Rights Campaign Foundation's Corporate Equality Index for our inclusive practices.
- Our executives were recognised as LGBT Great Allies and we educated employees on the usage of pronouns and provided trans inclusion training.
- Provided Conscious Inclusion and Microaggressions in the Workplace training on a quarterly basis for employees, in addition to ensuring all new employees completed unconscious bias training.
- Created a high potential programme to invest in and reward high potential employees and develop our future leaders.
- Launched back-up child and adult care to support balancing work and family life when usual arrangements are not available.
- Enhanced various employee benefits relating to health & wellbeing, including launching new fitness passes, enhanced cover for mental health treatment and upgrades to US medical plans.
- Established new early careers partnerships with #10000BlackInterns, Catalyst Afterschool Project, upReach Social Mobility, Greenwood Project and College Track for 2021, as well as continued to offer an early careers programme for Summer 2021 through a virtual working model.
- Continued to improve our gender pay gap in 2021 versus 2020\*.

\* We take a global approach to managing compensation and strive to ensure that our compensation and reward programmes are externally competitive and internally equitable to support company strategy and to attract, motivate and retain talented employees. Our gender pay gap is driven by a greater proportion of men than women in the highest paying positions.

**Our diversity, equity and inclusion (DEI) strategy is centred around the following goals:**



Respect and honour our differences and maximise the value to our clients and our business



Improve our insights by taking advantage of learning opportunities that deepen our understanding



Attract and retain talented employees who bring different perspectives and experiences



Monitor our company DEI and supplier diversity metrics compared to industry best practices



Seek to understand our biases and not allow them to influence our decision-making process

**Gender and ethnic diversity in numbers**

	2019	2020	2021	Target by 2023
Women in the workplace	39%	39%	38%	42%
Women in senior management	27%	25%	23%	30%
Ethnic diverse employees in the workplace	16% <sup>1</sup>	22%	22%	28%
Ethnic diverse employees in senior management	12% <sup>1</sup>	11%	11%	16%

Source: Janus Henderson Global Employee Population.

1. Data was only captured in the US.

**Our environment and sustainability**



Climate change, biodiversity loss and pollution are some of the greatest challenges we face today, and Janus Henderson recognises that urgent action is imperative to prevent irreversible consequences to the planet. We are committed to reducing our environmental impact and embedding sustainable practices throughout our business.

### Key accomplishments and commitments in 2021:

- Maintain our CarbonNeutral® status, which we have maintained every year for the last 15 years. We see this as an important way of not only offsetting our unavoidable operational emissions, but also contributing to sustainable projects around the world.
- Reached our target of reducing our carbon footprint by 15% per full-time employee over three years, based on 2018 consumption. We reached this target using both actual emissions (which were lowered significantly due to the impact of COVID-19), as well as business-as-usual modelling (which is calculated by modelling our emissions to pre-COVID-19 levels).
  - In 2022, we intend to set new targets using 2019 as a new baseline, as well as review science-based targets methodology and net zero targets across our business operations.
- Improved our carbon data collection by including our water withdrawal and discharge, as well as waste and paper consumption.
  - In 2022, we will also be estimating our working-from-home emissions and reviewing employee commuting.
- Procured 100% renewable electricity in our head office in London and in Luxembourg. We also switched our Melbourne and Sydney offices to renewable electricity in 2021.
- Our 2021 CDP submission achieved a score of B-. We are committed to improving our score through reviewing our disclosures and practices.

### Emissions CO<sub>2</sub>e tonnes

	2019 baseline	2020	2021*
Scope 1 – Fuel	57	63	53
Scope 2 – Electricity	4,046	2,846	2,219
Scope 3 – Business travel, hotel stays, freight, paper consumption, water, waste	7,824	1,994	835
<b>Total</b>	<b>11,927</b>	<b>4,903</b>	<b>3,107</b>

\* 2021 data is in the process of verification.

### Solar Water Heating, India

Through our carbon offsetting portfolio, we contributed to high-quality, independently verified emission reduction and removal projects, as well as advancing the UN Sustainable Development Goals (SDGs).

Solar water heaters provide households, small- and medium-sized enterprises and institutions with an in-house hot water supply fuelled by renewable energy rather than carbon intensive grid electricity. The project is primarily focused on serving urban areas throughout the country and manufactures, distributes, installs and maintains solar water heaters for a variety of residential, commercial and community buildings. Distributing solar water heaters to domestic households helps to meet the energy needs of a growing population, while also promoting low carbon development.

SDGs advanced through this project:



### Our commUNITY



At Janus Henderson, we know that we are #StrongerTogether and that the biggest changes happen when we work together and across differences to achieve a common goal. Our outreach to the community is no different. Whether we are partnering with colleagues, clients or communities, it's our relationships and connections that allow us to make the biggest difference. We are leveraging our economic power to address global issues such as hunger, climate change, quality education and good health and wellbeing.

#### Select employee-led contributions:

- During the month of May, Janus Henderson colleagues came together through our global Month of Service to help organisations in our communities, by donating a combination of time and fundraising.
- Each employee receives eight hours of paid volunteer time per calendar year and in 2021 logged a combined 1,345 hours of community investment time.
- We made a donation of US\$60,000 to the Durrell Wildlife Conservation Trust, one of the world's leading conservation charities. This was inspired by the 30th anniversary of Janus Henderson's Global Sustainable Equity strategy.
- Through our annual Charity Challenge, employees sought funding for charities of their choice and channelled more than US\$200,000 through the Janus Henderson Foundation to employee-sponsored non-profit organisations. In 2021, the Janus Henderson Foundation added an additional category to the Charity Challenge which focused on COVID-19 relief efforts.

#### The Janus Henderson Foundation

The Janus Henderson Foundation is the primary charitable giving arm of the Janus Henderson Group. The Foundation seeks to make a difference in our community by helping youth achieve their full potential through access to better educational opportunities. We invest in innovative programmes that prepare our youth to achieve academic success and evolve to be the future leaders of tomorrow.

#### Select 2021 partnerships:

- Denver Scholarship Foundation (DSF). We partnered with DSF to create the Janus Henderson Scholarship, which was awarded to 12 Denver public school students who were first-generation college students pursuing a degree or certification in STEM, business, economics, accounting, marketing, communication and/or journalism. In 2021, we were able to support five additional scholars compared to 2020.
- Junior Achievement (JA) Titan Global. Prepares young people to succeed in a global economy, through virtual business simulations and a comprehensive economic, business management and financial curriculum. Janus Henderson has made a multi-year commitment to Junior Achievement to redesign the JA Titan Programme and is currently in year three of a six-year partnership.
- Innovations for Learning (IFL). 2021 marked the 10th year that Janus Henderson has partnered with global non-profit IFL. Grounded in the belief that learning to read is a basic right with the power to transform lives, IFL's programmes and services fuse technology, corporate volunteerism and intensive support to enable meaningful human interaction. In 2021, we finalised a grant of more than US\$182,000 so that IFL could expand their flagship TutorMate programme in the US and the UK to combat learning loss caused by the global pandemic.

For more information on our dedication to corporate social responsibility, please read our latest Impact Report online at [ir.janushenderson.com](http://ir.janushenderson.com).

# BOARD OF DIRECTORS

The Board comprises a Non-Executive Chairman, a Non-Executive Deputy Chairman, one Executive Director and nine other Non-Executive Directors.



## Richard Gillingwater

Chairman; Nominating and Corporate Governance Committee Chair

Richard Gillingwater has been a Non-Executive Director and Chairman of Janus Henderson since May 2017. He was a Non-Executive Director of the Henderson Group Board from February 2013 to May 2017, taking the position of Chairman in May 2013. He is currently the Chair of the Nominating and Corporate Governance Committee and a member of the Compensation Committee.

## Glenn Schafer

Deputy Chairman

Glenn Schafer has been a Non-Executive Director and Deputy Chairman of Janus Henderson since May 2017. He was an Independent Director of Janus Capital Group from December 2007 to May 2017, taking the position of Chairman in April 2012. He is currently a member of the Compensation Committee and the Nominating and Corporate Governance Committee.

## Richard Weil

Chief Executive Officer and Executive Director

Richard Weil is Chief Executive Officer of Janus Henderson and has been an Executive Director since May 2017. Mr Weil was Chief Executive Officer of Janus Capital Group from February 2010 to May 2017.

## Alison Davis

Independent Non-Executive Director

Alison Davis has been a Non-Executive Director of Janus Henderson since February 2021. Ms Davis is currently a member of the Audit Committee, the Nominating and Corporate Governance Committee and the Risk Committee.

## Kalpana Desai

Independent Non-Executive Director

Kalpana Desai has been a Non-Executive Director of Janus Henderson since May 2017. Ms Desai was a Non-Executive Director of Henderson Group from October 2015 to May 2017 and is currently a member of the Audit Committee, the Nominating and Corporate Governance Committee and the Risk Committee.

## Jeffrey Diermeier

Independent Non-Executive Director; Audit Committee Chair

Jeffrey Diermeier has been a Non-Executive Director of Janus Henderson since May 2017. Mr Diermeier was an Independent Director of Janus Capital Group from March 2008 to May 2017 and is currently the Chair of the Audit Committee and a member of the Nominating and Corporate Governance Committee and the Risk Committee.

→ Full biographies of the 10 directors nominated by the Board for election at the 2022 Annual General Meeting are set out on pages 14 to 18 of the Company's 2022 Proxy Statement under the heading 'Board Nominee Biographies'.



### **Kevin Dolan**

**Independent Non-Executive Director**

Kevin Dolan has been a Non-Executive Director of Janus Henderson since May 2017. Mr Dolan was a Non-Executive Director of Henderson Group from September 2011 to May 2017 and is currently a member of the Audit Committee, the Nominating and Corporate Governance Committee and the Risk Committee.

### **Lawrence Kochard**

**Independent Non-Executive Director;  
Compensation Committee Chair**

Lawrence Kochard has been a Non-Executive Director of Janus Henderson since May 2017. Mr Kochard was an Independent Director of Janus Capital Group from March 2008 to May 2017 and is currently the Chair of the Compensation Committee and a member of the Nominating and Corporate Governance Committee.

### **Eugene Flood Jr.**

**Independent Non-Executive Director; Risk Committee Chair**

Eugene Flood Jr. has been a Non-Executive Director of Janus Henderson since May 2017. Mr Flood was an Independent Director of Janus Capital Group from January 2014 to May 2017 and is currently the Chair of the Risk Committee and a member of the Audit Committee and the Nominating and Corporate Governance Committee.

### **Nelson Peltz**

**Independent Non-Executive Director**

Nelson Peltz has been a Non-Executive Director of Janus Henderson since February 2022. Mr Peltz is currently a member of the Nominating and Corporate Governance Committee.

### **Edward Garden**

**Independent Non-Executive Director**

Edward Garden has been a Non-Executive Director of Janus Henderson since February 2022. Mr Garden is currently a member of the Compensation Committee and Nominating and Corporate Governance Committee.

### **Angela Seymour-Jackson**

**Independent Non-Executive Director**

Angela Seymour-Jackson has been a Non-Executive Director of Janus Henderson since May 2017. Ms Seymour-Jackson was a Non-Executive Director of Henderson Group from January 2014 to May 2017 and is currently a member of the Compensation Committee and the Nominating and Corporate Governance Committee. She also chairs Henderson Global Holdings Asset Management Limited (a holding company of the legacy Henderson Group).

# GOVERNANCE OVERVIEW

An overview of governance structure, Board business and skills.

Janus Henderson views good corporate governance as essential to achieving the goals of the organisation. The Janus Henderson Board comprises a Non-Executive Chairman, a Non-Executive Deputy Chairman, one Executive Director and nine other Non-Executive Directors who met in London, Denver or virtually in 2021. All members of the Board have been determined to be independent, with the exception of CEO Dick Weil, who serves as the Board's sole Executive Director. The Board has delegated specific responsibilities to four standing Committees of the Board. A copy of the matters reserved to the Board is available on our website at [ir.janushenderson.com](http://ir.janushenderson.com) under 'Corporate Governance – Governance Policies & Statements'.

## Board business

The Board met throughout the course of the year. An overview of the topics addressed by the Board during the year is provided in the summary overleaf.

A typical Board agenda is ordered so that the strategic items and projects are considered first. Depending on the importance of the items, either regulatory or finance items are considered at the beginning, capital and budget items are considered next, followed by other business matters. The items that do not require detailed consideration or discussion are set out at the end of the agenda. Where possible, items are grouped together to ensure that the items flow according to topic and that management's time is used effectively when presenting. Board meetings often include presentations or training sessions from management on various topics throughout the year.

## Committees

Janus Henderson has four standing committees of the Board: Audit, Compensation, Nominating and Corporate Governance, and Risk. In addition, two special committees of the Board were established between 2020 and 2021 to oversee certain strategic matters. A summary of the responsibilities of each standing committee is set out below with further details, including the charter for each committee, available on our website at [ir.janushenderson.com](http://ir.janushenderson.com) under 'Corporate Governance – Governance Policies & Statements'.

All standing committees consist of members who have been determined by the Board to be independent and all members of the Audit Committee and Compensation Committee have been found to satisfy the additional independence requirements applicable to members of those committees under the NYSE listing standards.

### Audit

The Audit Committee is responsible for assisting the Board in, among other things: overseeing the integrity, reliability and appropriateness of our financial statements; reviewing the qualifications, independence and performance of our independent auditor (as well as being responsible for its appointment, reappointment and removal); assessing the performance and procedures of our internal audit function; obtaining reports from management and the independent auditor concerning the Company's compliance with legal and regulatory requirements and the requirements

of our Code of Business Conduct; reviewing and approving related party transactions in accordance with the Company's policies and procedures; overseeing our policies and procedures with respect to major financial risk exposures, coordinating with the Risk Committee, as appropriate; and monitoring the appropriateness and effectiveness of our internal systems and controls. The Board has determined that each member of the Audit Committee is financially literate and possesses accounting or related financial management expertise (as defined in the NYSE listing standards). The Board has also determined that each of Jeffrey Diermeier, Committee Chair, Alison Davis and Kalpana Desai qualifies as an 'audit committee financial expert' as defined under SEC rules.

### Compensation

The Compensation Committee is responsible for assisting the Board in, among other things: determining the compensation of our CEO and certain other executive officers; reviewing and recommending to the Board the compensation of our non-executive directors; reviewing the Company's compensation philosophy, strategy and principles; overseeing compliance with the compensation rules, regulations and guidelines of the NYSE, ASX and other applicable laws; establishing, amending and, where appropriate, terminating incentive compensation plans, equity-based plans and other bonus arrangements; and reviewing the Company's stock ownership guidelines for non-executive directors and members of our Executive Committee, and monitoring compliance with such guidelines. The committee is chaired by Lawrence Kochard.

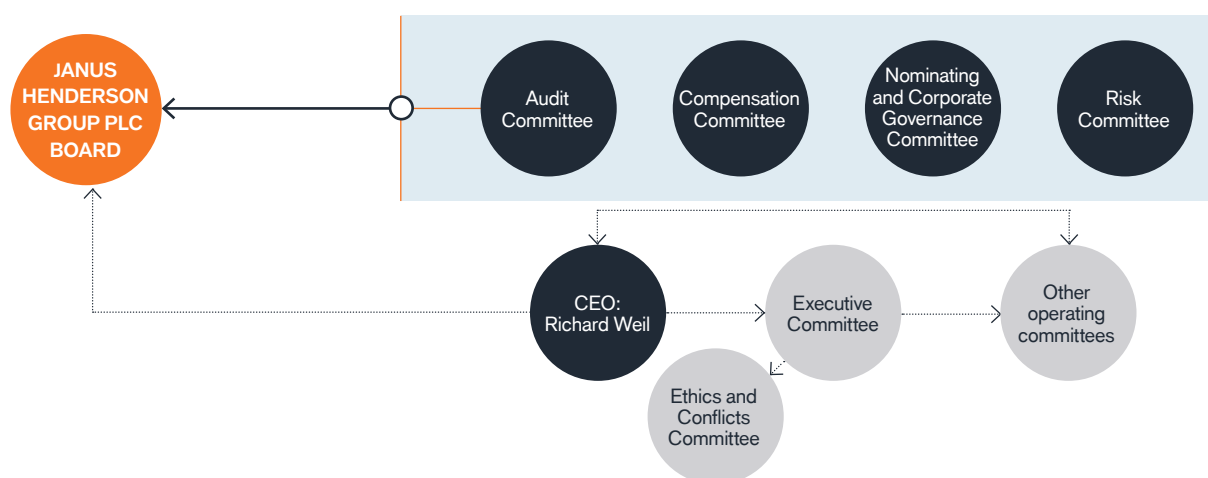
### Nominating and Corporate Governance

The Nominating and Corporate Governance Committee is responsible for assisting the Board in, among other things: identifying individuals qualified to become Board members, consistent with the criteria approved by the Board; recommending to the Board nominees for election and directors to serve on each standing Board committee; shaping the Company's corporate governance, including recommending to the Board any changes to our Corporate Governance Guidelines; overseeing the annual evaluation of the Board; and considering the size, composition, expertise and balance of the Board, as well as succession planning for non-executive directors and senior executives (including the CEO). The committee is chaired by Richard Gillingwater.

### Risk

The Risk Committee is responsible for assisting the Board in its oversight of risk, including by: helping ensure that the key risks facing the Company are covered and identified in a regular and timely fashion either by the committee, the Board or by one of the other Board committees; advising on the Company's risk profile and risk appetite in setting our future strategy; anticipating forward-looking and emerging risks that relate to the industry or the Company specifically, and monitoring these risks and considering mitigating actions on an ongoing basis; overseeing the effectiveness of the risk management procedures, and the principal risks and uncertainties relating to the Company and the steps being taken to mitigate them; and reviewing reports prepared by the Company's Chief Risk Officer. The committee is chaired by Eugene Flood Jr.

## Governance structure



## 2021 Director attendance at Board and Committee meetings

Ten Board meetings were held by the Janus Henderson Group plc Board during 2021, on: 3 and 23 February, 18 March, 28 to 29 April, 27 to 28 July, 7 October, 21 to 22 October, 26 to 27 October, 16 November and 9 December.

### Board and Committee meetings attended<sup>1</sup>

	Date appointed	Independence	Board	Audit	Compensation	Nominating and Corporate Governance	Risk	Special
Richard Gillingwater	30 May '17	✓	10/10	n/a	7/7	4/4	n/a	2/2
Glenn Schafer	30 May '17	✓	10/10	n/a	7/7	4/4	n/a	8/8
Richard Weil	30 May '17		10/10	n/a	n/a	n/a	n/a	n/a
Alison Davis <sup>2</sup>	16 Feb '21	✓	9/9	4/4	n/a	3/3	4/4	n/a
Kalpana Desai	30 May '17	✓	10/10	5/5	n/a	4/4	5/5	8/8
Jeffrey Diermeier	30 May '17	✓	10/10	5/5	n/a	4/4	5/5	6/6
Kevin Dolan	30 May '17	✓	10/10	5/5	n/a	4/4	5/5	n/a
Eugene Flood Jr.	30 May '17	✓	10/10	5/5	n/a	4/4	5/5	n/a
Lawrence Kochard	30 May '17	✓	10/10	n/a	7/7	4/4	n/a	2/2
Angela Seymour-Jackson	30 May '17	✓	10/10	n/a	7/7	4/4	n/a	2/2
Tatsusaburo Yamamoto <sup>3</sup>	30 May '17	✓	0/1	n/a	n/a	0/1	n/a	n/a

1. Nelson Peltz and Edward Garden were appointed to the Board in February 2022.

2. Alison Davis was elected to the Board effective 16 February 2021.

3. Tatsusaburo Yamamoto resigned as a Director on 4 February 2021.

**GOVERNANCE OVERVIEW CONTINUED**

<b>Board skills*</b>	Gillingwater	Davis	Desai	Diermeier	Dolan	Flood Jr.	Garden	Kochard	Peltz	Seymour-Jackson
Asset Management Industry										
Executive Leadership										
Strategy										
International										
Financial & Audit										
Risk & Compliance Oversight										
Client Focus										
Marketing & Distribution										
Public Company Governance										
Technology & Cyber										
Human Resources/Talent Management										
Mergers & Acquisitions										
Legal & Regulatory										

Significant Experience   
 Moderate Experience   
 Limited Experience

\* The Board skills matrix presents the experience of the 10 directors nominated by the Board for election at the 2022 Annual General Meeting.

**Board skills**

To guide the assessment of the skills and experience of the members of the Board, the Board uses the matrix above which shows the Board's current assessment of its skills coverage. A description of each skill follows: Asset Management Industry – experience working in the asset management industry; Executive Leadership – experience working as a CEO or other senior executive; International – experience working in global organisations and assessing, prioritising and executing business expansion into new countries; Financial & Audit – ability to understand and analyse financial statements and financial performance and to contribute to oversight of the integrity of financial reporting; Risk & Compliance Oversight – ability to identify key risks to the organisation in a wide range of areas and monitor risk management frameworks and systems; Client Focus – commercial and business experience, including development of products and services, and experience implementing changes to enhance the client experience; Marketing & Distribution – experience in formulating, executing or overseeing marketing and distribution strategies and plans; Public Company Governance – knowledgeable about public company corporate governance practices; Technology & Cyber – experience in digital technology, digital marketing, social media and cybersecurity; Human Resources/Talent Management – understanding of HR and personnel considerations for executive recruitment, compensation structure and performance review; Mergers & Acquisitions – experience in identification, assessment, valuation, negotiation and integration of mergers, acquisitions, joint ventures and divestments; and Legal & Regulatory – experience dealing with government, regulatory and legal issues.

**Training**

To ensure that Board members understand the Company and its industry and maintain and develop their expertise, the Board receives presentations from the management team on the Company's goals, strategy and the current competitive environment in addition to presentations on various

topics related to key industry trends, topical business issues, risk management and governance. During 2021, all Janus Henderson Directors received presentations on strategy, business resilience, cyber security and data privacy, ESG, corporate governance and diversity, equity and inclusion. In addition, each director is expected to participate in continuing education programs, at the Company's expense, to maintain the necessary level of expertise to perform his or her responsibilities.

**Relations with shareholders**

Janus Henderson conducts an active Investor Relations (IR) programme, engaging with shareholders across the Group's two listings on the NYSE and ASX. In the course of a year, Janus Henderson gives four scheduled updates to the market in addition to our Annual General Meeting. The IR team and management have frequent contact with the 15 sell-side analysts who follow Janus Henderson. In 2021, management and IR conducted over 100 individual meetings with existing shareholders, representing approximately 56% of our common stock outstanding, and potential shareholders in Australia, the UK and the US. The majority of meetings were conducted virtually due to the ongoing global pandemic.

The Board regularly receives feedback on shareholder sentiment and sell-side analysts' views of the Group and the wider industry. The Chairman of the Board also conducted a number of outreach meetings during the year with major shareholders representing approximately 35% of our common stock outstanding. Board members welcome the opportunity to learn more about shareholders' interests in Janus Henderson. Equally, management receives updates on shareholder engagement, topics raised and key discussion points.

Triam Fund Management, L.P. (Triam) is the Company's largest shareholder and owns approximately 16.7% of common stock outstanding. In February 2022, Edward Garden and Nelson Peltz, each a Founding Partner of Triam, joined the Board of Directors.



## An overview of the topics addressed by the Board in 2021



### ASX Corporate Governance Principles and Recommendations

Details of Janus Henderson's compliance with the ASX Corporate Governance Principles and Recommendations during the reporting period are available on our website at [ir.janushenderson.com](http://ir.janushenderson.com) under 'Corporate Governance – Governance Policies & Statements'.

### Diversity, equity and inclusion

Janus Henderson fosters and maintains an environment that values the unique talents and contributions of every individual. We know that having a diverse and inclusive workplace will support our strategic vision. We invite you to review our commitment to diversity and recent initiatives on our website at [www.janushenderson.com/careers](http://www.janushenderson.com/careers). Further information is also outlined in our Corporate Governance Statement at [ir.janushenderson.com](http://ir.janushenderson.com) under 'Corporate Governance – Governance Policies & Statements'.

### Corporate social responsibility

We believe that a comprehensive CSR strategy is critical for our long-term, sustainable success. We seek to deliver value to our clients by looking beyond the numbers and evaluating how our decisions impact our world, and we accomplish this by focusing on our key CSR pillars: responsible investing, our people, our environment and our community.

### Responsible investment

We seek to be responsible stewards of our clients' capital and empower our investment teams to develop their own distinct approach for their asset class and client base. Janus Henderson supports ESG integration through a framework that includes a wide range of tools and shared resources as well as appropriate risk management and controls. These measures are designed to ensure investment teams are aware of ESG risks and opportunities and are meeting client expectations. Our approach reinforces our belief that ESG factors are critical ingredients for long-term business success. For a full discussion of the material risks facing Janus Henderson, see pages 16 to 29, Item 1A on Form 10-K.

### Directors' report

Further disclosures, where applicable to the Company, are contained in this Annual Report and the Company's 2022 Proxy Statement as identified below and form part of the Directors' report for the period:

- pages 32 to 56, Item 7 on Form 10-K – Management's Discussion and Analysis;
- pages 12 to 18 and 20 to 25 of the Proxy Statement under the captions 'Board of Directors' and 'Corporate Governance', respectively; and
- pages 26 to 27 and 35 to 56 of the Proxy Statement under the headings 'Board Compensation' and 'Executive Compensation', respectively.

### Financial reporting

The Directors are required to prepare and approve the financial statements for the Group and Company in accordance with Jersey law for each financial year which show a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period in accordance with generally accepted accounting principles. The Directors have elected to prepare the Group and Company financial statements in accordance with US generally accepted accounting principles (US GAAP).

The Directors confirm that to the best of their knowledge:

- the financial records of the Group and Company have been properly maintained;
- the financial statements of the Group and Company comply with US GAAP and give a true and fair view of the financial position and performance of the Group and Company; and
- this opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Signed in accordance with a resolution of the Directors:

**Richard Weil**  
Chief Executive Officer,  
24 February 2022

**Roger Thompson**  
Chief Financial Officer,  
24 February 2022

# REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Janus Henderson Group plc

## **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Janus Henderson Group plc and its subsidiaries (the "Company") as of 31 December 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for each of the three years in the period ended 31 December 2021, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31 December 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended 31 December 2021 in conformity with accounting principles generally accepted in the United States of America and have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

## **Basis for Opinion**

The Company's management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

## **Critical Audit Matters**

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

## **Impairment Assessments of Certain Indefinite-Lived Intangible Assets Composed of Investment Management Agreements**

As described in Notes 2 and 8 to the consolidated financial statements, the Company's net intangible assets balance of US\$2,542.7 million as of 31 December 2021 is net of US\$121.9 million of impairment recognized in 2021, and includes indefinite-lived investment management agreements, indefinite-lived trademarks and definite-lived client relationships. The indefinite-lived intangible asset balance related to investment management agreements was US\$2,114.8 million as of 31 December 2021, which is net of US\$115.6 million of impairment recognized in 2021. Management performs its annual impairment assessment of indefinite-lived intangible assets as of 1 October of each year, or more frequently if changes in circumstances indicate that the carrying value may be impaired. If the fair value of the intangible asset is less than the carrying amount, an impairment is recognized. During the second quarter of 2021, management performed an interim impairment assessment on a certain indefinite-lived intangible asset composed of investment management agreements due to a significant decrease in assets under management and unfavorable changes in the forecast on this specific asset. A discounted cash flow model was used to determine the estimated fair value of the investment management agreements. The results of the discounted cash flow model revealed a fair value of nil and management therefore impaired the entire US\$40.8 million balance of the intangible asset. As part of management's annual impairment assessment, management used a qualitative approach to determine the likelihood of impairment of indefinite-lived intangible assets, with assets under management being the focus of the assessment. After reviewing the results of the qualitative assessment, a certain intangible asset composed of investment management agreements with a carrying value of US\$117.8 million as of 1 October 2021 required further review to determine if it was impaired. Management prepared a discounted cash flow model to determine the estimated fair value of the intangible asset, which was below the carrying value of the asset and a US\$74.8 million impairment was recorded. Some of the inputs used in the interim and annual discounted cash flow models required significant management judgment, including the discount rates, terminal growth rates, forecasted financial results and market returns.

The principal considerations for our determination that performing procedures relating to the impairment assessments of certain indefinite-lived intangible assets composed of investment management agreements is a critical audit matter are (i) the significant judgment by management when determining the fair value of certain indefinite-lived intangible assets and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the forecasted financial results and market returns.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's impairment assessments of intangible assets, including controls over the valuation of certain indefinite-lived intangible assets composed of investment management agreements. These procedures also included, among others (i) testing management's process for determining the fair value of certain indefinite-lived intangible assets composed of investment management agreements; (ii) evaluating the appropriateness of the discounted cash flow model; (iii) testing the completeness and accuracy of underlying data used in the discounted cash flow model; and (iv) evaluating the reasonableness of significant assumptions used by management related to the forecasted financial results and market returns. Evaluating management's significant assumptions related to the forecasted financial results and market returns involved evaluating whether the significant assumptions used by management were reasonable considering (i) the current and past performance of investment companies subject to the investment management agreements; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit.

### **Report on other legal and regulatory requirements**

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the consolidated financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



**David Foss**

For and on behalf of PricewaterhouseCoopers LLP  
Denver, Colorado  
24 February 2022

We have served as the Company's auditor since 2019.

# FORM

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# 10-K



**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549  
**FORM 10-K**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from

to

Commission File Number 001-38103

**Janus Henderson**  
GROUP PLC

**JANUS HENDERSON GROUP PLC**

(Exact name of registrant as specified in its charter)

**Jersey, Channel Islands**  
(State or other jurisdiction of  
incorporation or organization)  
**201 Bishopsgate**  
London, United Kingdom  
(Address of principal executive offices)

**98-1376360**  
(I.R.S. Employer Identification No.)

**EC2M3AE**  
(Zip Code)

**+44 (0) 20 7818 1818**

(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$1.50 Per Share Par Value	JHG	New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of June 30, 2021, the aggregate market value of common equity held by non-affiliates was \$6,575,152,080.35. As of February 18, 2022, there were 169,046,154 shares of the Company's common stock, \$1.50 par value per share, issued and outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Part III of this report incorporates by reference portions of the registrant's definitive proxy statement relating to its 2022 Annual General Meeting of Shareholders (the "Proxy Statement") to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

**JANUS HENDERSON GROUP PLC  
2021 FORM 10-K ANNUAL REPORT**

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## PART I

### FORWARD-LOOKING STATEMENTS

*Certain statements in this report not based on historical facts are “forward-looking statements” within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995, as amended, Section 21E of the Securities Exchange Act of 1934, as amended (“Exchange Act”), and Section 27A of the Securities Act of 1933, as amended (“Securities Act”). Such forward-looking statements involve known and unknown risks and uncertainties that are difficult to predict and could cause our actual results, performance, or achievements to differ materially from those discussed. These include statements as to our future expectations, beliefs, plans, strategies, objectives, events, conditions, financial performance, prospects or future events. In some cases, forward-looking statements can be identified by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “continue,” “likely,” “will,” “would” and similar words and phrases. Forward-looking statements are necessarily based on estimates and assumptions that, while considered reasonable by us and our management, are inherently uncertain. Accordingly, you should not place undue reliance on forward-looking statements, which speak only as of the date they are made, and are not guarantees of future performance. We do not undertake any obligation to publicly update or revise these forward-looking statements.*

*Various risks, uncertainties, assumptions, and factors that could cause our future results to differ materially from those expressed by the forward-looking statements included in this report include, but are not limited to, risks, uncertainties, assumptions, and factors discussed under headings such as “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Quantitative and Qualitative Disclosures About Market Risk,” and in other filings or furnishings made by the Company with the SEC from time to time.*

### ITEM 1. BUSINESS

#### Overview

Janus Henderson Group plc (“JHG,” the “Company,” “we,” “us,” “our” and similar terms), a company incorporated and registered in Jersey, Channel Islands, is an independent global asset manager, specializing in active investment across all major asset classes. The predecessor companies to JHG trace back to 1934 when Henderson Group plc (“Henderson”) was founded. Our subsequent growth since the founding of Henderson was achieved organically and from the acquisition of other asset management companies. In May 2017, JHG (previously Henderson) completed a merger of equals with Janus Capital Group (“Merger”). As a result of the Merger, Janus Capital Group (“JCG”) and its consolidated subsidiaries became subsidiaries of JHG.

We are a client-focused global business with approximately 2,200 employees worldwide and assets under management (“AUM”) of \$432.3 billion as of December 31, 2021. We have operations in North America, the United Kingdom (“UK”), continental Europe, Latin America, Japan, Asia and Australia. We focus on active fund management by investment managers with unique individual perspectives, who are free to implement their own investment views, within a strong risk management framework. We manage a broad range of actively managed investment products for institutional and retail investors across five capabilities: Equities, Fixed Income, Multi-Asset, Quantitative Equities and Alternatives.

On February 3, 2022, we announced the strategic decision to sell our 97%-owned Quantitative Equities subsidiary, Intech Investment Management LLC (“Intech”), to a consortium composed of Intech management and certain non-executive directors (“Management Buyout”). The Management Buyout is expected to enable both organizations to refocus on their key value propositions: Janus Henderson on providing active, fundamental investing, and Intech on delivering quantitative investment solutions for institutional investors. As part of this decision, JHG and Intech will enter into a transition services agreement that provides for continuation of support services to help ensure a seamless transition in operations and continuity in serving Intech’s clients. The transaction is expected to close in the first half of 2022.

Clients entrust money to us, either their own or money they manage or advise on for their clients, and expect us to deliver the benefits specified in their mandate or by the prospectus for the fund in which they invest. We measure the amount of these funds as AUM. AUM increases or decreases primarily depending on our ability to attract and retain client investments, on investment performance, and as a function of market and currency movements. AUM is also impacted when we invest in new asset management teams or businesses or divest from existing businesses.

Clients pay a management fee, which is usually calculated as a percentage of AUM. Certain investment products are also subject to performance fees, which vary based on when performance hurdles or other specified criteria are achieved. The level of assets subject to such fees can positively or negatively affect our revenue. As of December 31, 2021, performance fees were generated from a diverse group of funds and accounts. Management and performance fees are the primary drivers of our revenue. We believe that the more diverse the range of investment strategies from which management and performance fees are derived, the more successful our business model will be through market cycles.

## Strategy

Our strategy is Simple Excellence, which is centered on the belief that a combination of relentless focus and disciplined execution across the fundamental parts of our core business will drive future success as a global active asset manager. Specifically, our strategy lays a strong foundation for sustained organic growth and opportunistic inorganic growth to create value for all of our stakeholders: clients, shareholders and employees. Our strategy is based upon our five strategic priorities detailed below; however, modifications to our strategy may occur as a result of the appointment of our new CEO in 2022.

- Produce dependable investment outcomes — We focus on quality and stability of investment performance. We do this through the combination of attracting and retaining the best talent, consistently delivering on our client promises, and investing in technology that enhances our ability to deliver alpha while providing strong risk management.
- Excel in distribution and client experience — We seek to deliver industry-leading client experiences that drive client loyalty and build stronger long-term relationships. We focus on all stages of the client journey, seeking to ensure that each touchpoint between us and the client exceeds expectations.
- Focus and increase operational efficiency — We operate a complex, global business in a very competitive industry with increasing pressure on fee rates and growing costs of doing business. Because of these factors, we focus on becoming more efficient in the way we do business by standardizing our global model and modernizing our infrastructure. Our continued focus on growing profits, while investing in investment and distribution technology to modernize and upgrade the existing technology supports our objective of operational efficiency. In addition, consolidating or winding down sub-scale and non-core products amid a continued drive to reduce product complexities and reducing complexities through strategic exits from overlapping and non-core businesses further supports our objective of operational efficiency.
- Foster a proactive risk and control environment — We embed a deep sense of understanding and ownership of risk and controls to support our long-term growth initiatives. There are three components to our proactive risk and control environment:
  - **People and engagement** — Our senior leaders are engaged to emphasize and own risk culture. In addition, our risk and compliance teams were restructured to operate more effectively and efficiently, with recent hires of key senior level individuals.
  - **Processes and governance** — Our controls have been enhanced company-wide, including those related to key investment activities, and our global risk management committees, policies and procedures proactively monitor our risk environment.
  - **Training and awareness** — Our risk training and awareness across the organization further embed a strong culture of risk and compliance.



- Develop new growth initiatives — We are building the businesses of tomorrow by focusing on initiatives that build on our investment and distribution strengths. We are delivering new products by leveraging our breadth of equity, fixed income, alternatives and multi-asset investment expertise across a variety of vehicle types, and expanding into new regions or client distribution channels with nascent demand for our most successful capabilities.

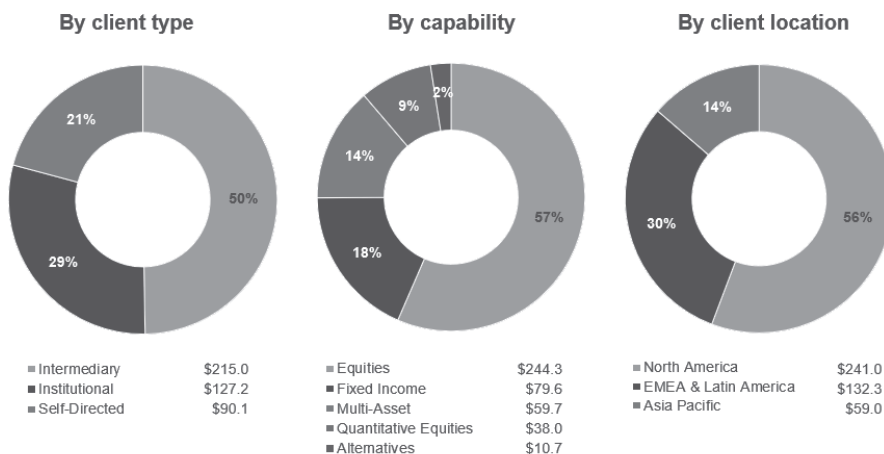
## Financial Highlights

We present our financial results in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”); however, JHG management evaluates the profitability of the Company and its ongoing operations using additional non-GAAP financial measures. We use these performance measures to evaluate the business, and adjusted values are consistent with internal management reporting. See Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations, for additional information on non-GAAP adjusted measures, including a reconciliation to the comparable GAAP measure.

	Year ended December 31,		
	2021	2020	2019
<b>GAAP basis (in millions):</b>			
Revenue	\$ 2,767.0	\$ 2,298.6	\$ 2,192.4
Operating expenses	\$ 1,943.6	\$ 2,140.8	\$ 1,651.5
Operating income	\$ 823.4	\$ 157.8	\$ 540.9
Operating margin	29.8%	6.9%	24.7%
Net income attributable to JHG	\$ 622.1	\$ 161.6	\$ 427.6
Diluted earnings per share	\$ 3.59	\$ 0.87	\$ 2.21
<b>Adjusted basis (in millions):</b>			
Revenue	\$ 2,215.4	\$ 1,834.2	\$ 1,748.1
Operating expenses	\$ 1,251.9	\$ 1,137.5	\$ 1,121.5
Operating income	\$ 963.5	\$ 696.7	\$ 626.6
Operating margin	43.5%	38.0%	35.8%
Net income attributable to JHG	\$ 741.6	\$ 557.9	\$ 478.3
Diluted earnings per share	\$ 4.28	\$ 3.01	\$ 2.47

## Assets Under Management

Our AUM by client type, capability and client location as of December 31, 2021, is presented below (in billions).



### *Client Type and Distribution Channel*

We have a diverse group of intermediary, institutional and self-directed clients around the globe. While we seek to leverage our global model where possible, we also recognize the importance of tailoring our services to the needs of clients in different regions. For this reason, we maintain a local presence in most of the markets in which we operate and provide investment material that takes into account local customs, preferences and language needs. We have a global distribution team of over 600 staff. A description of each client type and distribution channel is presented below.

#### *Intermediary Channel*

The intermediary channel distributes mutual funds, separately managed accounts (“SMAs”), exchange-traded funds (“ETFs”), UK Open Ended Investment Companies (“OEICs”), Société d’Investissement À Capital Variable (“SICAV”) and Undertakings for Collective Investments in Transferable Securities (“UCITS”) through financial intermediaries, including banks, broker-dealers, financial advisors, fund platforms and discretionary wealth managers. Intermediary clients primarily invest in equity, fixed income, alternatives and multi-asset capabilities. We have made significant investments to grow our presence in the financial advisor subchannel, including increasing the number of external and internal wholesalers, enhancing our technology platform and recruiting highly seasoned client relationship managers. At December 31, 2021, AUM in our intermediary channel totaled \$215.0 billion, or 50% of total AUM.

#### *Institutional Channel*

The institutional channel serves corporations, endowments, pension funds, foundations, Taft-Hartley funds, public fund clients and sovereign entities, with distribution direct to the plan sponsor and through consultants. At December 31, 2021, AUM in our institutional channel totaled \$127.2 billion, or 29% of total AUM.

#### *Self-Directed Channel*

The self-directed channel serves individual investors who invest in our products through a mutual fund supermarket or directly with us. In July 2020, we reopened certain shares of our U.S. mutual funds through the self-directed channel, which will enable new investors to participate in the benefits of investing directly with us. At December 31, 2021, AUM in our self-directed channel totaled \$90.1 billion, or 21% of total AUM.

## ***Investment Capabilities***

### *Equities*

We offer a wide range of equity strategies encompassing different geographic focuses and investment styles. The equity teams include those with a global perspective, those with a regional focus (including the U.S., Europe and Asia) and those invested in specific sectors. These teams generally apply processes based on fundamental research and bottom-up stock picking.

### *Fixed Income*

Our Fixed Income teams provide coverage across the asset class, applying a wide range of innovative and differentiated techniques in support of a variety of investment objectives and risk criteria. Our fixed income offering includes teams that apply global unconstrained approaches as well as teams with more focused mandates — based in the U.S., Europe, Asia and Australia. The capabilities of these teams can be accessed through individual strategies and, where appropriate, are combined to create multi-strategy offerings.

### *Multi-Asset*

Our Multi-Asset capability includes teams in the U.S. and UK that focus on balanced, multi-asset income and strategic asset allocation, as well as multiple adaptive asset allocation strategies.

### *Quantitative Equities*

Our Intech business applies advanced mathematics and systematic portfolio rebalancing intended to harness the volatility of movements in stock prices — a source of excess returns and risk control. With more than 30 years of volatility expertise, the Intech team employs a distinctive quantitative approach based on observations of actual price movements, not on subjective forecasts of companies' future performance.

### *Alternatives*

Our Alternatives capability includes teams with various areas of focus and approach. Diversified Alternatives brings together a cross-asset class combination of alpha generation, risk management and efficient beta replication strategies. These include Global Multi-Strategy, Managed Futures, Risk Premia and Global Commodities; Agriculture; and Long/Short Equity. Additionally, the management of our direct UK commercial property offering is subadvised by Nuveen Real Estate.

## ***Client Locations***

### *North America*

Our North America region serves clients throughout North America and represents our largest geographical concentration of AUM. The North America distribution network serves a diverse set of clients across financial intermediaries, institutions and self-directed channels. As of December 31, 2021, total North America AUM was \$241.0 billion, and we employed 157 and 285 investment and distribution professionals, respectively.

### *EMEA and Latin America*

Our EMEA and Latin America region serves clients throughout the UK, continental Europe and an evolving business in Latin America and the Middle East. The region includes a strong retail and institutional client base in the UK and strong relationships with global distributors in continental Europe. The organic build-out of our Latin America business is gaining momentum. As of December 31, 2021, total EMEA and Latin America AUM was \$132.3 billion, and the region employed 153 and 242 investment and distribution professionals, respectively.

## Asia Pacific

Our Asia Pacific region serves clients throughout Australia, Japan and other regions of Asia. Our strategic co-operation agreement with Dai-ichi Life supports the growth of our Japanese business. Australian distribution offers a suite of global and domestic capabilities. The wider Asian business continues to evolve with growing brand presence. As of December 31, 2021, the Asia Pacific AUM was \$59.0 billion, and the region employed 43 and 75 investment and distribution professionals, respectively.

## Human Capital

With more than 2,200 employees worldwide, we are proud of our global presence and diversity. It is through the diversity of our people — whose varied skills, backgrounds and cultures shape our outlook — that we can explore unique avenues and uncover opportunities unseen by others in our industry. Our people-focused culture is driven by collaboration and connection. Our employees are results-driven, inspired individuals whose values and actions align to JHG's values: We put clients first, we succeed as a team, and we act like owners. We recognize that the success of JHG is dependent on the unique talents and contributions of our diverse workforce, and we are invested in our employees' success. We are committed to:

- Attracting great people into roles with a sense of purpose;
- Helping them realize their highest potential and make a real impact; and
- Supporting their ambitions throughout their career.

## Headcount

As of December 31, 2021 and 2020, we had 2,235 and 2,053 full-time equivalent employees, respectively. Our diverse workforce includes: trainees, apprentices and fixed-term employees working alongside our permanent part- and full-time employees.

2021 Headcount	Permanent	Fixed-Term Worker	Trainee	Apprentice	Grand Total
EMEA	917	45	10	11	983
North America	1,060	-	-	1	1,061
Asia Pacific	185	4	2	-	191
<b>Grand Total</b>	<b>2,162</b>	<b>49</b>	<b>12</b>	<b>12</b>	<b>2,235</b>

2020 Headcount	Permanent	Fixed-Term Worker	Apprentice	Grand Total
EMEA	789	29	6	824
North America	1,037	-	3	1,040
Asia Pacific	180	9	-	189
<b>Grand Total</b>	<b>2,006</b>	<b>38</b>	<b>9</b>	<b>2,053</b>

*Note: Contractors and other temporary employees excluded. The 2020 trainee program was placed on hold due to the impact of the pandemic.*

## Recruiting

We build our workforce from within our existing talent pool whenever possible. If we are unable to identify the right candidate for an open position from within, we look externally for the best talent. We search for candidates through a number of different channels to ensure we access a diverse slate of candidates, including working with recruitment consultants and search firms whose values and methods of recruitment align with our goals of finding the best diverse talent in the market. Our recruitment team strives to source a diverse candidate pool for every open position with the goal of creating a workforce that reflects the communities in which we operate.

### *Professional Development*

We are committed to helping people realize their highest potential and fostering a culture that prioritizes and supports personal and professional development for individuals, leaders and teams across the organization. Employees own their individual development, and we are invested in a wide variety of programs to support their ambitions. Ongoing development opportunities include business acumen (our industry and products), understanding our clients, leadership development, mentoring schemes, global collaboration and culture, career development, interpersonal communication, presentation skills and technology training. We encourage and financially support continuing education through a tuition reimbursement program for employees wishing to pursue approved degree programs.

### *Employee Engagement*

We value feedback from our employees. We look for opportunities to solicit their opinions and insights to help us understand what we are doing well and potential areas of improvement. In 2021, approximately 87% of our employees responded to our annual employee opinion survey. Results are shared with our Board of Directors and are cascaded from senior leaders to all employees. Managers and employees develop action plans to address topics of concern and continually improve our workplace. In addition to the 2021 employee opinion survey, we:

- Continued to survey our employees and engage them in creating our future hybrid working model and worked to better understand how we can best support their mental health and overall well-being; and
- Launched several initiatives dedicated to career progression: hosted a career day where employees participated in live learning events and discussions, and developed the My Career Path site where employees can explore careers at the company and find helpful tools to drive their careers forward.

### *Diversity, Equity and Inclusion*

We are committed to creating an inclusive environment that promotes equality, cultural awareness and respect by implementing policies, benefits, training, recruiting and recognition practices to support our employees. Diversity, equity and inclusion (“DEI”) are about valuing our differences and continually identifying ways to improve our cultural intelligence, which ultimately leads to better decision-making and a more tailored client experience.

Our recent accomplishments include:

- 38% of employees globally are women.
- 22% of employees globally are ethnically diverse.
- Enhanced COVID-19 benefit coverage, including leave options, employee well-being and counselling services, and backup child- and eldercare.
- Met our 2022 Women in Finance Charter target goal of 25% representation of women in senior management in the UK.
- Introduced DEI performance objectives for all employees as part of our annual performance evaluation process.
- Continued our #StrongerTogether initiative to educate employees on racial injustice, privilege, allyship and systemic racism.
- Achieved a DEI Employee Engagement score of 83% which is 3% higher than the 75th percentile New Measures industry benchmark.
- Signed the CEO Action for Diversity & Inclusion pledge and committed to the Equity Collective.
- Recognized by Bloomberg Gender Equality and Human Rights Campaign Index for our transparent and inclusive practices.
- Committed to new diverse entry-level talent programs.
- Improved our gender pay gap over the past three years.
- Implemented new leadership programs for underrepresented talent.

### *Employee Remuneration and Benefits*

Our remuneration framework is designed to reward performance and reinforce the alignment of interests between our employees and our public and fund shareholders. We regularly review industry benchmark data and maintain competitive compensation levels to ensure we are able to attract and retain top talent. Variable incentive remuneration for most of our employees is funded based on JHG profits. While individual awards are fully discretionary, performance assessments take into account financial and strategic (non-financial) factors, including company, department, team and individual performance.

The ongoing health and well-being of our employees is important to us, and the benefits we provide enable employees and their families to achieve healthy, balanced and happy lifestyles. We support our employees' financial goals and retirement saving by making contributions toward their retirement and pension schemes and offering an employee stock purchase plan.

### *Turnover*

We monitor and analyze turnover, including voluntary, involuntary and reduction in force ("RIF")/layoffs. Our voluntary turnover rates are relatively low and consistent with a certain benchmark for our industry. We develop talent profiles and succession plans to ensure we are cultivating the next generation of leaders to contribute to our long-term business success. These provide us with the ability to effectively manage turnover and to retain and develop our most highly skilled employees.

### *COVID-19 Impacts*

While the pandemic continues to influence how and where we work, we have maintained focus on our strategic priorities and delivered results for our clients. We have welcomed the majority of our employees back into our offices over the past year; however, our technology capabilities allow them to alternatively work from home effectively. Our detailed business continuity plan puts the health and safety of our employees first and helps to ensure we can operate effectively in a hybrid working model. We modify our business practices in accordance with local requirements and conditions impacting our offices to: implement mask orders and social distancing guidelines, allow work-from-home arrangements and flexible work schedules, and restrict business-related travel as needed. We continue to evolve and learn from our experiences and are becoming more agile in how we operate our business, with increased flexibility in how and where our employees work.

### **Intellectual Property**

We have used, registered and/or applied to register certain trademarks, service marks and trade names to distinguish our sponsored investment products and services from those of our competitors in the jurisdictions in which we operate, including the U.S., the UK, the European Union ("EU"), Australia, China, Japan and Singapore. These trademarks, service marks and trade names are important to us and, accordingly, we actively enforce our trademarks, service marks and trade name rights. Our brand has been, and continues to be, extremely well-received both in the asset management industry and with clients.

### **Seasonality**

Our revenue streams are not seasonal in nature, with management fees and other income generally accruing evenly throughout the year. However, performance fee revenue is the exception. Performance fees are specified in certain fund and client contracts and are based on investment performance either on an absolute basis or compared to an established index over a specified period of time. These fees are often subject to a hurdle rate. Performance fees are recognized at the end of the contractual period (typically monthly, quarterly or annually) if the stated performance criteria are achieved. Certain fund and client contracts allow for negative performance fees where there is underperformance against the relevant index. Given the uncertain nature of performance fees, they tend to fluctuate from period to period.

## **Competition**

The investment management industry is relatively mature and saturated with competitors that provide similar services. As such, we encounter significant competition in all areas of our business. We compete with other investment managers, mutual fund advisers, brokerage and investment banking firms, insurance companies, hedge funds, venture capitalists, banks and other financial institutions, many of which have proprietary access to certain distribution channels and are larger, have greater capital resources and have a broader range of product choices and investment capabilities than we do. In addition, the marketplace for investment products is rapidly changing, investors are becoming more sophisticated, the demand for and access to investment advice and information are becoming more widespread, passive investment strategies are becoming more prevalent, and more investors are demanding investment vehicles that are customized to their individual requirements.

We believe our ability to successfully compete in the investment management industry depends upon our ability to achieve consistently strong investment performance, provide exceptional client service, and develop and innovate products that will best serve our clients.

## **Regulation**

The investment management industry is subject to extensive federal, state and international laws and regulations intended to benefit and protect investment advisory clients and investors in pooled investment vehicles, such as those managed, advised or subadvised by us. The costs of complying with such laws and regulations have grown significantly in recent years and may continue to grow in the future, which could significantly increase our costs of doing business as a global asset manager. These laws and regulations generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the conduct of businesses and to impose sanctions for failure to comply with laws and regulations. Possible consequences for failure to comply include voiding of investment advisory and subadvisory agreements, the suspension of individual employees (particularly investment management and sales personnel), limitations on engaging in certain lines of business for specified periods of time, revocation of registrations, disgorgement of profits, and imposition of censures and fines. Further, failure to comply with such laws and regulations may provide the basis for civil litigation that may also result in significant costs and reputational harm to us.

### ***U.S. Regulation***

Certain of our U.S. subsidiaries are subject to laws and regulations from a number of government agencies and self-regulatory bodies, including the U.S. Securities and Exchange Commission (“SEC”), the U.S. Department of Labor (“DOL”), the Financial Industry Regulatory Authority (“FINRA”), the U.S. Commodity Futures Trading Commission (“CFTC”) and the National Futures Association (“NFA”). We continue to see enhanced legislative and regulatory interest in the regulation of financial services in the U.S. through existing and proposed rules and regulations, regulatory priorities and general discussions around expanded reporting requirements, and transfer agent regulations. For example, the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and the DOL’s fiduciary regulations (as well as state and other fiduciary rules, the SEC’s best interest standards and other similar standards) have an impact on our global asset management business, and we continually review and analyze the potential impact of these laws and regulations on our clients, prospective clients and distribution channels.

### ***Investment Advisory Laws and Regulations***

Certain of our subsidiaries are registered investment advisers under the Investment Advisers Act of 1940, as amended (“Advisers Act”), and are regulated by the SEC. The Advisers Act requires registered investment advisers to comply with numerous and pervasive obligations, including fiduciary duties, disclosure obligations, recordkeeping requirements, custodial obligations, operational and marketing restrictions, and registration and reporting requirements. Certain of our employees are also registered with regulatory authorities in various states, and thus are subject to oversight and regulation by such states’ regulatory agencies.

### *Investment Company Laws and Regulations*

Certain of our subsidiaries act as adviser or subadviser to mutual funds and ETFs, which are registered with the SEC pursuant to the Investment Company Act of 1940, as amended (“1940 Act”). Certain of our subsidiaries also serve as adviser or subadviser to investment products that are not required to be registered under the 1940 Act. As an adviser or subadviser to pooled investment vehicles that operate under exemptions to the 1940 Act and related regulations, we are subject to various requirements relating to operations, fees charged, sales, accounting, recordkeeping, disclosure and governance. In addition, the adviser or subadviser to a registered investment company generally has obligations with respect to the qualification of the registered investment company under the Internal Revenue Code of 1986, as amended (“Code”).

### *Broker-Dealer Regulations*

Our subsidiary, Janus Henderson Distributors US LLC (“JHD”), is registered with the SEC under the Exchange Act and is a member of FINRA, the U.S. securities industry’s self-regulatory organization. JHD is a limited-purpose broker-dealer, which acts as the general distributor and agent for the sale and distribution of shares of U.S. mutual funds that are sponsored by certain of our subsidiaries, as well as the distribution of certain exchange-traded products (“ETPs”) and other pooled investment vehicles. The SEC imposes various requirements on JHD’s operations, including disclosure, recordkeeping and accounting. FINRA has established conduct rules for all securities transactions among broker-dealers and private investors, trading rules for the over-the-counter (“OTC”) markets and operational rules for its member firms. The SEC and FINRA also impose net capital requirements on registered broker-dealers.

JHD is subject to regulation under state law. The federal securities laws prohibit states from imposing substantive requirements on broker-dealers that exceed those under federal law. This does not preclude the states from imposing registration requirements on broker-dealers that operate within their jurisdiction or from sanctioning broker-dealers and their employees for engaging in misconduct.

### *ERISA*

Certain of our subsidiaries are also subject to ERISA and related regulations to the extent they are considered “fiduciaries” under ERISA with respect to some of their investment advisory clients. ERISA-related provisions of the Code and regulations issued by the DOL impose duties on persons who are fiduciaries under ERISA and prohibit some transactions involving the assets of each ERISA plan that is a client of a subsidiary of ours as well as some transactions by the fiduciaries and various other related parties of such plans.

### *CFTC*

Certain of our subsidiaries are registered with the CFTC as commodity pool operators (“CPOs”) or commodity trading advisers (“CTAs”), and certain of our subsidiaries have become members of the NFA in connection with the operation of certain of our products. The Commodity Exchange Act and related regulations generally impose certain registration, reporting and disclosure requirements on CPOs, CTAs and products that utilize the futures, swaps and other derivatives that are subject to CFTC regulation. These rules adopted by the CFTC eliminated or limited previously available exemptions and exclusions from many CFTC requirements and impose additional registration and reporting requirements for operators of certain registered investment companies and certain other pooled vehicles that use or trade in futures, swaps and other derivatives that are subject to CFTC regulation. The CFTC or NFA may institute proceedings to enforce applicable rules and regulations, and violations may result in fines, censure or the termination of CPO and/or CTA registration and NFA membership.

### *Dodd-Frank Wall Street Reform and Consumer Protection Act*

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) was signed into law in July 2010. The Dodd-Frank Act established enhanced regulatory requirements for non-bank financial institutions designated as systemically important financial institutions (“SIFI”) by the Financial Stability Oversight Council (“FSOC”). In April 2012, the FSOC issued a final rule and interpretive guidance related to the process by which it will designate non-bank



financial companies, potentially including large asset managers, as SIFI. Since that time, the FSOC has considered and invited comments on the circumstances under which asset managers might present risks to financial stability. While the FSOC still retains discretion to designate asset managers as SIFI, it has not named any non-bank asset managers as SIFI to date. If we were designated a SIFI, we would be subject to enhanced prudential measures, which could include capital and liquidity requirements, leverage limits, enhanced public disclosures and risk management requirements, annual stress testing by the Federal Reserve, credit exposure and concentration limits, and supervisory and other requirements. These heightened regulatory requirements could adversely affect our business and operations.

### ***International Regulation***

#### *UK*

The Financial Conduct Authority (“FCA”) regulates certain of our subsidiaries, as well as products and services we offer and manage in the UK. The FCA’s powers are derived from the Financial Services and Markets Act 2000 (“FSMA”), and FCA authorization is required to conduct any investment management business in the UK under the FSMA. The FCA’s Handbook of Rules and Guidance governs UK-authorized firms’ capital resources requirements, senior management arrangements, systems and controls, conduct of business, and interaction with clients and the markets. The FCA also regulates the design and manufacture of UK-domiciled investment funds intended for public distribution and, on a more limited basis, those that are for investment by professional investors.

#### *Europe*

Certain of our UK-regulated entities previously (until December 31, 2020) had to comply with a range of EU regulatory measures and are now required to comply with EU law, which has been transposed into UK legislation under the European Union (Withdrawal) Act of 2018 (“EUWA”). These measures include the Markets in Financial Instruments Directive (“MiFID II”). MiFID II regulates the provision of investment services and the conduct of investment activities throughout the European Economic Area (“EEA”), and the UK version of MiFID II (implemented through UK primary and secondary legislation under the EUWA and FCA rules) regulates the provision of similar services in the UK. MiFID II establishes detailed requirements for the governance, organization and conduct of business of investment firms and regulated markets. It also includes pre- and post-trade transparency requirements for equity markets and extensive transaction reporting requirements.

The EU’s Alternative Investment Fund Managers Directive (“AIFMD”) was required to be transposed into EU member state law by July 2013 with a transitional period until July 2014. AIFMD regulates managers of, and service providers to, alternative investment funds (“AIFs”) that are domiciled and offered in the EU and that are not authorized as retail funds under the UCITS directive. The AIFMD also regulates the marketing within the EU of all AIFs, including those domiciled outside the EU. Compliance with the AIFMD’s requirements may restrict AIF marketing and imposes compliance obligations in the form of remuneration policies, capital requirements, reporting requirements, leverage oversight, valuation, reporting stakes in EU companies, the domicile, duties and liability of custodians, and liquidity management. The UK has adopted the AIFMD rules principally via secondary legislation FCA rules.

UCITS are investment funds regulated at the EU level under the UCITS Directive V (“UCITS V”). UCITS are capable of being freely marketed throughout the EU on the basis of a single authorization in a member state — so-called passporting. UCITS V covers a range of matters relating to UCITS, including the fund structure and domicile of UCITS, service providers to UCITS and marketing arrangements. In addition, UCITS funds are distributed in other jurisdictions outside the EU where marketing and sales are governed by local country specific regulations. The UK has adopted the UCITS rules through the framework of secondary legislation and FCA rules, although UCITS established in the UK cannot benefit from the passporting arrangement described below.

Following the UK’s withdrawal from the EU on January 31, 2020, the UK and the EU entered into a “transition period” during which directly effective EU law continued to apply in the UK, and the UK continued to be treated as a member state of the EU. The transition period ended on December 31, 2020, and since then, directly effective EU law is no longer applicable in the UK, although the UK has retained certain EU legislation governing financial services under the EUWA. One of the effects of the end of the transition period (irrespective of the retention of EU law under the EUWA)

is that financial services firms authorized in the UK lost their passporting rights. “Passporting” is an arrangement under which firms authorized in an EU member state (or a non-EU state that is an EEA member) can rely on authorization in their “home” EEA member state to provide regulated services throughout the EEA. Because UK-authorized firms can no longer passport their services throughout the EEA, the extent to which UK-authorized firms can continue to provide services to customers in the EEA will now be dependent on regulatory requirements and regulators’ expectations in the individual EEA member states in which the UK-authorized firm wishes to provide services. Discussions between the EU and UK regarding equivalence of the EU and UK regulatory frameworks are ongoing. The way in which UK firms provide services in EEA member states may change depending on the outcome of these discussions.

### *Luxembourg*

In Luxembourg, our subsidiary, Henderson Management S.A. (“HMSA”), is authorized and regulated in Luxembourg by the Commission de Surveillance du Secteur Financier as a UCITS management company, with additional regulatory permissions to provide portfolio management services regulated under MiFID II. HMSA has been appointed management company of the following funds and fund structures:

- Two UCITS umbrella funds, incorporated under the laws of Luxembourg in the form of a SICAV;
- One AIF, incorporated under the laws of Luxembourg in the form of a SICAV;
- One UCITS fund, incorporated under the laws of Ireland in the form of an umbrella investment company with segregated liability between funds with variable capital;
- One AIF, incorporated under the laws of Ireland in the form of an open-ended unit trust; and
- One AIF, incorporated under the laws of Jersey in the form of an unregulated eligible investor fund.

### *Jersey*

During the course of 2021, Janus Henderson Investors (“Jersey”) Limited applied for and was granted registration under Article 9 of the Financial Services (Jersey) Law 1998, as amended (“Law”) in respect of Fund Services Business. The company was established to operate a fund management business in Jersey, providing portfolio management services to funds and segregated mandates and is authorized and supervised by the Jersey Financial Services Commission in respect of its activities.

### *Singapore*

In Singapore, our subsidiary, Janus Henderson Investors (Singapore) Limited (“JHISL”), is licensed with the Monetary Authority of Singapore (“MAS”) as a Capital Market Services License holder and an exempt financial adviser to conduct regulated activities in fund management. It is subject to various laws, including the Securities and Futures Act, the Financial Advisers Act and the subsidiary legislation promulgated pursuant to these acts, which are administered by the MAS. Our asset management subsidiary and its employees conducting regulated activities specified in the Securities and Futures Act or the Financial Advisers Act are required to be licensed with the MAS. JHISL is also registered with South Korea’s Financial Services Commission (“FSC”) as a Cross-Border Discretionary Investment Manager and Investment Advisor.

### *Australia*

In Australia, our subsidiaries operate under an Australian Financial Services License and their activities are governed primarily by the Corporations Act 2001 (Cth) and its associated regulations. Their main regulator is the Australian Securities and Investments Commission (“ASIC”), which is Australia’s integrated corporate, markets, financial services and consumer credit regulator. ASIC imposes certain conditions on licensed financial services organizations that apply to our subsidiaries, including requirements relating to capital resources, operational capability and controls. Our

subsidiaries also act as a product issuer for ETFs that are Quoted Managed Funds on the Chi-X Australia stock exchange (“Chi-X”) and the AQUA market of the Australian Securities Exchange (“ASX”). Therefore, our subsidiaries must comply with the Chi-X operating rules and procedures as well as the ASX Operating Rules and the ASX Operating Rules Procedures. Another key regulator is the Australian Transaction Reports and Analysis Centre (“AUSTRAC”), which applies a number of reporting and other obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (“AML/CFT Act”).

As our CHESSE Depository Interests (“CDIs”) are quoted and traded on the ASX, we are also required to comply with the ASX Listing Rules and the ASX Corporate Governance Principles and Recommendations.

#### *Hong Kong*

In Hong Kong, our subsidiary is subject to the Securities and Futures Ordinance (“SFO”) and related legislation, which govern the securities and futures markets and regulate the offerings of investments to the public. This legislation is administered by the Securities and Futures Commission (“SFC”), which is also empowered under the SFO to establish standards for compliance as well as codes and guidelines. Our subsidiary and its employees conducting any of the regulated activities specified in the SFO are required to be licensed with the SFC and are subject to the rules, codes and guidelines issued by the SFC from time to time.

#### *Japan*

In Japan, our subsidiary is subject to the Financial Instruments and Exchange Act and the Act on Investment Trusts and Investment Corporations. These laws are administered and enforced by the Japanese Financial Services Agency, which establishes standards for compliance, including capital adequacy and financial soundness requirements, customer protection requirements and conduct of business rules.

These regulatory agencies have broad supervisory and disciplinary powers, including, among others, the power to temporarily or permanently revoke the authorization to conduct regulated business, suspend registered employees, and censure and fine both regulated businesses and their registered employees.

#### *Other*

Our operations in Taiwan and Ireland are regulated by the Financial Supervisory Commission of Taiwan and the Central Bank of Ireland, respectively. One of our subsidiaries also holds a business registration for cross-border discretionary investment management and investment advisory in South Korea as granted by Korea’s FSC.

Many of the non-U.S. securities exchanges and regulatory authorities have imposed rules (and others may impose rules) relating to capital requirements applicable to our foreign subsidiaries. These rules, which specify minimum capital requirements, are designed to measure general financial integrity and liquidity, and require that a minimum amount of assets be kept in relatively liquid form.

#### **Available Information**

We make available free of charge our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and amendments thereto as soon as reasonably practical after such filings are made with the SEC. These reports may be obtained through our Investor Relations website ([ir.janushenderson.com](http://ir.janushenderson.com)) and are available in print at no charge upon request by any shareholder. The contents of our website are not incorporated herein for any purpose. The SEC also maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at <http://www.sec.gov>.

Charters for the Audit Committee, Compensation Committee, Risk Committee, and Nominating and Corporate Governance Committee of our Board of Directors, as well as our Corporate Governance Guidelines, Code of Business Conduct, and Code of Ethics for Senior Financial Officers (our “Senior Officer Code”) are posted on the Investor Relations website ([ir.janushenderson.com](http://ir.janushenderson.com)) and are available in print at no charge upon request by any shareholder.

Within the time period prescribed by the SEC and New York Stock Exchange (“NYSE”) regulations, we will post on our website any amendment to our Senior Officer Code or our Code of Business Conduct and any waivers thereof for directors or executive officers. The information on our website is not incorporated by reference into this report.

## **Corporate Information**

We are a public limited company incorporated in Jersey, Channel Islands, and tax resident in the UK. Our registered address in Jersey, Channel Islands is 13 Castle Street, St Helier, Jersey JE1 1ES. Our principal business address is 201 Bishopsgate, London, EC2M 3AE, United Kingdom, and our telephone number is +44 (0) 20 7818 1818.

## **ITEM 1A. RISK FACTORS**

An investment in our common stock involves various risks, including those mentioned below and those that are discussed from time to time in our periodic filings with the SEC. Investors should carefully consider these risks, along with the other information contained in this report, before making an investment decision regarding our common stock. There may be additional risks of which we are currently unaware, or which we currently consider immaterial. Any of these risks could have a material adverse effect on our financial condition, results of operations and value of our common stock.

### **Market and Investment Performance Risks**

*Our business and operations are subject to adverse effects from the outbreak and spread of contagious diseases such as COVID-19, and we expect such adverse effects to continue.*

The outbreak and spread of COVID-19, a highly transmissible and pathogenic disease, has resulted in a widespread national and global public health crisis, which has had, and may continue to have, an adverse effect on our business, financial condition and results of operations. Infectious illness outbreaks or other adverse public health developments in countries where we operate, as well as local, state and/or national government measures implemented in response to such outbreaks, could adversely affect the economies of many nations or the entire global economy, the financial condition of individual issuers or companies, and capital markets in ways that cannot be foreseen, and such impacts could be significant and long term. In addition, these events and their aftermaths may cause investor fear and panic, which could further adversely affect in unforeseeable ways the operations and performance of the companies, sectors, nations, regions in which we invest and financial markets in general. The COVID-19 pandemic has adversely affected, and will likely continue to adversely affect, global economies and markets, and it has resulted in disruptions in commerce that continue to evolve, including with respect to financial and other economic activities, services, travel and supply chains. Global and national health concerns, and continued uncertainty regarding the impact of COVID-19, could lead to further and/or increased volatility in global capital and credit markets; adversely affect our key executives and other personnel, clients, investors, providers, suppliers, lessees and other third parties; and negatively impact our AUM, revenues, income, business and operations.

Like many other global investment management organizations, our business and the businesses of our asset management affiliates have been impacted by the ongoing COVID-19 pandemic. The global spread of COVID-19 and the governmental actions and economic effects resulting from the pandemic have had negative impacts on our business and operations, including concerns for and restrictions on our personnel (including health concerns, quarantines, shelter-in-place orders and restrictions on travel), and increased cybersecurity risks. The economic impact of COVID-19 has caused, and may continue to cause, decreases and fluctuations in our AUM, revenues and income; increased liquidity risks and redemptions in our funds and other products (which could result in difficulties obtaining cash to settle redemptions); poor investment performance of our products and corporate investments; increased focus on expense management, capital resources and related planning; and could cause reputational harm, legal claims and other factors that may arise or develop.

To remain competitive, we must continue to perform our asset management and related business responsibilities for our clients and investors properly and effectively throughout the course of the pandemic and the following recovery. Our ability to do this depends upon the health and safety of our personnel and their ability to successfully work remotely,

among other things. While we have implemented our business continuity plans globally to manage our business during this pandemic, including broad work-from-home capabilities for our personnel, there is no assurance that our efforts and planning will be sufficient to protect the health and safety of our personnel and/or maintain the success of our business. Further, we depend on a number of third-party providers to support our operations, and any failure of our third-party providers to fulfill their obligations could adversely impact our business. Moreover, we now have an increased dependency on remote equipment and connectivity infrastructure to access critical business systems that may be subject to failure, disruption or unavailability that could negatively impact our business operations. If our cybersecurity diligence and efforts to offset the increased risks associated with greater reliance on mobile, collaborative and remote technologies during this health crisis are not effective or successful, we may be at increased risk for cybersecurity or data privacy incidents.

The pandemic continues to evolve, and it is not possible to predict the extent to which COVID-19, or any inability of the global economy to recover from it successfully, will adversely impact our business, liquidity, capital resources, and financial results and operations. Any such impacts will depend on numerous developing factors that are highly uncertain and rapidly changing, including the duration of the pandemic, the actions taken by governmental authorities to contain its financial and economic impact, the continued or renewed implementation of travel advisories and restrictions, the efficacy and availability of vaccines, and the extent of the pandemic's disruption to supply chains and economic markets. The impacts and risks described herein relating to COVID-19 augment the discussion of overlapping risks in our risk factors below, which may be heightened by COVID-19.

***Our results of operations and financial condition are primarily dependent on the value, composition and relative investment performance of our AUM, all of which are subject to fluctuation caused by factors outside of our control.***

We derive our revenues primarily from investment management and related services we provide to institutional and retail investors worldwide through our investment products. Our investment management fees typically are calculated as a percentage of the market value of our AUM. Certain of our investment products are also subject to performance fees, which vary based on a product's relative performance as compared to a benchmark index. As a result, our revenues are dependent on the value, composition and investment performance of our AUM, all of which are subject to fluctuation caused by factors outside of our control.

Factors that could cause our AUM and revenue to decline include the following:

- *Declines in equity markets.* Our AUM is concentrated in the U.S. and European equity markets. Equity securities may decline in value as a result of many factors, including an issuer's actual or perceived financial condition and growth prospects, investor perception of an industry or sector, changes in currency exchange rates, changes in regulations, inflation, and geopolitical and economic risks. Declines in the equity markets, or in the market segments in which our investment products are concentrated, may cause our AUM to decrease.
- *Declines in fixed income markets.* Fixed income investment products may decline in value as a result of various factors, principally increases in interest rates (partly due to inflationary expectations), changes in currency exchange rates, changes in relative yield among instruments with different maturities, geopolitical and general economic risks, available liquidity in the markets in which a security trades, an issuer's actual or perceived creditworthiness, or an issuer's ability to meet its obligations. Declines in the fixed income markets, or in the market segments in which our investment products are concentrated, may cause our AUM to decrease.
- *Investment performance.* Our investment performance, along with achieving and maintaining superior distribution and client services, is critical to the success of our business. Strong investment performance has historically stimulated sales of our investment products. Poor investment performance as compared to third-party benchmarks or competitive products has, in the past, and could in the future, lead to a decrease in sales of investment products we manage and stimulate redemptions from existing products, generally lowering the overall level of our AUM and reducing our management fees, and may have an adverse effect on our revenue and net income. In addition, certain of our investment products are subject to performance fees that are based either on investment performance as compared to an established benchmark index or on positive absolute return over a specified period of time. If our investment products that are subject to performance fees underperform,

our revenue, results of operations and financial condition may be adversely affected. In addition, performance fees subject our revenue to increased volatility. No assurance can be given that past or present investment performance in the investment products we manage is indicative of future performance.

***Our revenue and profitability would be adversely affected by any reduction in our AUM as a result of redemptions and other withdrawals from the funds and accounts we manage.***

Investors may reduce their investments in the funds and accounts we manage, or reduce their investments generally, for many reasons, including:

- In response to adverse market conditions;
- To pursue other investment opportunities;
- To reallocate investments to lower-fee strategies;
- To take profits from their investments;
- As a result of poor investment performance of the funds and accounts we manage;
- As a consequence of damage to our reputation; or
- Due to portfolio risk characteristics, which could cause investors to move assets to other investment managers.

In addition, the loss of key personnel or significant investment management professionals could reduce the attractiveness of our products to current and potential clients and adversely affect our revenues and profitability.

***Changes in the value of our seeded investment products could adversely affect our earnings and financial condition.***

We have a significant seed portfolio. Periodically, we add new investment strategies to our investment product offering and provide the initial cash investment, or seeding to facilitate the launch of the new product. We may also provide substantial supplemental capital to an existing investment product to accelerate the growth of a strategy and attract outside investment in the product. A decline in the valuation of these seeded investments could negatively impact our earnings and financial condition.

***Volatility and disruption of the capital and credit markets, and adverse changes in the global economy may significantly affect our results of operations and may put pressure on our financial results.***

The capital and credit markets may, from time to time, experience volatility and disruption worldwide. Declines in global financial market conditions have, in the past, resulted in significant decreases in our AUM, revenues and income, and future declines may negatively impact our financial results. Such declines have had, and may in the future have, an adverse impact on our results of operations. We may need to modify our business, strategies or operations, and we may be subject to additional constraints or costs in order to compete in a changing global economy and business environment.

***Disruptions in the markets, to market participants and to the operations of third parties whose functions are integral to our ETF platforms may adversely affect the prices at which ETFs trade, particularly during periods of market volatility.***

The trading price of an ETF's shares or units fluctuates continuously throughout trading hours. While an ETF's creation/redemption feature and the arbitrage mechanism are designed to make it more likely that the ETF's shares or units normally will trade at prices close to the ETF's net asset value ("NAV"), exchange prices may deviate significantly from the NAV. ETF market prices are subject to numerous potential risks, including significant market volatility; imbalances in supply and demand; trading halts invoked by a stock exchange; and the inability or unwillingness of market makers, authorized participants, or settlement systems or other market participants to perform functions necessary for an ETF's arbitrage mechanism to function effectively. If market events lead to instances where an ETF trades at prices that deviate significantly from the ETF's NAV or indicative value, or trading halts are invoked by the relevant stock exchange or market, investors may lose confidence in ETF products and sell their holdings, which may cause the ETFs AUM, revenue and earnings to decline.

***Illiquidity in certain securities in which we invest may negatively impact the financial condition of our investment products and may impede our ability to effect redemptions.***

Some of our funds or mandates invest in certain securities or other assets in which the secondary trading market is illiquid or does not exist. Illiquidity may occur with respect to the securities of a specific issuer, based on industry, sector or geographic region, or with respect to an asset class or an investment type. An illiquid trading market may increase market volatility and may make it difficult to sell investments promptly without suffering a loss. This may have an adverse impact on the investment performance of such funds and mandates, and on our AUM, revenues and results of operations.

Investors in certain funds we manage have contractual terms that provide for a shorter notice period for redemptions or withdrawals than the time period during which these funds may be able to sell underlying investments within the fund. This liquidity mismatch may be exacerbated during periods of market illiquidity and, in circumstances in which there are high levels of investor redemptions, it may be necessary for us to impose restrictions on redeeming investors or suspend redemptions. Such actions could increase the risk of legal claims by investors and regulatory investigations and/or fines and may adversely affect our reputation.

***We could be adversely impacted by changes in assumptions used to calculate pension assets and liabilities.***

We provide retirement benefits for our current and former employees in the UK through the Janus Henderson Group Pension Scheme (“UK Pension Scheme”). The UK Pension Scheme operates a number of defined benefit sections, which closed to new entrants on November 15, 1999, and a money purchase section. As of December 31, 2021, the UK Pension Scheme had a surplus of \$2.7 million on a technical provision basis. Our funding obligations for the UK Pension Scheme may be adversely affected by many factors, including poorer than expected long-term return on plan assets, longer life expectancy, changes in actuarial assumptions by reference to which our contributions are assessed, such as changes to assumptions on interest rates and inflation, changes to the regulatory regime for funding defined benefit pension schemes in the UK and other factors. We may also be subject to obligations to contribute funds or take other action imposed by the Pension Protection Fund in connection with the UK Pension Scheme. If we were required to increase our contributions in the future to cover any increased funding shortfall, levy by the Pension Protection Fund and/or expenses in the UK Pension Scheme, our results and financial condition could be adversely affected.

***The global scope of our business subjects us to currency exchange rate risk that may adversely impact revenue and income.***

We generate a substantial portion of our revenue in pounds sterling, euro (“EUR”) and Australian dollars (“AUD”). As a result, we are subject to foreign currency exchange risk relative to the U.S. dollar (“USD”), our financial reporting currency, through our non-U.S. operations, including through our exposure to non-USD income, expenses, assets and liabilities of our overseas subsidiaries, as well as net assets and liabilities denominated in a currency other than USD. Fluctuations in the exchange rates to the USD may affect our financial results from one period to the next. In addition, there is risk associated with the foreign exchange revaluation of balances held by certain of our subsidiaries for which the local currency is different from our functional currency.

***We could be impacted by counterparty or client defaults.***

In periods of significant market volatility, the deteriorating financial condition of one financial institution may materially and adversely impact the performance of others. We, and the funds and accounts we manage, have exposure to many different counterparties, and routinely execute transactions with counterparties across the financial industry. As a result, we and our managed funds and accounts may be exposed to credit, operational or other risk in the event of a default by a counterparty or client, or in the event of other unrelated systemic market failures.

## **Business and Strategic Risks**

***We operate in a highly competitive environment, and revenue from fees may be reduced.***

The investment management business is highly competitive. In recent years, established firms and new entrants to the asset management industry have expanded their application of technology, including the use of robo advisers, to provide services to clients. Our traditional fee structures may be subject to downward pressure due to these factors. Moreover, in recent years there has been a trend toward lower fees in the investment management industry, as evidenced by the movement toward passively managed mutual funds and the growth of lower cost funds such as exchange traded, smart beta and quantitative funds. Fees for actively managed investment products may continue to come under increased pressure if such products fail to outperform returns for comparable passively managed products or as a consequence of regulatory intervention. Fee reductions on existing or future new business, as well as changes in regulations pertaining to fees, could adversely affect our results of operations and financial condition. Additionally, we compete with investment management companies on the basis of investment performance, fees, diversity of products, distribution capability, scope and quality of services, reputation and the ability to develop new investment products to meet the changing needs of investors. Failure to adequately compete could adversely affect our AUM, results of operations and financial condition.

***Our success depends on our key personnel, and our financial performance could be negatively affected by the loss of their services.***

The success of our business is highly dependent on our ability to attract, retain and motivate highly skilled and often highly specialized technical, executive, sales and investment management personnel. The market for qualified investment and sales professionals is extremely competitive and is characterized by the frequent movement of portfolio managers, analysts and salespeople among different firms. Any changes to management structure, shifts in corporate culture, changes to corporate governance authority, or adjustments or reductions to compensation could affect our ability to retain key personnel and could result in legal claims. To retain certain key personnel, we may be required to increase compensation to such individuals, resulting in additional expense. Laws and regulations could impose restrictions on the amount of compensation paid by financial institutions as well as the processes for paying and deferring compensation, which could restrict our ability to compete effectively for qualified professionals. There can be no assurance that we will be successful in finding, attracting and retaining qualified individuals, and the departure of key personnel, particularly those personnel responsible for managing client funds that account for a high proportion of our revenue, could cause us to lose clients, which could have a material adverse effect on our AUM, results of operations and financial condition. Effective succession planning is also important to our long-term success. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution.

On November 18, 2021, we announced that Richard M. Weil had provided notice of his intention to retire as our Chief Executive Officer and a member of our Board of Directors, effective as of March 31, 2022. From the period commencing on March 31, 2022, and ending on June 30, 2022, Mr. Weil will remain an employee of the Company and serve as non-executive special advisor to the Company and its affiliates assisting in the transition of the Chief Executive Officer duties. The search for and transition to a new Chief Executive Officer may result in disruptions to our business and uncertainty among our clients, employees and investors, which could adversely impact our business and results of operations.

***We are dependent upon third-party distribution channels to access clients and potential clients.***

Our ability to market and distribute our investment products is significantly dependent on access to the client base of insurance companies, defined contribution plan administrators, securities firms, broker-dealers, financial advisors, multi-managers, banks and other distribution channels. These companies generally offer their clients various investment products in addition to, and competitive with, products offered by us. In addition, our existing relationships with third-party distributors and access to new distributors could be adversely affected by recent consolidation within the financial services industry. Consolidation may result in increased distribution costs, a reduction in the number of third parties distributing our investment products or increased competition to access third-party distribution channels. Moreover, fiduciary regulations have led to significant shifts in distributors' business models and more limited product offerings,



and additional regulations could lead to further changes, potentially resulting in reduced distribution of certain of our products. Our inability to access clients through third-party distribution channels could adversely affect our business prospects, AUM, results of operations and financial condition.

***The global scope of our business subjects us to market-specific political, economic and other risks that may adversely impact our revenue and income generated overseas.***

Our global portfolios and revenue derived from managing these portfolios are subject to significant risks of loss as a result of political, economic and diplomatic developments, currency fluctuations, social instability, changes in governmental policies, regulation and enforcement, expropriation, nationalization, asset confiscation and changes in legislation related to ownership of non-U.S. securities.

Individual financial, equity, debt and commodity markets may be adversely affected by financial, economic, political, electoral, diplomatic or other instabilities that are particular to the country or region in which a market is located. Global economic conditions also affect the mix, market values and levels of our AUM and are difficult to predict. Political, economic and environmental events in any country or region could result in significant declines in equity and/or fixed income securities with exposure to such a country or region and, to the extent that we have a concentration of AUM in such a country or region, could result in a material adverse effect on our AUM, results of operations and financial condition.

In addition, international trading markets, particularly in some emerging market countries, are often smaller, less liquid, less regulated and significantly more volatile than those in the U.S. Local regulatory environments and may vary widely in terms of scope, adequacy and sophistication. Moreover, regulators in non-U.S. jurisdictions could change their policies or laws in a manner that might restrict or otherwise impede our ability to distribute or authorize products or maintain our authorizations in their respective markets. Similarly, local distributors, and their policies and practices as well as financial viability, may also vary widely, or be inconsistent or less developed or mature than other, more internationally focused distributors. As our business grows in non-U.S. markets, any ongoing and future business, political, economic or social unrest affecting these markets may have a negative impact on the long-term investment climate in these and other areas, and, as a result, our AUM and the revenue and income we generate from these markets may be negatively affected.

***Our reputation is critical to the success of our business. Harm to our reputation could reduce our AUM and affect sales, which could adversely affect our revenue and net income.***

We believe that our brand name is well-received both in the asset management industry and with our clients, reflecting the fact that our brand, like our business, is based in part on trust and confidence. If our reputation is harmed, existing clients may reduce their investments, or withdraw from funds we manage, or funds may terminate or reduce AUM under their management agreements with us, which could reduce our AUM and negatively impact our revenue and profitability.

As part of our business, we are required to continuously manage actual and potential conflicts of interest, including situations where our services to a particular client conflict, or are perceived to conflict, with the interests of another client or those of JHG or our employees. The willingness of clients to enter into transactions in which such a conflict might arise may be affected if we fail, or appear to fail, to deal appropriately with conflicts of interest. In addition, failure to appropriately manage potential, perceived or actual conflicts could damage our reputation and give rise to litigation or regulatory enforcement actions.

Our reputation could also be damaged by factors such as:

- Litigation;
- Regulatory action;
- Loss of key personnel;
- Operational failures;
- Underperformance of our investment products;

- Fraud, misconduct or mismanagement, theft, loss or misuse of client data by our personnel or third parties;
- Failure to manage conflicts of interest or satisfy fiduciary responsibilities; and
- Negative publicity or press speculation (whether or not any such allegations or claims are valid or ultimately disproved, dismissed or withdrawn).

Reputational harm may cause us to lose current clients and we may be unable to continue to attract new clients or develop new business. If we fail to effectively address the underlying causes of any harm to our reputation, our financial results and future business prospects would likely be adversely affected.

***The carrying value of goodwill and other intangible assets on our balance sheet could become impaired, which would adversely affect our results of operations.***

At December 31, 2021, our goodwill and intangible assets totaled \$3,917.0 million. The value of these assets may not be realized for a variety of reasons, including significant redemptions, loss of clients, damage to brand name and unfavorable economic conditions. We have recorded goodwill and intangible asset impairments in the past and could incur similar charges in the future. Under U.S. GAAP, goodwill and intangible assets with indefinite lives are not amortized but are tested for impairment annually or more often if an event or circumstance indicates that an impairment loss may have been incurred. Other intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives and reviewed for impairment whenever there is an indication of impairment. Should such reviews indicate impairment, a reduction of the carrying value of the intangible asset could occur, resulting in a charge that may, in turn, adversely affect our results of operations and financial condition.

***Our business depends on investment management agreements that are subject to termination, non-renewal or reductions in fees.***

We derive revenue from investment management agreements with investment funds, institutional investors and other investors. With respect to investment management agreements with U.S. mutual funds, these agreements may be terminated by either party with notice, or in the event of an “assignment” (as defined in the Investment Company Act), and must be approved and renewed annually by the independent members of each fund’s board of directors or trustees or its shareholders, as required by law. In addition, the board of directors or trustees of certain investment funds and institutional and other investors generally may terminate their investment management agreements upon written notice for any reason and without penalty. U.S. mutual funds, investment funds or other investors may choose to exercise such termination rights at any time. In addition, the annual review of investment management agreements with U.S. mutual funds, as required by law, could result in a reduction in our advisory fee revenues. The termination of or failure to renew one or more of these agreements could have a material adverse effect on our AUM, results of operations and financial condition.

***Our expenses are subject to fluctuations that could materially affect our operating results.***

Our results of operations are dependent on our level of expenses, which can vary significantly for many reasons, including:

- Changes in the level and scope of our operating expenses in response to market conditions or regulations;
- Variations in the level of total compensation expense due to changes in bonuses and stock-based awards, changes in employee benefit costs due to regulatory or plan design changes, changes in our employee count and mix, competitive factors, market performance and other factors;
- Expenses incurred to support distribution of our investment strategies and services, develop new strategies and services, and enhance our technology, compliance and other infrastructure;
- Impairments of intangible assets or goodwill; and
- Impact of inflation.

Increases in the level of our expenses, or our inability to reduce the level of expenses when necessary, could materially affect our operating results.

## **Operational and Technology Risks**

***We could be subject to losses and reputational harm if we, or our agents, fail to properly safeguard sensitive and confidential information against cyberattacks or other security breaches.***

We depend on the continued effectiveness of our information and cybersecurity policies, procedures and capabilities to protect our computer and telecommunications systems and the data that resides in or is transmitted through such systems.

As part of our normal operations, we maintain and transmit confidential information about our clients and employees as well as proprietary information relating to our business operations. We maintain a system of internal controls designed to secure and protect such information. Nevertheless, all technology systems remain susceptible to unauthorized access and may be corrupted by cyberattacks, computer viruses or other malicious software code. In addition, authorized persons could inadvertently or intentionally misappropriate or release confidential or proprietary information. Any breach or other failure of our technology systems, including those of third parties with which we do business, or any failure to timely and effectively identify and respond to a breach or failure, could result in the loss of valuable information, liability for stolen assets or information, remediation costs to repair damage caused by the incident, additional security costs to mitigate against future incidents and litigation costs resulting from the incident. Our use of mobile and cloud technologies could heighten these and other operational risks, and any failure by mobile technology and cloud service providers to adequately safeguard their systems to prevent cyberattacks could disrupt our operations and result in misappropriation, corruption or loss of confidential or proprietary information. Moreover, any loss of confidential customer identification information could harm our reputation, result in the termination of certain contracts by our existing customers, and subject us to liability under laws that protect confidential personal data, resulting in increased costs or loss of revenue.

Security breaches, including cyberattacks and phishing attacks, have become increasingly prevalent and sophisticated. There can be no assurance that our investments in precautions and safeguards will protect our business from all attempted cyberattacks or other incidents. Recent well-publicized security breaches at other companies have exposed failures to keep pace with the threats posed by cyberattackers and have led to increased government and regulatory scrutiny, which could lead to increased costs or fines or public censure.

Due to our interconnectivity with third-party vendors, advisors, central agents, exchanges, clearing organizations and other financial institutions, we may be adversely affected if any of them are subject to a successful cyberattack or other information security event, including those arising from the use of mobile technology or a third-party cloud environment. Certain software applications that we use in our business are licensed by, and supported, upgraded and maintained by, third-party vendors. A suspension or termination of certain of these licenses or the related support, upgrades and maintenance could cause temporary system delays or interruption that could adversely impact our business. Also, such third-party applications may include confidential and proprietary data provided by vendors and by us. We may be subject to indemnification costs and liability to third parties if we breach any confidentiality obligations regarding vendor data for losses related to the data, or if data we provide is deemed to infringe upon the rights of others.

Finally, cybersecurity and data privacy have become high priorities for regulators, and many jurisdictions are enacting laws and regulations in these areas. Our failure to comply with these and other applicable requirements could result in regulatory investigations and penalties as well as negative publicity, which could materially adversely affect our business, results of operations and financial condition.

***Intech's investment process is highly dependent on key employees and proprietary software.***

Intech uses a proprietary investment process (which relates to approximately 9% of our AUM as of December 31, 2021), which is based on complex and proprietary mathematical models that seek to outperform various indices by capitalizing on the volatility in stock price movements while controlling trading costs and overall risk relative to the index. The maintenance of such models for current products and the development of new products are highly dependent on certain key Intech employees. If Intech is unable to retain key personnel or properly transition key personnel responsibilities to others, if the mathematical investment strategies developed by Intech fail to produce the intended results, or if errors

occur in the development or implementation of Intech's mathematical models, Intech may not deliver competitive performance, which could adversely affect our AUM, results of operations and financial condition, and could also result in legal claims against us or regulatory investigations with respect to our operations.

***Failure to maintain adequate controls and risk management policies, the circumvention of controls and policies, or fraud, as well as failure to maintain adequate infrastructure or failures in operational or risk management processes and systems could have an adverse effect on our AUM, results of operations and financial condition.***

Although we have a comprehensive risk management process, there can be no assurances that our controls, procedures, policies and systems will successfully identify and manage internal and external risks to our business. For example, our employees, contractors or other third parties may deliberately seek to circumvent established controls to commit fraud or act in ways that are inconsistent with our controls, policies and procedures. Any operational errors or negligence by our employees, or others acting on our behalf, or weaknesses in the internal controls over those processes could result in losses for us, and we may be required to compensate clients for losses suffered and/or regulatory fines. Persistent or repeated incidents involving conflicts of interest, circumvention of policies and controls, fraud or insider trading could have a materially adverse impact on our reputation and could lead to costly regulatory inquiries.

Our business is also highly dependent on the integrity, security and reliability of our information technology systems and infrastructure. If any of our critical systems or infrastructure do not operate properly or are disabled, our ability to perform effective investment management on behalf of our clients could be impaired. In addition, if we fail to maintain an infrastructure commensurate with the size and scope of our business, our productivity and growth could be negatively affected, which could have an adverse impact on our AUM, results of operations and financial condition.

***Insurance may not be available on a cost-effective basis to protect us from potential liabilities.***

We face the inherent risk of liability and costs related to or arising from claims from clients, employees and other third parties; actions taken by regulatory agencies; losses arising from fraud or other criminal activity; and costs and losses associated with cyber incidents. To help protect against these and other potential liabilities, we have purchased insurance in amounts, and against risks, that we consider appropriate, where such insurance is available at prices we deem reasonable. There can be no assurance, however, that a claim or claims will be covered by insurance or, if covered, will not exceed coverage limits; that an insurer will meet its obligations regarding coverage; or that insurance coverage will continue to be available on a cost-effective basis. Insurance costs are impacted by market conditions and the risk profile of the insured, and may increase significantly over relatively short periods. In addition, certain insurance coverage may not be available or may only be available at prohibitive cost. Renewals of insurance policies may expose us to additional costs through higher premiums or the assumption of higher deductibles or co-insurance liability.

***Our business may be vulnerable to failures of support systems and client service functions provided by third-party vendors.***

Our client service capabilities as well as our ability to obtain prompt and accurate securities pricing information and to process client transactions and reports are significantly dependent on communication and information systems and services provided by third-party vendors. The ability to consistently and reliably obtain securities pricing information, process client transactions and provide reports and other client services to the shareholders of funds and other investment products we manage is essential to our operations. Any delays, errors or inaccuracies in pricing information, processing client transactions or providing reports, and any other inadequacies in other client service functions could impact client relationships, result in financial losses and potentially give rise to regulatory actions and claims against us.

We depend on third-party service providers and other key vendors for various fund administration, accounting, custody, risk analytics, market data, market indices and transfer agent roles, and other distribution and operational needs. If our third-party service providers or other key vendors fail to fulfill their obligations, experience service interruptions, cease providing their services on short notice or otherwise provide inadequate service, it could lead to operational and regulatory problems, including with respect to certain of our products, which could result in losses, enforcement actions, or reputational harm, and which could negatively impact our AUM, results of operations and financial condition.

***Our inability to recover successfully, should we experience a disaster or other business continuity problem, could cause material financial loss, regulatory actions, legal liability and/or reputational harm.***

Significant portions of our business operations and those of our critical third-party service providers are concentrated in a few geographic areas, including the UK, the U.S., Luxembourg and Australia. Should we, or any of our critical service providers, experience a significant local or regional disaster or other event that disrupts business continuity, such as an earthquake, hurricane, tsunami, terrorist attack, epidemic or other natural or man-made disaster, our continued success will depend in part on the safety and availability of our personnel, our office facilities and the proper functioning of our technology, computer, telecommunications and other systems and operations that are critical to our business. We have developed various backup systems and contingency plans, but no assurance can be given that they will be adequate in all circumstances that could arise or that material interruptions and disruptions will not occur. In addition, we will rely to varying degrees on outside vendors for disaster recovery support, and no assurance can be given that these vendors will be able to perform in an adequate and timely manner. If we, or any of our critical service providers, are unable to respond adequately to such an event in a timely manner, we may be unable to continue our business operations, which could damage our reputation and lead to a loss of customers and have an adverse effect on our AUM, revenue and net income.

***Negative changes in our credit ratings and global market volatility may impair our ability to obtain financing and may increase our borrowing costs.***

Our ability to access the capital markets, as well as our borrowing costs under our credit facility, depends significantly on our credit ratings and credit outlook. Changes in our credit ratings or credit outlook, which are determined by rating agencies such as Standard & Poor's ("S&P's") and Moody's Investors Service, as well as global market volatility, could cause us to incur higher borrowing costs or to have greater difficulty in accessing the capital markets. In addition, volatility in global financial and capital markets may also affect our ability to access the capital markets in a timely manner.

### **Legal and Regulatory Risks**

***Regulatory and governmental examinations and/or investigations, litigation and the legal risks associated with our business could adversely impact our AUM, increase costs and negatively impact our profitability and/or our future financial results.***

From time to time, we receive and respond to regulatory and governmental requests for documents or other information, subpoenas, examinations and investigations in connection with our business activities. In addition, from time to time, we are named as a party in litigation. Even if claims made against us are without merit, litigation typically is an expensive process. Risks associated with legal liability often are difficult to assess or quantify and their existence and magnitude can remain unknown for significant periods of time. Among other things, such matters may result in fines, censure, legal damages, suspension of personnel, revocation of licenses and reputational damage, which may reduce our sales and increase redemptions. Eventual exposures from and expenses incurred relating to any examinations, investigations, litigation and/or settlements could adversely impact our AUM, increase costs and/or negatively impact our profitability and financial results. Allegations, findings or judgments of wrongdoing by regulatory or governmental authorities or in litigation against us, or settlements with respect thereto, could affect our reputation, increase our costs of doing business and/or negatively impact our revenues, any of which could have a material negative impact on our financial results.

***We operate in an industry that is highly regulated in most countries, and any enforcement action or changes in the laws or regulations governing our business could adversely affect our AUM, results of operations or financial condition.***

Like all investment management firms, our activities are highly regulated in almost all countries in which we conduct business, including the U.S., the UK, Europe, Australia, Singapore and other international markets. A substantial portion of the products and services we provide are regulated and are accordingly supervised by financial services regulators in the U.S., the UK, Australia, Singapore and Luxembourg. In addition, subsidiaries operating in the EU are subject to EU

law as implemented and applied in the EU member states in which they operate. Our operations elsewhere in the world are regulated by similar regulatory organizations.

Laws and regulations applied at the international, national, state or provincial and local levels generally grant governmental agencies and industry self-regulatory authorities broad administrative discretion over our activities, including the power to limit or restrict our business activities, to conduct examinations, risk assessments, investigations and capital adequacy reviews, and to impose remedial programs to address perceived deficiencies. As a result of regulatory oversight, we could face requirements that negatively impact the way in which we conduct business, increase compliance costs, impose additional capital requirements and/or involve enforcement actions that could lead to sanctions, including the potential revocation of licenses to operate certain businesses, the suspension or expulsion from a particular jurisdiction or market of any of our business organizations or key personnel, or the imposition of fines and censures on us or our employees. Judgments or findings of wrongdoing by regulatory or governmental authorities, or in private litigation against us, could affect our reputation, increase our costs of doing business and/or negatively impact our AUM and revenues, any of which could have an adverse impact on our results of operations or financial condition.

The regulatory environment in which we operate changes frequently and has seen a significant increase in regulation in recent years. Certain enacted provisions and proposals for new regulation are potentially far-reaching and, depending upon their implementation, could increase the cost of offering mutual funds and other investment products and services and have material adverse effects on our business, results of operations or financial condition.

In the U.S., the government and other institutions have taken action, and may continue to take further action, in response to volatility in the global financial markets. For example, certain provisions of the Dodd-Frank Act have required us, and other provisions will or may require us, to change and or impose new limitations on the manner in which we conduct business. More generally, the Dodd-Frank Act has increased our regulatory burdens and related compliance costs. Rulemaking is still ongoing for the Dodd-Frank Act, and any further actions could include new rules and requirements that may be applicable to us, the effect of which could have additional adverse consequences to our business, results of operations or financial condition.

The EU has promulgated or is considering various new or revised legislation pertaining to financial services firms, including investment managers. Such regulatory changes may have a direct impact on the revenue of our business should they result in structural or operational changes and may increase operational or compliance costs. We do not believe implementation of these requirements will fundamentally change the asset management industry or cause us to reconsider our fundamental strategy, but certain provisions may require us to change or impose new limitations on the manner in which we conduct business and may result in increased fee and margin pressure from clients.

The full extent of the impact on us of any laws, regulations or initiatives that may be proposed, and regulatory reform initiatives and enforcement agendas pursued by regulators such as the SEC and the DOL (which have separately expressed support for investor protection initiatives that may impact how and to whom certain investment products can be distributed in the U.S.), is impossible to determine. Recent changes have imposed, and may continue to impose, new compliance costs and/or capital requirements or impact us in other ways that could have a material adverse impact on our business, results of operations or financial condition. Moreover, certain legal or regulatory changes could require us to modify our strategies, businesses or operations, and these changes may result in the incurrence of other new constraints or costs, including the investment of significant management time and resources in order to satisfy new regulatory requirements or to compete in a changed business environment.

***Regulators may impose increased capital requirements on us, which could negatively impact our ability to return capital or pay dividends to our shareholders and adversely affect our results of operations and financial condition.***

Regulators typically have broad discretion to impose increased regulatory capital requirements on the regulated entities within their jurisdiction. It is possible that the regulatory capital requirements that currently apply to our business could be increased. The imposition of increased regulatory capital requirements could negatively impact our ability to return capital or pay dividends to shareholders, restrict our ability to make future acquisitions or, should we be required to raise additional capital, negatively impact our results of operations and financial condition.

***Failure to comply with client contractual requirements and/or investment guidelines could negatively impact our AUM, results of operations and financial condition.***

Many of the investment management agreements under which we manage assets or provide services specify investment guidelines or requirements that we are required to observe. Laws and regulations also impose similar requirements for certain accounts. A failure to follow these guidelines or requirements could result in damage to our reputation or in clients seeking to recover losses, withdrawing their assets or terminating their contracts, any one of which could cause revenues and profitability to decline. In addition, a breach of these investment guidelines or requirements could result in regulatory investigation, censure and/or fines.

***The exit of the UK from the EU could adversely impact our business, results of operations and financial condition.***

On June 23, 2016, the UK held a referendum in which voters approved an exit from the EU, commonly referred to as “Brexit.” The UK’s withdrawal from the EU occurred on January 31, 2020, and the UK remained in the EU’s customs union and single market until December 31, 2020 (“Transition Period”). The UK and the EU agreed a Trade and Cooperation Agreement on December 24, 2020 (“TCA”), which was operative from the end of the Transition Period and which governs the UK’s relationship with the EU. While the TCA regulates a number of important areas, significant parts of the UK economy are not addressed in detail by the TCA, including in particular the services sector, which represents the largest component of the UK’s economy. A number of issues have been the subject of further bilateral negotiations. One of the subjects of these negotiations has been a memorandum of Understanding (“MoU”) between the EU and UK covering financial services. While a technical agreement on the MoU was reached on March 26, 2021, the text of the MoU has not been published, and ratification is subject to further agreement between the EU and the UK, which may not be forthcoming. As a result, the new relationship between the UK and the EU could in the short-term, and possibly for longer, cause disruptions to and create uncertainty in the UK and European economies, prejudice to financial services businesses such as ours that are conducting business in the EU and which are based in the UK, legal uncertainty regarding achievement of compliance with applicable financial and commercial laws and regulations, and the unavailability of timely information as to expected legal, tax and other regimes. A failure to reach an agreement for a sustainable and practical financial services regulatory relationship between the UK and the EU, whether on the basis of equivalence, mutual recognition or otherwise, could harm our operations and returns.

Accordingly, and notwithstanding steps we took prior to the UK’s withdrawal from the EU and the end of the Transition Period, we may incur additional costs due to having to relocate or augment activities within the EU and carry out any related restructuring as well as incur additional costs to address potential new impediments to conducting EU business.

These and related issues, or a decline in trade between the UK and the EU, could affect the attractiveness of the UK as a global investment center and could have a detrimental impact on UK economic growth. Although we have a diverse international customer base, our results could be adversely affected by the market impacts of reduced UK economic growth and greater volatility in the pound sterling.

Any of the foregoing factors could have a material adverse effect on our business, results of operations or financial condition.

***We may not effectively manage risks associated with the replacement of benchmark indices.***

The withdrawal and replacement of widely used benchmark indices, such as the London Interbank Offered Rate (“LIBOR”), with alternative benchmark rates introduce a number of risks for our business, our clients and the financial services industry more widely. These risks include:

- Legal implementation risks, as extensive changes to documentation for new and existing clients and transactions may be required;
- Financial risks, arising from any changes in the valuation of financial instruments linked to benchmark indices;
- Pricing risks, as changes to benchmark indices could impact pricing mechanisms on some instruments;
- Operational risks, due to the potential requirement to adapt information technology systems, trade reporting infrastructure and operational processes; and

- Conduct risks, relating to communications with a potential impact on customers and engagement with customers during the transition away from benchmark indices such as LIBOR.

The publication of non-USD LIBOR and one-week and two-month USD LIBOR ceased after December 31, 2021, and the remaining USD LIBOR tenors will cease immediately after June 30, 2023. As a result of LIBOR's phase out, our credit facility was amended to incorporate the Secured Overnight Financing Rate ("SOFR") as the successor rate to USD LIBOR and the Sterling Overnight Index Average ("SONIA") as the successor rate to GBP LIBOR. There are significant differences between how LIBOR and SOFR or SONIA are calculated, which could result in increased borrowing costs. It is not currently possible to determine precisely to what extent the withdrawal and replacement of LIBOR will affect us. However, the implementation of alternative benchmark rates to LIBOR may have an adverse effect on our business, results of operations or financial condition.

***We may be subject to claims of lack of suitability.***

If our clients suffer losses on funds or investment mandates we manage, they may seek compensation from us on the basis of allegations that these funds or mandates were not suitable for them or that the fund prospectuses or other marketing materials contained material errors or were misleading. Despite the controls relating to disclosure in fund prospectuses and marketing materials, it is possible that such action may be successful, which in turn could adversely affect our business, financial condition and results of operations. Any claim for lack of suitability could also result in a regulatory investigation, censure or fines, and may damage our reputation.

**Risks Related to Taxes**

***Changes to tax laws could adversely affect us.***

The determination of our provision for income taxes requires judgment, the use of estimates and the interpretation and application of complex tax laws. Our provision for income taxes reflects a combination of income earned and taxed in the various U.S. federal and state, UK and other jurisdictions. Jurisdictional tax law changes, increases or decreases in permanent differences between book and tax items, accruals or adjustments of accruals for unrecognized tax benefits or valuation allowances, and any changes in our mix of earnings from these taxing jurisdictions affect the overall effective tax rate and the amount of tax payable by us.

Our tax affairs will, in the ordinary course of business, be reviewed by tax authorities, which may disagree with certain positions that we have taken or will take in the future and assess additional taxes. We regularly assess the likely outcomes of such tax inquiries, investigations or audits in order to determine the appropriateness of their respective tax provisions. However, there can be no assurance that we will accurately predict the outcomes of these inquiries, investigations or audits, and the actual outcomes of these inquiries, investigations or audits could have a material impact on our financial results.

The U.S. Congress is considering a variety of tax legislation proposals. Although the final form of such legislation, and whether it will ultimately be enacted, is uncertain, increases to the income tax rate or other changes to the tax law could materially impact our tax provision, cash tax liability, deferred income tax balances and effective tax rate. In addition, the pressure to generate tax revenue to offset economic relief measures due to the COVID-19 pandemic could increase the likelihood of adverse tax law changes being enacted.

***As a result of the Merger, the IRS may assert that we are to be treated as a domestic corporation or otherwise subject to certain adverse consequences for U.S. federal income tax purposes.***

Although we are a public limited company incorporated in Jersey, Channel Islands, and tax resident in the UK, the U.S. Internal Revenue Service ("IRS") may assert that, as a result of the Merger, we should be treated as a U.S. corporation



(and, therefore, a U.S. tax resident) for U.S. federal income tax purposes pursuant to Section 7874 of the U.S. Internal Revenue Code of 1986, as amended (“Section 7874”).

Section 7874 provides that if, following an acquisition of a U.S. corporation by a non-U.S. corporation, at least 80% of the acquiring non-U.S. corporation’s stock (by vote or value) is considered to be held by former shareholders of the U.S. corporation by reason of holding stock of such U.S. corporation (such percentage referred to as the “ownership percentage” and such test referred to as the “80% ownership test”), and the “expanded affiliated group,” which includes the acquiring non-U.S. corporation, does not have substantial business activities in the country in which the acquiring non-U.S. corporation is created or organized, then the non-U.S. corporation would be treated as a U.S. corporation for U.S. federal income tax purposes even though it is a corporation created and organized outside the U.S.

We do not believe that the 80% ownership test was satisfied as a result of the Merger. If the 80% ownership test were satisfied and, as a result, we were treated as a U.S. corporation for U.S. federal income tax purposes, we could be liable for substantial additional U.S. federal income tax on our operations and income. Additionally, if we were treated as a U.S. corporation for U.S. federal income tax purposes, non-U.S. shareholders would generally be subject to U.S. withholding tax on the gross amount of any dividends we pay to such shareholders.

Section 7874 also provides that if, following an acquisition of a U.S. corporation by a non-U.S. corporation, the ownership percentage is equal to or greater than 60% but less than 80% (such test referred to as the “60% ownership test”), then the U.S. corporation and its affiliates could be prohibited from using their foreign tax credits or other U.S. federal tax attributes to offset the income or gain recognized by reason of the transfer of property to a non-U.S. related person or any income received or accrued by reason of a license of any property by such U.S. entity to a non-U.S.-related person. Further, certain JCG stock compensation held directly or indirectly by management prior to the Merger would be subject to an excise tax at a rate equal to 15%. In addition, under U.S. Treasury temporary regulations, our ability to integrate certain non-U.S. operations or to access cash earned by non-U.S. subsidiaries may be limited. We do not believe that the 60% ownership test was satisfied as a result of the Merger.

Because there is only limited guidance on the manner in which the ownership percentage is to be determined, there can be no assurance that the IRS will agree with the position that we are to be treated as a non-U.S. corporation or that we are not to be subject to the other adverse U.S. federal income tax consequences associated with satisfying the 60% ownership test.

### **Jersey Company Risks**

***Our ordinary shares, which we refer to as our common stock, are governed by the laws of Jersey, Channel Islands, which may not provide the level of legal certainty and transparency afforded by incorporation in a U.S. state.***

We are organized under the laws of Jersey, Channel Islands, a British crown dependency that is an island located off the coast of Normandy, France. Jersey is not a member of the EU. Jersey, Channel Islands, legislation regarding companies is largely based on English corporate law principles. However, there can be no assurance that the laws of Jersey, Channel Islands, will not change in the future or that it will serve to protect investors in a similar fashion afforded under corporate law principles in the U.S., which could adversely affect the rights of investors.

***U.S. shareholders may not be able to enforce civil liabilities against us.***

Certain of our directors and executive officers are not residents of the U.S. A substantial portion of the assets of such persons are located outside the U.S. As a result, it may not be possible for investors to effect service of process within the U.S. upon such persons.

Judgments of U.S. courts may not be directly enforceable outside of the U.S., and the enforcement of judgments of U.S. courts outside of the U.S. may be subject to limitations. Investors may also have difficulties pursuing an original action brought in a court in a jurisdiction outside the U.S. for liabilities under the securities laws of the U.S.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

**ITEM 2. PROPERTIES**

We have 27 offices across the UK, Europe, North America, Asia and Australia. Our corporate headquarters is located in London, where it occupies approximately 130,000 square feet on a long-term lease that expires in 2028. We also have significant operations in Denver, Colorado, occupying approximately 162,000 square feet of office space in two separate locations. The primary office building in Denver accounts for 89% of the total square feet of office space in Denver, and its lease expires in 2025. The remaining 24 offices total approximately 97,000 square feet and are all leased. In the opinion of management, the space and equipment we lease is adequate for existing operating needs. See Note 9 — Leases, in Part II, Item 8, Financial Statements and Supplemental Data, for further information on our property leases.

**ITEM 3. LEGAL PROCEEDINGS**

The information set forth in response to Item 103 of Regulation S-K under “Legal Proceedings” is incorporated by reference from Part II, Item 8, Financial Statements and Supplementary Data, Note 20 — Commitments and Contingencies: Litigation and Other Regulatory Matters.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**PART II**

**ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

*JHG Common Stock*

Our common stock is traded on the NYSE and our CDIs are traded on the ASX (symbol: JHG). On February 18, 2022, there were approximately 34,384 holders of record of our common stock.

The following graph illustrates the cumulative total shareholder return of our common stock over the five-year period ending December 31, 2021, the last trading day of 2021, and compares it to the cumulative total return on the S&P 500 Index<sup>(1)</sup> and to the S&P U.S. BMI Asset Management & Custody Banks Index.<sup>(2)</sup> The S&P 500 Index consists of 500 stocks chosen for market size, liquidity and industry group representation and is one of the most widely used benchmarks of U.S. equity performance. The S&P U.S. BMI Asset Management & Custody Banks Index is a market-value weighted index of 40 asset management companies. This represents the first year the S&P U.S. BMI Asset Management & Custody Banks Index was used as a benchmark in the cumulative shareholder return graph, due to the discontinuance of the asset management index disclosed historically. The comparison assumes a \$100 investment on

December 31, 2016, in our common stock and in each of the foregoing indices, and assumes reinvestment of dividends, if any. This data is not intended to forecast future performance of our common stock.



(1) STANDARD & POOR'S®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC.

(2) As of December 31, 2021, the S&P U.S. BMI Asset Management & Custody Banks Index comprised the following companies: Affiliated Managers Group Inc.; Ameriprise Financial Inc.; Ares Management Corporation; Artisan Ptnrs Asset Mgmt Inc.; AssetMark Financial Hldgs Inc.; Associated Capital Group Inc.; BlackRock Inc.; Blackstone Inc.; Blucora Inc.; Blue Owl Capital Inc.; Bridge Invt Grp Hldgs; BrightSphere Invt Group Inc.; Cohen & Steers Inc.; Diamond Hill Investment Group; Federated Hermes Inc.; Focus Financial Partners Inc.; Franklin Resources Inc.; Galaxy Digital Holdings Ltd.; GAMCO Investors Inc.; Grosvenor Capital Mgmt L.P.; Hamilton Lane Inc.; Invesco Ltd.; Janus Henderson Group Plc; KKR & Co.; Manning & Napier Inc.; Northern Trust Corp.; Pzena Investment Mgmt Inc; Safeguard Scientifics Inc.; Sculptor Capital Mgmt Inc.; SEI Investments Co.; Silvercrest Asset Mgmt Group; State Street Corp.; StepStone Group; T. Rowe Price Group Inc.; The Bank New York Mellon; The Carlyle Group; Victory Capital Holdings Inc.; Virtus Investment Ptnrs Inc.; Westwood Holdings Group Inc.; and WisdomTree Investments Inc.

(3) Data Source: S&P Global Market Intelligence.

### **Common Stock Purchases**

On February 4, 2021, Dai-ichi Life announced its intention to sell all 30,668,922 shares of JHG common stock it owned by means of a registered secondary public offering. On February 9, 2021, Dai-ichi Life completed the secondary offering and as part of the offering, we repurchased 8,048,360 shares of common stock from Dai-ichi Life ("Block Repurchase") for a total of approximately \$230.0 million through Goldman Sachs & Co. LLC ("as underwriter") at the price at which the shares of common stock were sold to the public in the secondary offering, less the underwriting discount. The Block Repurchase was authorized by the Board and is distinct from our Corporate Buyback Program. As a result of the completion of the secondary offering, Dai-ichi Life no longer owns any shares of JHG common stock. We did not receive any proceeds from Dai-ichi Life's sale of common stock in the secondary offering.

On July 28, 2021, the Board approved a new on-market share buyback program ("2021 Corporate Buyback Program"), pursuant to which we are authorized to repurchase up to \$200.0 million of our common stock on the NYSE and CDIs on the ASX at any time prior to the date of our 2022 Annual General Meeting. We commenced repurchases under the 2021 Corporate Buyback Program in August 2021, and during the three months ended December 31, 2021, we repurchased 1,538,376 shares of our common stock and CDIs for \$66.9 million.

Some of our executives and employees receive rights to receive shares of common stock as part of their remuneration arrangements and employee entitlements. We satisfy these entitlements by using existing shares of common stock that we repurchased on-market (“Share Plans Repurchases”). These repurchases are in addition to the repurchases under the Corporate Buyback Program discussed above. As a policy, we do not issue new shares to employees as part of our annual compensation practices. During the year ended December 31, 2021, our Share Plans Repurchases totaled 2,403,941 shares at an average price of \$30.95.

During the first quarter of 2022, we intend to repurchase shares on-market for the annual share grants associated with the 2021 variable compensation payable to our employees.

The following table summarizes our on-market repurchases of common stock and CDIs during the three months ended December 31, 2021, and includes repurchases under the Corporate Buyback Program and Share Plans Repurchases.

<b>Period</b>	<b>Total number of shares purchased</b>	<b>Average price paid per share</b>	<b>Total number of shares purchased as part of publicly announced programs</b>	<b>Approximate U.S. dollar value of shares that may yet be purchased under the programs (end of month, in millions)</b>
October 1, 2021, through October 31, 2021	2,289	\$ 45.68	—	\$ 125
November 1, 2021, through November 30, 2021	546,755	47.20	544,776	\$ 99
December 1, 2021, through December 31, 2021	995,992	41.47	993,600	\$ 58
<b>Total</b>	<b><u>1,545,036</u></b>	<b>\$ 43.50</b>	<b><u>1,538,376</u></b>	

#### **ITEM 6 – [Reserved]**

### **ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

#### **Business Overview**

We are an independent global asset manager, specializing in active investment across all major asset classes. We actively manage a broad range of investment products for institutional and retail investors across five capabilities: Equities, Fixed Income, Multi-Asset, Quantitative Equities and Alternatives.

#### **Segment Considerations**

We are a global asset manager and manage a range of investment products, operating across various product lines, distribution channels and geographic regions. However, information is reported to the chief operating decision-maker, the Chief Executive Officer (“CEO”), on an aggregated basis. Strategic and financial management decisions are determined centrally by the CEO and on this basis, we operate as a single segment investment management business.

#### **Revenue**

Revenue primarily consists of management fees and performance fees. Management fees are generally based on a percentage of the market value of our AUM and are calculated using either the daily, month-end or quarter-end average asset balance in accordance with contractual agreements. Accordingly, fluctuations in the financial markets have a direct effect on our operating results. Additionally, our AUM may outperform or underperform the financial markets and, therefore, may fluctuate in varying degrees from that of the general market.

Performance fees are specified in certain fund and client contracts, and are based on investment performance either on an absolute basis or compared to an established index over a specified period of time. These fees are often subject to a hurdle rate. Performance fees are recognized at the end of the contractual period (typically monthly, quarterly or

annually) if the stated performance criteria are achieved. Certain fund and client contracts allow for negative performance fees where there is underperformance against the relevant index.

## 2021 SUMMARY

### *2021 Highlights*

- Solid long-term investment performance, with 54%, 58%, 76% and 84% of our AUM outperforming benchmarks on a one-, three-, five- and 10-year basis, respectively, as of December 31, 2021.
- AUM increased to \$432.3 billion, up 7.6% from the year ended December 31, 2020, due to positive markets, partially offset by net outflows.
- 2021 diluted earnings per share was \$3.59, or \$4.28 on an adjusted basis. Refer to the Non-GAAP Financial Measures section for information on adjusted non-GAAP figures.
- During the year ended December 31, 2021, we acquired 11.4 million shares of our common stock for \$372.1 million, resulting from both our share buyback program and the Dai-ichi Life secondary offering.

### *Financial Summary*

Results are reported on a U.S. GAAP basis. Adjusted non-GAAP figures are presented in the Non-GAAP Financial Measures section.

Revenue for the year ended December 31, 2021, was \$2,767.0 million, an increase of \$468.4 million, or 20%, compared to the year ended December 31, 2020. Key drivers of the increase include the following:

- An improvement of \$395.3 million in management fees and \$51.5 million in shareowner servicing fees due to an increase in average AUM primarily driven by market appreciation.

Total operating expenses for the year ended December 31, 2021, were \$1,943.6 million, a decline of \$197.2 million, or (9%), compared to operating expenses for the year ended December 31, 2020. Key drivers of the variance include the following:

- A decrease of \$391.8 million in intangible asset and goodwill impairment charges.
- An increase of \$87.2 million in distribution expenses driven by an improvement in average AUM.
- An increase of \$74.7 million in employee compensation and benefits due to higher variable compensation charges.

Operating income for the year ended December 31, 2021, was \$823.4 million, an increase of \$665.6 million, or 422%, compared to the year ended December 31, 2020. Our operating margin was 29.8% in 2021 compared to 6.9% in 2020.

Net income attributable to JHG for the year ended December 31, 2021, was \$622.1 million, an increase of \$460.5 million, or 285%, compared to the year ended December 31, 2020. In addition to the aforementioned factors affecting revenue and operating expenses, key drivers of the variance include the following:

- An increase of \$146.2 million in our provision for income taxes, primarily due to the enactment of Finance Act 2021, which increased the UK corporation tax rate, as well as an increase in pre-tax income driven by fewer impairment charges of our goodwill and intangible assets.

- Investment gains, net moved unfavorably by \$56.7 million in 2021 compared to 2020, primarily due to fair value adjustments in relation to our seeded investment products and derivative instruments and the consolidation of third-party ownership interests in seeded investment products.

### Investment Performance of Assets Under Management

The following table is a summary of our investment performance as of December 31, 2021:

Percentage of AUM outperforming benchmark	1 year	3 years	5 years	10 years
Equities	39 %	37 %	68 %	81 %
Fixed Income	91 %	96 %	96 %	98 %
Multi-Asset	99 %	96 %	96 %	97 %
Quantitative Equities	8 %	58 %	53 %	21 %
Alternatives	91 %	100 %	100 %	100 %
<b>Total</b>	<b>54 %</b>	<b>58 %</b>	<b>76 %</b>	<b>84 %</b>

### Assets Under Management

Our AUM as of December 31, 2021, was \$432.3 billion, an increase of \$30.7 billion, or 7.6%, from December 31, 2020, driven primarily by market appreciation of \$51.3 billion, partially offset by net redemptions of \$16.2 billion.

Our non-USD AUM is primarily denominated in Great British pounds (“GBP”), EUR and AUD. During the year ended December 31, 2021, the USD strengthened against GBP, EUR and AUD, resulting in a \$4.4 billion decrease in our AUM. As of December 31, 2021, approximately 31% of our AUM was non-USD-denominated.

VelocityShares ETNs and certain index products are not included within our AUM because we are not the named adviser or subadviser to ETNs or index products. VelocityShares ETN assets totaled \$0.2 billion and \$0.6 billion as of December 31, 2021 and 2020, respectively. VelocityShares index product assets not included within AUM totaled \$1.9 billion and \$2.7 billion as of December 31, 2021 and 2020, respectively.

Our AUM and flows by capability for the years ended December 31, 2021, 2020 and 2019, were as follows (in billions):

By capability	Closing AUM December 31, 2020		Sales	Redemptions <sup>(1)</sup>	Net sales (redemptions)	Markets	FX <sup>(2)</sup>	Reclassifications and disposals <sup>(3)</sup>	Closing AUM December 31, 2021
Equities	\$ 219.4	\$ 34.7	\$ (43.9)	\$ (9.2)	\$ 36.0	\$ (1.9)	\$ —	\$ 244.3	
Fixed Income	81.5	22.1	(21.0)	1.1	(1.1)	(1.9)	—	79.6	
Multi-Asset	48.0	12.3	(8.1)	4.2	7.7	(0.2)	—	59.7	
Quantitative									
Equities	42.0	0.6	(12.6)	(12.0)	8.0	—	—	38.0	
Alternatives	10.7	4.7	(5.0)	(0.3)	0.7	(0.4)	—	10.7	
<b>Total</b>	<b>\$ 401.6</b>	<b>\$ 74.4</b>	<b>\$ (90.6)</b>	<b>\$ (16.2)</b>	<b>\$ 51.3</b>	<b>\$ (4.4)</b>	<b>\$ —</b>	<b>\$ 432.3</b>	

By capability	Closing AUM December 31, 2019		Sales	Redemptions <sup>(1)</sup>	Net sales (redemptions)	Markets	FX <sup>(2)</sup>	Reclassifications and disposals <sup>(3)</sup>	Closing AUM December 31, 2020
Equities	\$ 204.0	\$ 32.8	\$ (49.1)	\$ (16.3)	\$ 33.6	\$ 2.2	\$ (4.1)	\$ 219.4	
Fixed Income	74.8	28.9	(30.0)	(1.1)	4.6	3.2	—	81.5	
Multi-Asset	39.8	11.4	(7.9)	3.5	4.8	0.1	(0.2)	48.0	
Quantitative									
Equities	45.2	2.4	(11.8)	(9.4)	6.0	0.2	—	42.0	
Alternatives	11.0	2.8	(3.9)	(1.1)	0.2	0.5	0.1	10.7	
<b>Total</b>	<b>\$ 374.8</b>	<b>\$ 78.3</b>	<b>\$ (102.7)</b>	<b>\$ (24.4)</b>	<b>\$ 49.2</b>	<b>\$ 6.2</b>	<b>\$ (4.2)</b>	<b>\$ 401.6</b>	

	Closing AUM December 31, 2018	Sales	Redemptions <sup>(1)</sup>	Net sales (redemptions)	Markets	FX <sup>(2)</sup>	Reclassifications and disposals <sup>(3)</sup>	Closing AUM December 31, 2019
<b>By capability</b>								
Equities	\$ 167.6	\$ 29.2	\$ (41.4)	\$ (12.2)	\$ 47.8	\$ 0.8	\$ —	\$ 204.0
Fixed Income	72.4	22.1	(26.0)	(3.9)	5.4	0.9	—	74.8
Quantitative								
Equities	44.3	1.5	(12.3)	(10.8)	11.6	0.1	—	45.2
Multi-Asset	30.2	9.4	(6.3)	3.1	6.4	0.1	—	39.8
Alternatives	14.0	3.0	(6.6)	(3.6)	0.5	0.1	—	11.0
<b>Total</b>	<b>\$ 328.5</b>	<b>\$ 65.2</b>	<b>\$ (92.6)</b>	<b>\$ (27.4)</b>	<b>\$ 71.7</b>	<b>\$ 2.0</b>	<b>\$ —</b>	<b>\$ 374.8</b>

(1) Redemptions include the impact of client transfers, which could cause a positive balance on occasion.

(2) FX reflects movements in AUM resulting from changes in foreign currency rates as non-USD-denominated AUM is translated into USD.

(3) Reclassifications relate to a reclassification of an existing fund from Equities to Alternatives, and disposals relate to the sale of Geneva Capital Management LLC (“Geneva”). Refer to Note 4 — Dispositions in Part II, Item 8, Financial Statements and Supplementary Data, for information regarding the sale.

Our AUM and flows by client type for the years ended December 31, 2021 and 2020, were as follows (in billions):

	Closing AUM December 31, 2020	Sales	Redemptions	Net sales (redemptions)	Markets	FX	Reclassifications and disposals	Closing AUM December 31, 2021
<b>By client type:</b>								
Intermediary	\$ 192.9	\$ 56.9	\$ (54.8)	\$ 2.1	\$ 23.8	\$ (2.0)	\$ (1.8)	\$ 215.0
Institutional	127.6	14.3	(29.6)	(15.3)	15.4	(2.3)	1.8	127.2
Self-directed	81.1	3.2	(6.2)	(3.0)	12.1	(0.1)	—	90.1
<b>Total</b>	<b>\$ 401.6</b>	<b>\$ 74.4</b>	<b>\$ (90.6)</b>	<b>\$ (16.2)</b>	<b>\$ 51.3</b>	<b>\$ (4.4)</b>	<b>\$ —</b>	<b>\$ 432.3</b>

	Closing AUM December 31, 2019	Sales	Redemptions	Net sales (redemptions)	Markets	FX	Reclassifications and disposals	Closing AUM December 31, 2020
<b>By client type:</b>								
Intermediary	\$ 172.7	\$ 52.1	\$ (53.4)	\$ (1.3)	\$ 21.5	\$ 2.5	\$ (2.5)	\$ 192.9
Institutional	132.1	23.0	(42.4)	(19.4)	13.1	3.5	(1.7)	127.6
Self-directed	70.0	3.2	(6.9)	(3.7)	14.6	0.2	—	81.1
<b>Total</b>	<b>\$ 374.8</b>	<b>\$ 78.3</b>	<b>\$ (102.7)</b>	<b>\$ (24.4)</b>	<b>\$ 49.2</b>	<b>\$ 6.2</b>	<b>\$ (4.2)</b>	<b>\$ 401.6</b>

### *Average Assets Under Management*

The following table presents our average AUM by capability for the years ended December 31, 2021, 2020 and 2019 (in billions):

<b>By capability</b>	<b>Average AUM Year ended December 31, 2021</b>	<b>Average AUM Year ended December 31, 2020</b>	<b>Average AUM Year ended December 31, 2019</b>
Equities	\$ 236.4	\$ 187.7	\$ 189.4
Fixed Income	80.6	73.3	73.5
Multi-Asset	53.2	41.5	35.0
Quantitative Equities	41.3	40.2	47.1
Alternatives	10.5	10.0	12.1
<b>Total</b>	<b>\$ 422.0</b>	<b>\$ 352.7</b>	<b>\$ 357.1</b>

### ***Closing Assets Under Management***

The following table presents our closing AUM by client location, as of December 31, 2021 (in billions):

<b>By client location</b>	<b>Closing AUM December 31, 2021</b>
North America	\$ 241.0
EMEA and Latin America	132.3
Asia Pacific	59.0
Total	<u>\$ 432.3</u>

### ***Valuation of Assets Under Management***

The fair value of our AUM is based on the value of the underlying cash and investment securities of our funds, trusts and segregated mandates. A significant proportion of these securities is listed or quoted on a recognized securities exchange or market and is regularly traded thereon; these investments are valued based on unadjusted quoted market prices. However, for non-U.S. equity securities held by the U.S. mutual funds, excluding ETFs, the quoted market prices may be adjusted to capture market movement between the time the local market closes and the NYSE closes. Other investments, including OTC derivative contracts (which are dealt in or through a clearing firm, exchanges or financial institutions), are valued by reference to the most recent official settlement price quoted by the appointed market vendor, and in the event no price is available from this source, a broker quotation may be used. Physical property held is valued monthly by a specialist independent appraiser.

When a readily ascertainable market value does not exist for an investment, the fair value is calculated using a variety of methodologies, including the expected cash flows of its underlying net asset base, taking into account applicable discount rates and other factors; comparable securities or relevant indices; recent financing rounds; revenue multiples; or a combination thereof. Judgment is used to ascertain if a formerly active market has become inactive and to determine fair values when markets have become inactive. Our Fair Value Pricing Committee is responsible for determining or approving these unquoted prices, which are reported to those charged with governance of the funds and trusts. For funds that invest in markets that are closed at their valuation point, an assessment is made daily to determine whether a fair value pricing adjustment is required to the fund's valuation. This may be due to significant market movements in other correlated open markets, scheduled market closures or unscheduled market closures as a result of natural disaster or government intervention.

Third-party administrators hold a key role in the collection and validation of prices used in the valuation of the securities. Daily price validation is completed using techniques such as day-on-day tolerance movements, invariant prices, excessive movement checks and intra-vendor tolerance checks. Our data management team performs oversight of this process and completes annual due diligence on the processes of third parties.

In other cases, we and the sub-administrators perform a number of procedures to validate the pricing received from third-party providers. For actively traded equity and fixed income securities, prices are received daily from both a primary and secondary vendor. Prices from the primary and secondary vendors are compared to identify any discrepancies. In the event of a discrepancy, a price challenge may be issued to both vendors. Securities with significant day-to-day price changes require additional research, which may include a review of all news pertaining to the issue and issuer, and any corporate actions. All fixed income prices are reviewed by our fixed income trading desk to incorporate market activity information available to our traders. In the event the traders have received price indications from market makers for a particular issue, this information is transmitted to the pricing vendors.

We leverage the expertise of our fund management teams across the business to cross-invest assets and create value for our clients. Where cross investment occurs, assets and flows are identified and the duplication is removed.



## Results of Operations

### Foreign Currency Translation

Foreign currency translation impacts our Results of Operations. The translation of GBP to USD is the primary driver of foreign currency translation in expenses. The GBP weakened against the USD during the year ended December 31, 2021, compared to December 31, 2020. Meaningful foreign currency translation impacts to our operating expenses are discussed in the Operating Expenses section below. Revenue is also impacted by foreign currency translation, but the impact is generally determined by the primary currency of the individual funds.

### Revenue

	Year ended December 31,			2021 vs. 2020	2020 vs. 2019
	2021	2020	2019		
<b>Revenue (in millions):</b>					
Management fees	\$ 2,189.4	\$ 1,794.1	\$ 1,792.3	22 %	0 %
Performance fees	102.7	98.1	17.6	5 %	n/m *
Shareowner servicing fees	260.7	209.2	185.4	25 %	13 %
Other revenue	214.2	197.2	197.1	9 %	0 %
Total revenue	<u>\$ 2,767.0</u>	<u>\$ 2,298.6</u>	<u>\$ 2,192.4</u>	20 %	5 %

\* n/m - Not meaningful.

### Management fees

Management fees increased \$395.3 million during the year ended December 31, 2021, compared to the year ended December 31, 2020, primarily due to the impact of higher average AUM and an increase in management fee margins, which contributed \$377.3 million and \$23.6 million to the increase in management fees, respectively.

Management fees increased by \$1.8 million, or less than 1%, during the year ended December 31, 2020, compared to the year ended December 31, 2019. The increase was primarily due to an improvement in management fee margins, which contributed \$19.2 million to the increase in management fees as well as a \$4.9 million increase due to one more day in 2020 compared to 2019. This increase was partially offset by a \$21.7 million decrease in management fees driven by a decline in average AUM subject to management fees.

Average net management fee margins, by capability, consisted of the following for the years ended December 31, 2021 and 2020:

	Year ended December 31,		2021 vs. 2020
	2021	2020	
<b>Average net management fee margin (bps):</b>			
Equities	56.1	55.8	1 %
Fixed Income	29.1	27.7	5 %
Multi-Asset	52.9	52.1	2 %
Quantitative Equities	16.5	18.7	(12)%
Alternatives	68.4	66.3	3 %
Total average	<u>47.0</u>	<u>45.6</u>	3 %

Total average net management fee margins increased by 1.4 bps, or 3%, from 2020 to 2021. Net management fee margins were higher in 2021 primarily due to a product mix shift toward higher yielding products.

## Performance fees

Performance fees are derived across a number of product ranges. U.S. mutual fund performance fees are recognized on a monthly basis, while all other product range performance fees are recognized on a quarterly or annual basis. The investment management fee paid by each U.S. mutual fund subject to a performance fee is the base management fee plus or minus a performance fee adjustment, as determined by the relative investment performance of the fund compared to a specified benchmark index. Performance fees by product type consisted of the following for the years ended December 31, 2021, 2020 and 2019 (in millions):

	Year ended December 31,		
	2021	2020	2019
<b>Performance fees (in millions):</b>			
SICAVs	\$ 63.7	\$ 17.6	\$ 1.7
UK OEICs and unit trusts	19.2	10.5	0.3
Offshore absolute return funds and other funds	14.5	11.0	0.4
Segregated mandates	6.9	72.1	30.6
Investment trusts	14.3	—	—
U.S. mutual funds	(15.9)	(13.1)	(15.4)
Total performance fees	<u>\$ 102.7</u>	<u>\$ 98.1</u>	<u>\$ 17.6</u>

For the year ended December 31, 2021, performance fees increased \$4.6 million compared to the year ended December 31, 2020, primarily due to a \$69.1 million improvement in performance fee crystallizations within SICAVs, UK OEICs and unit trusts, and investment trusts. The strategies contributing to the improvement in the performance of SICAVs were primarily the Absolute Return Strategy and European Equities. These increases were partially offset by a \$65.2 million decrease in performance fees from segregated mandates during the year ended December 31, 2021, compared to the year ended December 31, 2020.

For the year ended December 31, 2020, performance fees increased \$80.5 million compared to the year ended December 31, 2019. This increase was primarily due to the performance fee increase of \$41.5 million earned from segregated mandates, particularly the Global Life Sciences and Global Tech strategies. The increase in performance fees was further driven by a \$36.7 million increase in fees related to SICAVs, offshore absolute return funds and UK OEICs due to higher performance fee crystallizations.

The following table outlines performance fees by product type and includes information on fees earned, number of funds generating performance fees, AUM generating performance fees, number of funds eligible to earn performance fees, AUM with an uncrystallized performance fee, performance fee participation rate, performance fee frequency and performance fee methodology (dollars in millions, except where noted):

	SICAVs	UK OEICs and Unit Trusts	Offshore Absolute Return Funds and Other	Segregated Mandates	Investment Trusts	U.S. Mutual Funds
<b>Performance Fees</b>						
Year ended December 31, 2021	\$ 63.7	\$ 19.2	\$ 14.5	\$ 6.9	\$ 14.3	\$ (15.9)
Year ended December 31, 2020	\$ 17.6	\$ 10.5	\$ 11.0	\$ 72.1	\$ —	\$ (13.1)
Year ended December 31, 2019	\$ 1.7	\$ 0.3	\$ 0.4	\$ 30.6	\$ —	\$ (15.4)
<b>Number of funds that earned performance fees</b>						
Year ended December 31, 2021 <sup>(1)</sup>	14	2	9	17	3	17
Year ended December 31, 2020 <sup>(1)</sup>	12	3	9	36	—	17
Year ended December 31, 2019 <sup>(1)</sup>	12	2	7	42	—	17
<b>AUM generating performance fees (in billions)</b>						
AUM at December 31, 2021, generating FY21 performance fees	\$ 14.7	\$ 2.0	\$ 1.5	\$ 12.4	\$ 2.7	\$ 66.1
AUM at December 31, 2020, generating FY20 performance fees	\$ 7.7	\$ 2.3	\$ 0.9	\$ 37.8	\$ —	\$ 57.1
AUM at December 31, 2019, generating FY19 performance fees	\$ 2.5	\$ —	\$ 0.6	\$ 30.1	\$ —	\$ 48.3
<b>Number of funds eligible to earn performance fees</b>						
As of December 31, 2021	19	2	10	38	4	15
As of December 31, 2020	20	2	12	47	4	17
As of December 31, 2019	26	3	9	66	4	17
<b>AUM subject to performance fees (in billions)</b>						
AUM at December 31, 2021, subject to FY21 performance fees	\$ 12.9	\$ 2.0	\$ 2.4	\$ 45.5	\$ 3.0	\$ 66.1
AUM at December 31, 2020, subject to FY20 performance fees	\$ 12.9	\$ 1.9	\$ 0.9	\$ 44.4	\$ 3.0	\$ 57.1
AUM at December 31, 2019, subject to FY19 performance fees	\$ 13.5	\$ 2.5	\$ 0.8	\$ 45.3	\$ 2.3	\$ 48.3
<b>Uncrystallized performance fees (in billions)</b>						
AUM at December 31, 2021, with an uncrystallized performance fee at December 31, 2021, vesting in 2022 <sup>(2)</sup>	\$ 4.5	\$ 2.0	\$ 0.2	n/a	\$ 1.4	n/a
AUM at December 31, 2020, with an uncrystallized performance fee at December 31, 2020, vesting in 2021 <sup>(2)</sup>	\$ 1.5	\$ 1.7	\$ 0.1	n/a	\$ 1.6	n/a
AUM at December 31, 2019, with an uncrystallized performance fee at December 31, 2019, vesting in 2020 <sup>(2)</sup>	\$ 2.4	\$ —	\$ 0.1	n/a	\$ 1.2	n/a
Performance fee participation rate percentage <sup>(3)</sup>	10%-20%	15%-20%	10%-20%	5%-28%	15%	+/-0.15%
Performance fee frequency	Annually and quarterly	Annually	Annually and quarterly	Annually and quarterly	Annually	Monthly
Performance fee methodology <sup>(4)</sup>	Relative plus HWM	Relative/Absolute plus HWM	Absolute plus HWM	Bespoke	Relative plus HWM	Relative plus HWM

- (1) For offshore absolute return funds, this excludes funds earning a performance fee on redemption and only includes those with a period-end crystallization date. Also, the number of funds that earned a performance fee during the year can exceed the number of funds eligible to earn a performance fee at the end of the year due to fund closures.
- (2) Reflects the total AUM of all funds with a performance fee opportunity at any point in the relevant year.
- (3) Participation rate related to non-U.S. mutual fund products reflects our share of outperformance. Participation rate related to U.S. mutual funds represents an adjustment to the management fee.
- (4) Relative performance is measured versus applicable benchmarks and is subject to a high water mark (“HWM”) for relevant funds.

#### Shareowner servicing fees

Shareowner servicing fees are primarily composed of mutual fund servicing fees. For the year ended December 31, 2021, shareowner servicing fees increased \$51.5 million compared to the year ended December 31, 2020, primarily due to an increase in mutual fund average AUM and fee margins, which contributed \$41.6 million and \$6.9 million to the increase in shareowner servicing fees, respectively.

For the year ended December 31, 2020, shareowner servicing fees increased \$23.8 million compared to the year ended December 31, 2019, primarily due to an increase in mutual fund average AUM, which contributed a \$21.7 million increase in certain servicing fees.

#### *Other revenue*

Other revenue is primarily composed of 12b-1 distribution fees, general administration charges, VelocityShares ETN fees and other fee revenue. General administration charges include reimbursements from funds for various fees and expenses paid for by the investment manager on behalf of the funds. Other revenue increased \$17.0 million during the year ended December 31, 2021, compared to the year ended December 31, 2020, primarily due to increases of \$19.7 million in 12b-1 distribution fees and other servicing fees, and \$7.5 million in general administration charges driven by an improvement in average AUM. These increases were partially offset by a \$9.5 million decrease in ETN licensing fees due to the delisting and the ongoing liquidation of VelocityShares ETNs.

Other revenue increased by \$0.1 million during the year ended December 31, 2020, compared to the year ended December 31, 2019, primarily due to an increase of \$5.8 million in 12b-1 fees and servicing fees driven by an improvement in average AUM, partially offset by a \$4.1 decrease in ETN licensing fees due to the delisting and liquidation of ETN products and a \$1.6 million reduction in other advisory fees.

#### *Operating Expenses*

	Year ended December 31,			2021 vs. 2020	2020 vs. 2019
	2021	2020	2019		
<b>Operating expenses (in millions):</b>					
Employee compensation and benefits	\$ 693.3	\$ 618.6	\$ 602.5	12 %	3 %
Long-term incentive plans	181.0	170.1	184.3	6 %	(8)%
Distribution expenses	551.6	464.4	444.3	19 %	5 %
Investment administration	51.6	50.0	47.9	3 %	4 %
Marketing	31.7	19.6	31.1	62 %	(37)%
General, administrative and occupancy	271.8	255.2	260.8	7 %	(2)%
Impairment of goodwill and intangible assets	121.9	513.7	18.0	(76)%	n/m *
Depreciation and amortization	40.7	49.2	62.6	(17)%	(21)%
Total operating expenses	<u>\$ 1,943.6</u>	<u>\$ 2,140.8</u>	<u>\$ 1,651.5</u>	(9)%	30 %

\* n/m - Not meaningful.

#### *Employee compensation and benefits*

Employee compensation and benefits increased by \$74.7 million during the year ended December 31, 2021, compared to the year ended December 31, 2020, primarily driven by increases of \$59.0 million in variable compensation, mainly due to a higher annual bonus pool and other variable compensation, unfavorable foreign currency translation of \$16.5 million, and annual and one-time base-pay increases of \$10.1 million. These increases were partially offset by a decrease of \$10.8 million in project charges driven by more internal labor costs capitalized during the year ended December 31, 2021.

During the year ended December 31, 2020, employee compensation and benefits increased \$16.1 million compared to the year ended December 31, 2019, primarily driven by increases of \$9.3 million in variable compensation mainly due to a higher bonus pool and other variable compensation. Variable compensation including bonus pools is generally calculated as a percentage of operating income excluding incentive compensation (pre-incentive operating income) and is allocated to employees by management on a discretionary basis. Annual base-pay increases of \$6.6 million and unfavorable foreign currency translation of \$1.4 million also contributed to the increase in employee compensation and benefits. These increases were partially offset by a \$2.4 million decrease in other fixed compensation mainly due to final deferred consideration adjustments recognized during the year ended December 31, 2019.

### *Long-term incentive plans*

Long-term incentive plan expenses increased by \$10.9 million during the year ended December 31, 2021, compared to the year ended December 31, 2020, primarily driven by a \$7.2 million increase in mark-to-market adjustments related to mutual fund share awards and certain long-term incentive awards, unfavorable foreign currency translation of \$5.0 million and \$1.7 million in higher payroll taxes on vested awards. These increases were partially offset by a decrease of \$3.0 million due to the roll-off of vested awards exceeding new awards during the year ended December 31, 2021.

Long-term incentive plan expenses decreased by \$14.2 million during the year ended December 31, 2020, compared to the year ended December 31, 2019, primarily driven by decreases of \$14.5 million due to the roll-off of vested awards exceeding new awards and \$2.0 million in mark-to-market adjustments related to mutual fund share awards and valuation adjustments for certain Intech long-term incentive awards.

### *Distribution expenses*

Distribution expenses are paid to financial intermediaries for the distribution of our retail investment products and are typically calculated based on the amount of the intermediary-sourced AUM. Distribution expenses increased \$87.2 million during the year ended December 31, 2021, compared to the year ended December 31, 2020, primarily due to an increase of \$88.7 million from an improvement in average AUM subject to distribution charges.

Distribution expenses increased \$20.1 million during the year ended December 31, 2020, compared to the year ended December 31, 2019, primarily due to an increase of \$18.4 million driven by an improvement in average intermediary-sourced AUM. A \$1.2 million increase in other international distribution expenses also contributed to the year-over-year increase in distribution expenses.

### *Investment administration*

Investment administration expenses, which represent back-office operations (including fund administration and fund accounting), increased by \$1.6 million during the year ended December 31, 2021, compared to the year ended December 31, 2020, and by \$2.1 million during the year ended December 31, 2020, compared to the year ended December 31, 2019. There were no significant items driving the increases in investment administration expenses year over year.

### *Marketing*

Marketing expenses increased \$12.1 million during the year ended December 31, 2021, compared to the year ended December 31, 2020, primarily due to an increase in marketing events, sponsorships and advertising campaigns during the year ended December 31, 2021.

During the year ended December 31, 2020, marketing expenses decreased \$11.5 million, compared to the year ended December 31, 2019, primarily due to fewer marketing events and advertising campaigns during the COVID-19 pandemic.

### *General, administrative and occupancy*

General, administrative and occupancy expenses increased \$16.6 million during the year ended December 31, 2021, compared to the year ended December 31, 2020, primarily due to an \$11.9 million increase in information technology costs, driven by an increased investment in non-capitalizable hardware and software, and unfavorable foreign currency translation of \$9.7 million. These increases were partially offset by decreases of \$1.2 million in travel expenses as a result of reduced travel during the COVID-19 pandemic and \$1.1 million in consultancy fees related to certain project costs during the year ended December 31, 2021.

General, administrative and occupancy expenses decreased \$5.6 million during the year ended December 31, 2020, compared to the year ended December 31, 2019. The decrease was primarily due to a \$17.4 million reduction in travel expenses as a result of reduced travel during the COVID-19 pandemic and a \$3.4 million decrease in the impairment of sub-leased office space. These decreases were partially offset by increases of \$5.7 million in consultancy fees related to

upgrades to our order management system and certain project costs, \$3.4 million in software licensing and upgrade costs, \$2.3 million in charitable contributions, \$2.0 million in regulatory insurance fees, and unfavorable foreign currency translation of \$1.0 million during the year ended December 31, 2020.

#### *Impairment of goodwill and intangible assets*

Goodwill and intangible asset impairment charges decreased by \$391.8 million during the year ended December 31, 2021, compared to the year ended December 31, 2020. The decrease is primarily due to a \$487.3 million impairment of our goodwill, certain mutual fund investment management agreements and client relationships, and a \$26.4 million impairment of the VelocityShares ETN definite-lived intangible asset recognized during the year ended December 31, 2020. These decreases are partially offset by a \$121.9 million impairment of certain indefinite-lived intangible assets and trademarks recognized during the year ended December 31, 2021. For more information, refer to Note 8 — Goodwill and Intangible Assets in Part II, Item 8, Financial Statements and Supplementary Data.

Goodwill and intangible asset impairment charges increased by \$495.7 million during the year ended December 31, 2020, compared to the year ended December 31, 2019. The increase was due to a \$123.5 million impairment of our goodwill, \$363.8 million impairment of certain mutual fund investment management agreements and client relationships, and a \$26.4 million impairment of the VelocityShares ETN definite-lived intangible asset recognized during the year ended December 31, 2020. These increases were partially offset by an \$18.0 million impairment related to certain mutual fund investment management agreements recognized during the year ended December 31, 2019.

#### *Depreciation and amortization*

Depreciation and amortization expenses decreased \$8.5 million during the year ended December 31, 2021, compared to the year ended December 31, 2020, primarily due to a decrease in the amortization of intangible assets resulting from the sale of Geneva and the impairment of certain client relationships recognized during the year ended December 31, 2020, as well as a \$3.5 million decrease in the depreciation of internally developed software during the year ended December 31, 2021.

Depreciation and amortization expenses decreased \$13.4 million during the year ended December 31, 2020, compared to the year ended December 31, 2019. The decrease was primarily due to a decrease in the amortization of intangible assets resulting from the sale of Geneva and the impairment of certain client relationships, partially offset by an increase in the amortization of internal software of \$1.9 million during the year ended December 31, 2020.

#### *Non-Operating Income and Expenses*

	Year ended December 31,			2021 vs. 2020	2020 vs. 2019
	2021	2020	2019		
<b>Non-operating income and expenses (in millions):</b>					
Interest expense	\$ (12.8)	\$ (12.9)	\$ (15.1)	1 %	15 %
Investment gains, net	0.8	57.5	34.2	(99)%	68 %
Other non-operating income, net	8.8	39.7	23.5	(78)%	69 %
Income tax provision	(205.7)	(59.5)	(137.8)	n/m *	57 %

\* n/m - Not meaningful.

#### *Interest expense*

Interest expense decreased by \$0.1 million during the year ended December 31, 2021, compared to the year ended December 31, 2020, and by \$2.2 million during the year ended December 31, 2020, compared to the year ended December 31, 2019. There were no significant items driving the decreases in interest expenses year over year.

### Investment gains, net

The components of investment gains, net for the years ended December 31, 2021, 2020 and 2019, were as follows (in millions):

	Year ended December 31,			2021 vs.	2020 vs.
	2021	2020	2019	2020	2019
<b>Investment gains, net (in millions):</b>					
Seeded investment products and hedges, net	\$ 2.0	\$ 26.6	\$ 3.5	(92)%	n/m *
Third-party ownership interests in seeded investment products	(8.0)	20.1	17.2	n/m *	17 %
Long Tail Alpha investment	3.0	6.0	1.5	(50)%	n/m *
Deferred equity plan	2.8	2.1	9.5	33 %	(78)%
Other	1.0	2.7	2.5	(63)%	8 %
Investment gains, net	<u>\$ 0.8</u>	<u>\$ 57.5</u>	<u>\$ 34.2</u>	<u>(99)%</u>	<u>68 %</u>

\* n/m - Not meaningful.

Investment gains, net moved unfavorably by \$56.7 million during the year ended December 31, 2021, compared to the year ended December 31, 2020. Movements in investment gains, net are primarily due to fair value adjustments in relation to our seeded investment products, deferred equity plan and consolidation of third-party ownership interests in seeded investment products. The carrying value of our seeded investment products increased \$265.9 million since December 31, 2020.

Investment gains, net moved favorably by \$23.3 million during the year ended December 31, 2020, compared to the year ended December 31, 2019, primarily due to fair value adjustments in relation to our seeded investment products and the consolidation of third-party ownership interests in seeded investment products.

### Other non-operating income, net

Other non-operating income, net declined \$30.9 million during the year ended December 31, 2021, compared to the year ended December 31, 2020. The decrease was primarily due to a \$16.2 million gain in relation to the sale of Geneva recognized during the year ended December 31, 2020, and \$13.4 million of unfavorable foreign currency translation when comparing the year ended December 31, 2021, to the year ended December 31, 2020.

Other non-operating income, net improved \$16.2 million during the year ended December 31, 2020, compared to the year ended December 31, 2019. The increase was primarily due to a \$16.2 million gain and \$7.1 million contingent consideration adjustment in relation to the sale of Geneva, and favorable foreign currency translation of \$19.3 million recognized during the year ended December 31, 2020. These increases were partially offset by a \$20.0 million contingent consideration adjustment associated with Geneva due to an updated forecast recognized during the year ended December 31, 2019, and an \$8.0 million decrease in interest income driven by lower interest rates during the year ended December 31, 2020.

### Income Tax Provision

Our effective tax rates for the years ended December 31, 2021, 2020 and 2019, were as follows:

	Year ended December 31,		
	2021	2020	2019
Effective tax rate	25.1 %	24.6 %	23.6 %

The effective tax rate for 2021 was impacted by the enactment of Finance Act 2021, which increased the UK corporation tax rate from 19% to 25% beginning in April 2023. As a result, the UK deferred tax assets and liabilities expected to be settled after 2023 were revalued from 19% to 25%, creating a non-cash deferred tax expense of \$29.0 million. In

addition, a reduction of income before taxes related to impairment charges did not have a direct impact on the effective tax rate as these amounts related to temporary differences that adjusted our deferred tax balances.

We anticipate our annual statutory tax rate will be in the 23% to 25% range in 2022. The primary influence driving the annual statutory tax rate above the average statutory tax rate for 2022 is the mix shift in regional profitability with different tax jurisdictions. Any tax legislative changes and new or proposed Treasury regulations may result in additional income tax impacts, which could be material in the period any such changes are enacted.

#### *Net loss (income) attributable to noncontrolling interests*

The components of net loss (income) attributable to noncontrolling interests for the years ended December 31, 2021, 2020 and 2019, were as follows (in millions):

	Year ended December 31,			2021 vs. 2020	2020 vs. 2019
	2021	2020	2019		
<b>Net loss (income) attributable to noncontrolling interests (in millions):</b>					
Consolidated seeded investment products	\$ 8.0	\$ (20.1)	\$ (17.2)	n/m *	(17)%
Majority-owned subsidiaries	(0.4)	(0.9)	(0.9)	56 %	0 %
Total net loss (income) attributable to noncontrolling interests	\$ 7.6	\$ (21.0)	\$ (18.1)	n/m *	(16)%

\* n/m - Not meaningful.

Net loss (income) attributable to noncontrolling improved by \$28.6 million during the year ended December 31, 2021, compared to the year ended December 31, 2020, and declined by \$2.9 million during the year ended December 31, 2020, compared to the year ended December 31, 2019. Movements in net loss (income) attributable to noncontrolling interests primarily relate to third-party ownership interests in consolidated seeded investment products and fair value adjustments in relation to our seeded investment products.

#### **2022 Outlook**

Our philosophy of maintaining strong financial discipline while reinvesting in the business to deliver against our strategy of Simple Excellence continues in 2022. In 2022, areas of focus for reinvestment include distribution, technology and investment themes, such as environmental, social and governance factors (“ESG”). In addition, we expect an increase in spending on travel and entertainment where we plan for pandemic-related restrictions to ease. Non-compensation operating expenses are expected to increase in the low teens, on a percentage basis, while adjusted compensation to revenue ratio is expected to be in the low 40s in 2022.

Performance fees associated with U.S. mutual funds are expected to deteriorate in 2022. With flat performance in 2022, we expect the U.S. mutual fund performance fees of approximately negative \$55 million on an annual basis.

On February 3, 2022, we announced the strategic decision to sell our 97%-owned Quantitative Equities subsidiary, Intech, to a consortium comprised of Intech management and certain non-executive directors (“Management Buyout”). During the fourth quarter 2021, Intech contributed approximately \$5 million to operating income.

#### **Non-GAAP Financial Measures**

We report our financial results in accordance with GAAP. However, JHG management evaluates our profitability and our ongoing operations using additional non-GAAP financial measures. These measures are not in accordance with, or a substitute for, GAAP, and our financial measures may be different from non-GAAP financial measures used by other companies. Management uses these performance measures to evaluate the business, and adjusted values are consistent with internal management reporting. We have provided a reconciliation below of our non-GAAP financial measures to the most directly comparable GAAP measures.



### Alternative performance measures

The following is a reconciliation of revenue, operating expenses, operating income, net income attributable to JHG and diluted earnings per share to adjusted revenue, adjusted operating expenses, adjusted operating income, adjusted net income attributable to JHG and adjusted diluted earnings per share, respectively, for the years ended December 31, 2021 and 2020 (in millions, except per share and operating margin data):

	Year ended December 31, 2021	Year ended December 31, 2020
<b>Reconciliation of revenue to adjusted revenue</b>		
Revenue	\$ 2,767.0	\$ 2,298.6
Management fees	(205.9)	(183.8)
Shareowner servicing fees	(214.7)	(170.3)
Other revenue	(131.0)	(110.3)
Adjusted revenue <sup>(1)</sup>	<u>\$ 2,215.4</u>	<u>\$ 1,834.2</u>
<b>Reconciliation of operating expenses to adjusted operating expenses</b>		
Operating expenses	\$ 1,943.6	\$ 2,140.8
Employee compensation and benefits <sup>(2)</sup>	—	(2.3)
Long-term incentive plans <sup>(2)</sup>	0.4	0.5
Distribution expenses <sup>(1)</sup>	(551.6)	(464.4)
General, administrative and occupancy <sup>(2)</sup>	(10.8)	(11.0)
Impairment of goodwill and intangible assets <sup>(3)</sup>	(121.9)	(513.7)
Depreciation and amortization <sup>(3)</sup>	(7.8)	(12.4)
Adjusted operating expenses	<u>\$ 1,251.9</u>	<u>\$ 1,137.5</u>
Adjusted operating income	963.5	696.7
Operating margin <sup>(4)</sup>	29.8%	6.9%
Adjusted operating margin <sup>(5)</sup>	43.5%	38.0%
<b>Reconciliation of net income attributable to JHG to adjusted net income attributable to JHG</b>		
Net income (loss) attributable to JHG	\$ 622.1	\$ 161.6
Employee compensation and benefits <sup>(2)</sup>	—	2.3
Long-term incentive plans <sup>(2)</sup>	(0.4)	(0.5)
General, administrative and occupancy <sup>(2)</sup>	10.8	11.0
Impairment of goodwill and intangible assets <sup>(3)</sup>	121.9	513.7
Depreciation and amortization <sup>(3)</sup>	7.8	12.4
Interest expense <sup>(6)</sup>	—	0.1
Investment gains (losses), net <sup>(6)</sup>	0.2	(1.4)
Other non-operating income (expenses), net <sup>(6)</sup>	(14.2)	(28.7)
Income tax provision <sup>(7)</sup>	(6.6)	(112.6)
Adjusted net income attributable to JHG	741.6	557.9
Less: allocation of earnings to participating stock-based awards	(21.1)	(16.4)
Adjusted net income attributable to JHG common shareholders	<u>\$ 720.5</u>	<u>\$ 541.5</u>
Weighted-average common shares outstanding — diluted (two class)	168.5	179.9
Diluted earnings per share (two class) <sup>(8)</sup>	\$ 3.59	\$ 0.87
Adjusted diluted earnings per share (two class) <sup>(9)</sup>	\$ 4.28	\$ 3.01

- (1) We contract with third-party intermediaries to distribute and service certain of our 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 us and passed through to third-party intermediaries who are responsible for performing the applicable services. The majority of distribution and servicing fees we collect 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, we perform the distribution and servicing activities and

retain the applicable fees. Revenues for distribution and servicing activities performed by us are not deducted from GAAP revenue.

- (2) Adjustments primarily represent rent expense for subleased office space. In addition, the adjustment for the year ended December 31, 2021, includes a one-time charge related to the employee benefits trust. JHG management believes these costs do not represent our ongoing operations.
- (3) Investment management contracts have been identified as a separately identifiable intangible asset arising on the acquisition of subsidiaries and businesses. Such contracts are recognized 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 amortized on a straight-line basis over the expected life of the contracts. Adjustments also include impairment charges of our goodwill, certain mutual fund investment management contracts, client relationships and trademarks. JHG management believes these non-cash and acquisition-related costs do not represent our ongoing operations.
- (4) Operating margin is operating income divided by revenue.
- (5) Adjusted operating margin is adjusted operating income divided by adjusted revenue.
- (6) Adjustments primarily represent contingent consideration adjustments associated with prior acquisitions. JHG management believes these expenses do not represent our ongoing operations.
- (7) The tax impact of the adjustments is calculated based on the U.S. or foreign statutory tax rate as they relate to each adjustment. Certain adjustments are either not taxable or not tax-deductible. The impairment of goodwill and intangible assets impacted both periods but the impact was more significant in 2020. In addition, the 2021 adjustment includes non-cash deferred tax expense resulting from the revaluation of certain UK deferred tax assets and liabilities due to the enactment of the Finance Act 2021, which increased the UK corporation tax rate from 19% to 25% beginning in April 2023.
- (8) Diluted earnings per share is net income attributable to JHG common shareholders divided by weighted-average diluted common shares outstanding.
- (9) Adjusted diluted earnings per share is adjusted net income attributable to JHG common shareholders divided by weighted-average diluted common shares outstanding.

### Liquidity and Capital Resources

Our capital structure, together with available cash balances, cash flows generated from operations, and further capital and credit market activities, if necessary, should provide us with sufficient resources to meet present and future cash needs, including operating and other obligations as they fall due and anticipated future capital requirements.

The following table summarizes key balance sheet data relating to our liquidity and capital resources as of December 31, 2021 and 2020 (in millions):

	December 31, 2021	December 31, 2020
Cash and cash equivalents held by the Company	\$ 1,106.0	\$ 1,096.9
Investment securities held by the Company	\$ 551.0	\$ 407.6
Fees and other receivables	\$ 351.6	\$ 373.6
Debt	\$ 310.4	\$ 313.3

Cash and cash equivalents consist primarily of cash at banks held in money market funds. Cash and cash equivalents exclude cash held by consolidated variable interest entities (“VIEs”) and consolidated voting rights entities (“VREs”),

and investment securities exclude noncontrolling interests as these assets are not available for general corporate purposes.

Investment securities held by us represent seeded investment products (exclusive of noncontrolling interests), investments related to deferred compensation plans and other less significant investments.

We believe that existing cash and cash from operations should be sufficient to satisfy our short-term capital requirements. Expected short-term uses of cash include ordinary operating expenditures, seed capital investments, interest expense, dividend payments, income tax payments and common stock repurchases. We may also use available cash for other general corporate purposes and acquisitions.

## Cash Flows

A summary of cash flow data for the years ended December 31, 2021, 2020 and 2019, was as follows (in millions):

	<u>Year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash flows provided by (used for):			
Operating activities	\$ 895.4	\$ 645.7	\$ 463.2
Investing activities	(283.3)	129.4	(389.3)
Financing activities	(588.1)	(491.0)	(207.0)
Effect of exchange rate changes on cash and cash equivalents	(13.5)	27.5	13.0
Net change in cash and cash equivalents	10.5	311.6	(120.1)
Cash balance at beginning of period	1,108.1	796.5	916.6
Cash balance at end of period	<u>\$ 1,118.6</u>	<u>\$ 1,108.1</u>	<u>\$ 796.5</u>

### *Operating Activities*

Fluctuations in operating cash flows are attributable to changes in net income and working capital items, which can vary from period to period based on the amount and timing of cash receipts and payments.

### *Investing Activities*

Cash (used for) provided by investing activities for the years ended December 31, 2021, 2020 and 2019, was as follows (in millions):

	<u>Year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
(Purchases) sales of investment securities, net	\$ (177.1)	\$ 134.8	\$ 1.5
Purchases of investment securities by consolidated seeded investment products, net	(97.4)	(20.2)	(320.8)
Purchase of property, equipment and software	(10.4)	(17.8)	(37.8)
Cash paid on settled seed capital hedges, net	(27.0)	(11.6)	(34.9)
Receipt of contingent consideration payments from sale of Geneva	25.4	3.2	—
Proceeds from sale of Geneva	—	38.4	—
Other	3.2	2.6	2.7
Cash (used for) provided by investing activities	<u>\$ (283.3)</u>	<u>\$ 129.4</u>	<u>\$ (389.3)</u>

Cash outflows from investing activities were \$283.3 million during the year ended December 31, 2021, and cash inflows from investing activities were \$129.4 million during the year ended December 31, 2020. Cash outflows from investing activities during the year ended December 31, 2021, were primarily due to net purchases of investment securities and net purchases of investment securities by consolidated seeded investment products. When comparing the year ended

December 31, 2021, to the year ended December 31, 2020, the change in cash (used for) provided by investing activities was primarily due to increases in the net purchases of investment securities, net purchases of investment securities by consolidated seeded investment products and net cash paid to settle hedges related to our seed capital hedge program. These increases were partially offset by the receipt of contingent consideration payments related to the sale of Geneva recognized during the year ended December 31, 2021, and proceeds from the sale of Geneva recognized during the year ended December 31, 2020.

We periodically add new investment strategies to our investment product offerings by providing the initial cash investment, or seeding. The primary purpose of seeded investment products is to generate an investment performance track record in a product to attract third-party investors. We may redeem invested seed capital for a variety of reasons, including when third-party investments in the relevant product are sufficient to sustain the investment strategy.

Cash inflows from investing activities were \$129.4 million during the year ended December 31, 2020, primarily due to net sales of investment securities, proceeds from the sale of Geneva and net sales of investment securities by consolidated seeded investment products. When comparing the year ended December 31, 2020, to the year ended December 31, 2019, the change in cash provided by (used for) investing activities was primarily due to an increase in cash received from net sales of investment securities within consolidated investment products. The increase was driven by third-party redemption activity within the consolidated investment products resulting in a lower VIE investment securities balance, which decreased from \$924.8 million at December 31, 2019, to \$214.6 million at December 31, 2020. The sale of Geneva in March 2020 and an increase in sales of investment securities, less net cash paid to settle hedges related to our seed capital hedge program, also contributed to the year-over-year change in cash provided by (used for) investing activities.

Cash outflows from investing activities were \$389.3 million during the year ended December 31, 2019, primarily due to net purchases of securities by consolidated investment products; purchases of property, equipment and software; and net cash paid on settled hedges.

#### *Financing Activities*

Cash used for financing activities for the years ended December 31, 2021, 2020 and 2019, was as follows (in millions):

	<b>Year ended December 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
Dividends paid to shareholders	\$ (256.0)	\$ (262.9)	\$ (272.4)
Third-party sales (purchases) in consolidated seeded investment products, net	100.3	(34.0)	320.8
Purchase of common stock for stock-based compensation plans	(71.8)	(49.1)	(39.0)
Purchase of common stock from Dai-ichi Life and share buyback program	(372.1)	(130.8)	(199.9)
Payment of contingent consideration	—	(13.8)	(14.1)
Proceeds from stock-based compensation plans	12.5	1.0	—
Other	(1.0)	(1.4)	(2.4)
Cash used for financing activities	<u>\$ (588.1)</u>	<u>\$ (491.0)</u>	<u>\$ (207.0)</u>

Cash outflows from financing activities were \$588.1 million and \$491.0 million during the years ended December 31, 2021 and 2020, respectively. Cash outflows from financing activities during the year ended December 31, 2021, were primarily due to purchases of common stock from Dai-ichi Life, the share buyback program and stock-based compensation plans, and dividends paid to shareholders, partially offset by net sales of investment securities within consolidated seeded investment products. When comparing the year ended December 31, 2021, to the year ended December 31, 2020, the change in cash used for financing activities was primarily due to the purchase of common stock from Dai-ichi Life and the purchase of common stock for stock-based compensation plans. These increases were partially offset by net sales of investment securities within consolidated seeded investment products.

Cash outflows from financing activities were \$491.0 million during the year ended December 31, 2020, primarily due to dividends paid to shareholders and the purchase of common stock for the share buyback program and stock-based compensation plans. When comparing the year ended December 31, 2020, to the year ended December 31, 2019, the change in cash used for financing activities was impacted by net third-party redemptions within consolidated seeded investment products primarily due to lower VIE investment securities balance, which decreased from \$924.8 million at December 31, 2019, to \$214.6 million at December 31, 2020. A decrease in the purchase of common stock as part of the 2020 share buyback program also contributed to the year-over-year change in cash used for financing activities. Cash outflows from financing activities were \$207.0 million during the year ended December 31, 2019, primarily due to dividends paid to shareholders and the purchase of common stock for the share buyback program, partially offset by third-party sales in consolidated seeded investment products.

### **Other Sources of Liquidity**

At December 31, 2021, we had a \$200 million unsecured, revolving credit facility (“Credit Facility”). The Credit Facility includes an option for us to request an increase to our borrowing of up to an additional \$50.0 million. The maturity date of the Credit Facility is February 16, 2024. Additionally, as a result of LIBOR’s phase out, our credit facility was amended to incorporate other short term borrowing rates. Specifically, the SOFR was designated as the successor rate to USD LIBOR and the SONIA was designated as the successor rate to GBP LIBOR. For more information, refer to Part I, Item 1A, Risk Factors.

The Credit Facility may be used for general corporate purposes and bears interest on borrowings outstanding at the relevant interbank offer rate plus a spread.

The Credit Facility contains a financial covenant with respect to leverage. The financing leverage ratio cannot exceed 3.00x EBITDA. At the latest practicable date before the date of this report, we were in compliance with all covenants and there were no borrowings under the Credit Facility.

### **Regulatory Capital**

We are subject to regulatory oversight by the SEC, FINRA, the CFTC, the FCA and other international regulatory bodies. We strive to ensure that we are compliant with our regulatory obligations at all times. Our primary capital requirement relates to the FCA-supervised regulatory group (a sub-group of our company), comprising Janus Henderson (UK) Holdings Limited, all of its subsidiaries and Janus Capital International Limited (“JCIL”). JCIL is included to meet the requirements of certain regulations under the Banking Consolidation Directive. The combined capital requirement is £198.4 million (\$268.7 million), resulting in £296.4 million (\$401.5 million) of capital above the requirement as of December 31, 2021, based upon internal calculations and taking into account the effect of dividends related to fourth quarter 2021 results that will be paid in early 2022. As of January 1, 2022, the FCA-supervised regulatory group is subject to the new Investment Firm Prudential Regime (“IFPR”) for MiFID investment firms (“MIFIDPRU”). We have been preparing for these new rules and do not expect that our capital requirements will be materially impacted. Capital requirements in other jurisdictions are not significant in aggregate.

### **Contractual Obligations**

Contractual obligations and associated maturities relate to debt, interest payments and finance and operating leases. As of December 31, 2021, our contractual obligations related to debt and interest payments was \$352.4 million, with \$14.6 million payable within 12 months. As of December 31, 2021, we had operating and finance lease payment obligations of \$145.2 million, with \$30.2 million payable within 12 months.

### **Short-Term Liquidity Requirements**

#### *Common Stock Purchases*

On February 4, 2021, Dai-ichi Life announced its intention to sell all 30,668,922 shares of JHG common stock it owned by means of a registered secondary public offering. On February 9, 2021, Dai-ichi Life completed the secondary offering

and as part of the offering, we repurchased 8,048,360 shares of common stock from Dai-ichi Life (“Block Repurchase”) for a total of approximately \$230.0 million through Goldman Sachs & Co. LLC (“as underwriter”) at the price at which the shares of common stock were sold to the public in the secondary offering, less the underwriting discount. The Block Repurchase was authorized by the Board and is distinct from the Corporate Buyback Program. As a result of the completion of the secondary offering, Dai-ichi Life no longer owns any shares of JHG common stock. We did not receive any proceeds from Dai-ichi Life’s sale of common stock in the secondary offering.

On July 28, 2021, the Board approved the 2021 Corporate Buyback Program, pursuant to which we are authorized to repurchase up to \$200.0 million of our common stock on the NYSE and CDIs on the ASX at any time prior to the date of our 2022 Annual General Meeting. We commenced repurchases under the 2021 Corporate Buyback Program in August 2021, and during the three months ended December 31, 2021, we repurchased 1,538,376 shares of our common stock and CDIs for \$66.9 million.

Some of our executives and employees receive rights to receive shares of common stock as part of their remuneration arrangements and employee entitlements. We satisfy these entitlements by using existing shares of common stock that we repurchased on-market (“Share Plans Repurchases”). These repurchases are in addition to the repurchases under the Corporate Buyback Program discussed above. As a policy, we do not issue new shares to employees as part of our annual compensation practices. During the year ended December 31, 2021, our Share Plans Repurchases totaled 2,403,941 shares at an average price of \$30.95.

During the first quarter of 2022, we intend to repurchase shares on-market for the annual share grants associated with the 2021 variable compensation payable to our employees.

#### *Dividends*

The payment of cash dividends is within the discretion of our Board and depends on many factors, including our results of operations, financial condition, capital requirements, general business conditions and legal requirements.

Dividends declared and paid during the year ended December 31, 2021, were as follows:

<b>Dividend per share</b>	<b>Date declared</b>	<b>Dividends paid (in US\$ millions)</b>	<b>Date paid</b>
\$ 0.36	February 3, 2021	\$ 61.7	March 3, 2021
\$ 0.38	April 28, 2021	\$ 65.0	May 27, 2021
\$ 0.38	July 28, 2021	\$ 64.8	August 25, 2021
\$ 0.38	October 27, 2021	\$ 64.5	November 24, 2021

On February 2, 2022, our Board declared a cash dividend of \$0.38 per share. The quarterly dividend will be paid on February 28, 2022, to shareholders of record at the close of business on February 14, 2022.

#### **Long-Term Liquidity Requirements**

Expected long-term commitments as of December 31, 2021, include principal and interest payments related to our 4.875% Senior Notes due 2025 (“2025 Senior Notes”) and operating and finance lease payments. We expect to fund our long-term commitments with existing cash and cash generated from operations or by accessing capital and credit markets as necessary.

#### *2025 Senior Notes*

The 2025 Senior Notes have a principal amount of \$300.0 million, pay interest at 4.875% semiannually on February 1 and August 1 of each year, and mature on August 1, 2025.

### *Defined Benefit Pension Plan*

The main defined benefit pension plan sponsored by us is the defined benefit section of the Janus Henderson Group UK Pension Scheme (“JHGPS” or the “Plan”), previously the Henderson Group Pension Scheme, which closed to new members on November 15, 1999. The December 31, 2021, triennial valuation of our defined benefit pension plan resulted in a surplus on a technical basis of \$2.7 million. For more information, refer to Note 17 — Retirement Benefit Plans in Part II, Item 8, Financial Statements and Supplementary Data.

### **Off-Balance Sheet Arrangements**

We are not party to any off-balance sheet arrangements that may provide, or require us to provide, financing, liquidity, market or credit risk support that is not reflected in the consolidated financial statements.

### **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

Our consolidated financial statements and accompanying notes have been prepared in accordance with U.S. GAAP. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods.

We continually evaluate the accounting policies and estimates used to prepare the consolidated financial statements. In general, management’s estimates are based on historical experience, information from third-party professionals, as appropriate, and various other assumptions that are believed to be reasonable under current facts and circumstances. Actual results could differ from those estimates made by management. The critical accounting policies and estimates relate to the areas of investment securities, goodwill and intangible assets, retirement benefit plans and income taxes.

### *Valuation of Investment Securities*

Fair value of our investment securities is generally determined using observable market data based on recent trading activity. Where observable market data is unavailable due to a lack of trading activity, we use internally developed models to estimate fair value and independent third parties to validate assumptions, when appropriate. Estimating fair value requires significant management judgment, including benchmarking to similar instruments with observable market data and applying appropriate discounts that reflect differences between the securities that we are valuing and the selected benchmark. Any variation in the assumptions used to approximate fair value could have a material adverse effect on our Consolidated Balance Sheets and results of operations.

### *Accounting for Goodwill and Intangible Assets*

The recognition and measurement of goodwill and intangible assets require significant management estimates and judgment, including the valuation and expected life determination in connection with the initial purchase price allocation and the ongoing evaluation for impairment. The judgment exercised by management in arriving at these valuations includes the selection of market growth rates, fund flow assumptions, expected margins and costs.

Goodwill represents the excess of cost over the fair value of the identifiable net assets of acquired companies and is not amortized.

Indefinite-lived intangible assets primarily represent investment management agreements and trademarks. Investment management agreements without a contractual termination date are classified as indefinite-lived intangible assets based upon the following: (i) there is no legal or statutory limitation on the contract period to manage these investment products; (ii) we expect to, and have the ability to, operate these investment products indefinitely; (iii) the investment products have multiple investors and are not reliant on an individual investor or small group of investors for their continued operation; (iv) the current competitive environment does not indicate a finite life; and (v) there is a high likelihood of continued renewal based on historical experience. The assumption that investment management agreements

are indefinite-lived assets is reviewed at least annually or more frequently if facts and circumstances indicate that the useful life is no longer indefinite.

Definite-lived intangible assets represent certain other investment management contracts, which are amortized over their estimated lives using the straight-line method. The initial estimated lives of the definite-lived contracts vary and range from eight years to 21 years.

### *Impairment Testing*

Goodwill and indefinite-lived intangible assets are reviewed for impairment annually or more frequently if changes in circumstances indicate that the carrying value may be impaired. We perform our annual impairment assessment of goodwill and indefinite-lived intangible assets as of October 1. We may first assess goodwill for impairment using qualitative factors to determine whether it is necessary to perform a quantitative impairment test. We chose to forego the qualitative test and instead perform a quantitative impairment test, determining the enterprise value of the reporting unit and comparing it to our equity balance (carrying amount). The results of the goodwill assessment revealed the estimated fair value of the reporting unit greater than the carrying value as of October 1, 2021. The most significant input into the enterprise value assessment is our stock price. As such, although our stock price at the date of our assessment resulted in significant headroom, we could be at risk of failing step one of the assessment in the future if the price of our stock declines significantly and the deterioration of the stock price becomes sustained. Outside of the indefinite-lived intangible assets that were impaired, detailed below, the remaining assets representing the majority of our intangible balance, have substantial headroom to impairment.

During the first quarter of 2021, as part of our ongoing strategic initiatives and looking globally at delivering excellent service to our clients and positioning our business for success, we completed a review of Perkins Investment Management (“Perkins”). To right-size our product portfolio and better align with the changing needs of clients, certain strategies were closed and the funds were liquidated during the second quarter of 2021. The majority of the Perkins value equity strategies were unaffected by this reorganization and they have continued under the Janus Henderson brand. The Perkins brand was discontinued and the marketing efforts for value equity strategies were incorporated under the Janus Henderson brand. During the first quarter 2021, we impaired the entire balance of the intangible asset associated with the Perkins trademark. The impairment charge of \$3.6 million is included in the table above and recorded in goodwill and intangible asset impairment charges on the Consolidated Statements of Comprehensive Income.

Certain indefinite-lived intangible assets composed of investment management agreements were tested for impairment in the second quarter 2021 due to a significant decrease in AUM and unfavorable changes in the forecast on this specific asset. A discounted cash flow (“DCF”) model was used to determine the estimated fair value of the investment management agreements. The results of the valuation indicated a negative estimated value. As such, the asset was fully impaired, and a \$40.8 million impairment was recorded in impairment of goodwill and intangible assets expense in the Consolidated Statements of Comprehensive Income to bring the carrying value of the intangible asset as of December 31, 2021 (post-impairment) to \$0.

We also assessed our indefinite-lived intangible assets as part of the annual impairment assessment. A qualitative approach was used to determine the likelihood of impairment, with AUM being the focus of the assessment. After reviewing the results of the qualitative assessment, a certain intangible asset composed of investment management agreements with a carrying value of \$117.8 million as of October 1, 2021, required further review to determine if it was impaired. We prepared a DCF model to determine the estimated fair value of the intangible asset. The results of the valuation indicated a fair value of \$43.0 million. As such, a \$74.8 million impairment was recorded in impairment of goodwill and intangible assets expense in the Consolidated Statements of Comprehensive Income to bring the carrying value of the intangible asset as of December 31, 2021 (post-impairment) to \$43.0 million.

Some of the inputs used in the interim and annual DCF models required significant management judgment, including the discount rates, terminal growth rates, forecasted financial results and market returns.

Additionally, in conjunction with the indefinite-lived intangible asset annual impairment assessment, we considered the results of the AUM analysis included above to determine if there were indicators of impairment of our trademark



intangible assets. Based on that qualitative assessment, certain trademarks with a \$2.7 million carrying value as of October 1, 2021, required further review to determine if they were impaired. We prepared a DCF model to arrive at the estimated fair value of the intangible asset, which was below the carrying value of the asset. As such, we impaired the entire asset, and a \$2.7 million impairment was recorded in impairment of goodwill and intangible assets expense in the Consolidated Statements of Comprehensive Income to bring the carrying value of the intangible asset as of December 31, 2021 (post-impairment), to \$0. As discussed above, some of the inputs in the DCF model require significant management judgment. For the remaining indefinite-lived intangible assets, we concluded it is more likely than not that the fair values of our intangible assets exceed their carrying values; no additional impairment was recorded.

Our definite-lived intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. There were no definite-lived intangible asset impairments identified during the year ended December 31, 2021.

### ***Retirement Benefit Plans***

We provide certain employees with retirement benefits through defined benefit plans.

The defined benefit obligation is determined annually by independent qualified actuaries using the projected unit credit method and is measured at the present value of the estimated future cash outflows using a discount rate based on AA-rated corporate bond yields of appropriate duration. The plan assets are recognized at fair value. The funded status of the defined benefit pension plan (“plan”), being the resulting surplus or deficit of defined benefit assets less liabilities, is recognized in the Consolidated Balance Sheets, net of any taxes that would be deducted at source.

Actuarial gains and losses arise as a result of differences between actual experience and actuarial assumptions. We have adopted the “10% corridor” method for recognizing actuarial gains and losses. This means that cumulative actuarial gains or losses up to an amount equal to 10% of the higher of the liabilities and the assets of the scheme (“corridor”) have no immediate impact on net income and are instead recognized through other comprehensive income. Cumulative gains or losses greater than this corridor are amortized to net income over the average remaining future working lifetime of the active members in the plan.

Net periodic benefit cost is recorded as a component of net income in the Consolidated Statements of Comprehensive Income and includes service cost, interest cost and the expected return on plan assets.

The costs of and period-end obligations under defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making a number of assumptions, including those related to the discount rate, the expected rate of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

The table below shows the movement in funded status that would result from certain sensitivity changes (in millions):

	<b>Decrease in funded status at December 31, 2021</b>
Discount rate: -0.1%	\$ 13.5
Inflation: +0.1%	\$ 1.8
Life expectancy: +1 year at age 65	\$ 39.3
Market value of return seeking portfolio falls 25%	\$ 87.1

### ***Income Taxes***

We operate in several countries, states and other taxing jurisdictions through various subsidiaries and branches, and must allocate income, expenses and earnings under the various laws and regulations of each of these taxing jurisdictions. Accordingly, the provision for income taxes represents the total estimate of the liability that we have incurred for doing business each year in all of the locations. Annually we file tax returns that represent filing positions within each

jurisdiction and settle return liabilities. Each jurisdiction has the right to audit those returns and may take different positions with respect to income and expense allocations and taxable earnings determinations. Because the determinations of the annual provisions are subject to judgments and estimates, it is possible that actual results will vary from those recognized in the Consolidated Financial Statements. As a result, it is likely that additions to, or reductions of, income tax expense will occur each year for prior reporting periods as actual tax returns and tax audits are settled.

In the assessment of uncertain tax positions, significant management judgment is required to estimate the range of possible outcomes and determine the probability, on a more likely than not basis, of favorable or unfavorable tax outcomes and the potential interest and penalties related to such unfavorable outcomes. Actual future tax consequences on settlement of our uncertain tax positions may be materially different than management's current estimates.

Deferred tax assets, net of any associated valuation allowance, have been recognized based on management's belief that taxable income of the appropriate character, more likely than not, will be sufficient to realize the benefits of these assets over time. In the event that actual results differ from expectations, or if historical trends of positive operating income change, we may be required to record a valuation allowance on some or all of these deferred tax assets, which may have a significant effect on our financial condition and results of operations. In assessing whether a valuation allowance should be established against a deferred income tax asset, we consider the nature, frequency and severity of recent losses, forecasts of future profitability and the duration of statutory carryback and carryforward periods, among other factors.

## **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The following information describes the key aspects of certain items for which we are exposed to market risk.

### ***Management Fees***

Management fee revenues are generally based upon a percentage of the market value of AUM and are calculated as a percentage of either the daily, month-end or quarter-end average asset balance in accordance with contractual agreements. Accordingly, fluctuations in the financial markets have a direct effect on our operating results. Although fluctuations in the financial markets have a direct effect on our operating results, AUM may outperform or underperform the financial markets. As such, quantifying the impact of correlation between AUM and our operating results may be misleading.

### ***Performance Fees***

Performance fee revenue is derived from a number of funds and clients. As a result, our revenues are subject to volatility beyond market-based fluctuations discussed in the "Management Fees" section above. Performance fees are specified in certain fund and client contracts and are based on investment performance either on an absolute basis or compared to an established index over a specified period of time. Certain U.S mutual funds contracts allow for negative performance fees where there is underperformance against the relevant index. In many cases, performance fees are subject to a hurdle rate. Performance fees are recognized at the end of the contractual period (typically monthly, quarterly or annually). Our performance fees depend on internal performance and market trends, and are, therefore, subject to volatility year-over-year. We recognized performance fees of \$102.7 million, \$98.1 million and \$17.6 million for the years ended December 31, 2021, 2020 and 2019, respectively. At December 31, 2021 and 2020, \$99.4 billion and \$105.8 billion of AUM generated performance fees during the years ended December 31, 2021 and 2020, respectively.

## Investment Securities

At December 31, 2021, we were exposed to market price risk as a result of investment securities on our Consolidated Balance Sheets. The following is a summary of the effect that a hypothetical 10% increase or decrease in market prices would have on our investment securities subject to market price fluctuations as of December 31, 2021 (in millions):

	Fair value	Fair value assuming a 10% increase	Fair value assuming a 10% decrease
Investment securities:			
Seeded investment products (including VIEs)	\$ 646.6	\$ 711.3	\$ 581.9
Investments related to deferred compensation plans	50.3	55.3	45.3
Other	5.4	5.9	4.9
Total investment securities	<u>\$ 702.3</u>	<u>\$ 772.5</u>	<u>\$ 632.1</u>

Certain investment securities include debt securities that contribute to the achievement of defined investment objectives. Debt securities are exposed to interest rate risk and credit risk. Movement in interest rates would be reflected in the value of the securities; refer to the quantitative analysis above.

## Derivative Instruments

### Derivative Instruments Used to Hedge Seeded Investment Products

We maintain an economic hedge program that uses derivative instruments to mitigate market volatility of certain seeded investments. Market fluctuations are mitigated using derivative instruments, including futures, credit default swaps, index swaps and total return swaps. We also operate a rolling program of foreign currency forward contracts to mitigate the non-functional currency exposures arising from certain seed capital investments. We were party to the following derivative instruments as of December 31, 2021 and 2020 (in millions):

	Notional value	
	December 31, 2021	December 31, 2020
Futures	\$ 368.7	\$ 164.5
Credit default swaps	\$ 207.2	\$ 166.2
Total return swaps	\$ 55.0	\$ 35.6
Foreign currency forward contracts and swaps	\$ 415.6	\$ 205.0

Changes in fair value of derivative instruments are recognized during the period in which they occur in investment gains, net in the Consolidated Statements of Comprehensive Income.

### Derivative Instruments Used in Foreign Currency Hedging Program

In January 2021, we implemented a balance sheet foreign currency hedging program (“Program”) to take reasonable measures to minimize the income statement effects of foreign currency remeasurement of monetary balance sheet accounts. The Program is not designed to eliminate all impacts of foreign currency risk; rather it is designed to reduce income statement volatility. The Program utilizes foreign currency forward contracts and swaps to achieve its objectives, and it is considered an economic hedge for accounting purposes.

The notional value of the foreign currency forward contracts and swaps was \$171.4 million at December 31, 2021. Changes in fair value of the derivatives are recognized in other non-operating income, net on our Consolidated Statements of Comprehensive Income.

## Foreign Currency Exchange Sensitivity

Foreign currency risk is the risk that we will sustain losses through adverse movements in foreign currency exchange rates, where we transact in currencies that are different from our functional currency.

As our functional currency is USD, we are exposed to foreign currency risk through our exposure to non-USD income, expenses, assets and liabilities of our overseas subsidiaries, as well as net assets and liabilities denominated in a currency other than USD. We manage our currency exposure by monitoring foreign currency positions. We seek to naturally offset exposures where possible and actively hedge certain exposures on a case-by-case basis.

The following table illustrates the impact of the below currencies weakening by 10% on all hedged and unhedged financial assets and liabilities denominated in currencies material to us other than USD (in millions):

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Net income attributable to JHG</u>	<u>Other comprehensive income attributable to JHG</u>	<u>Net income attributable to JHG</u>	<u>Other comprehensive income attributable to JHG</u>
Great British pound	\$ (13.8)	\$ 197.8	\$ (7.3)	\$ 188.8
Australian dollar	\$ (1.3)	\$ 17.0	\$ 0.3	\$ 26.1
Euro	\$ (2.8)	\$ 7.4	\$ 1.6	\$ 7.5

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

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## **Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Shareholders of Janus Henderson Group plc

### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of Janus Henderson Group plc and its subsidiaries (the “Company”) as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for each of the three years in the period ended December 31, 2021, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

### ***Basis for Opinions***

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing

such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### ***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### ***Critical Audit Matters***

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### ***Impairment Assessments of Certain Indefinite-Lived Intangible Assets Composed of Investment Management Agreements***

As described in Notes 2 and 8 to the consolidated financial statements, the Company's net intangible assets balance of \$2,542.7 million as of December 31, 2021 is net of \$121.9 million of impairment recognized in 2021, and includes indefinite-lived investment management agreements, indefinite-lived trademarks and definite-lived client relationships. The indefinite-lived intangible asset balance related to investment management agreements was \$2,114.8 million as of December 31, 2021, which is net of \$115.6 million of impairment recognized in 2021. Management performs its annual impairment assessment of indefinite-lived intangible assets as of October 1 of each year, or more frequently if changes in circumstances indicate that the carrying value may be impaired. If the fair value of the intangible asset is less than the carrying amount, an impairment is recognized. During the second quarter of 2021, management performed an interim impairment assessment on a certain indefinite-lived intangible asset composed of investment management agreements due to a significant decrease in assets under management and unfavorable changes in the forecast on this specific asset. A discounted cash flow model was used to determine the estimated fair value of the investment management agreements. The results of the discounted cash flow model revealed a fair value of nil and management therefore impaired the entire \$40.8 million balance of the intangible asset. As part of management's annual impairment assessment, management used a qualitative approach to determine the likelihood of impairment of indefinite-lived intangible assets, with assets under management being the focus of the assessment. After reviewing the results of the qualitative assessment, a certain intangible asset composed of investment management agreements with a carrying value of \$117.8 million as of October 1, 2021 required further review to determine if it was impaired. Management prepared a discounted cash flow model to determine the estimated fair value of the intangible asset, which was below the carrying value of the asset and a \$74.8 million impairment was recorded. Some of the inputs used in the interim and annual discounted cash flow models required significant management judgment, including the discount rates, terminal growth rates, forecasted financial results and market returns.

The principal considerations for our determination that performing procedures relating to the impairment assessments of certain indefinite-lived intangible assets composed of investment management agreements is a critical audit matter are (i) the significant judgment by management when determining the fair value of certain indefinite-lived intangible assets and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the forecasted financial results and market returns.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's impairment assessments of intangible assets, including controls over the valuation of certain indefinite-lived intangible assets composed of investment management agreements. These procedures also included, among others (i) testing management's process for determining the fair value of certain indefinite-lived intangible assets composed of investment management agreements; (ii) evaluating the appropriateness of the discounted cash flow model; (iii) testing the completeness and accuracy of underlying data used in the discounted cash flow model; and (iv) evaluating the reasonableness of significant assumptions used by management related to the forecasted financial results and market returns. Evaluating management's significant assumptions related to the forecasted financial results and market returns involved evaluating whether the significant assumptions used by management were reasonable considering (i) the current and past performance of investment companies subject to the investment management agreements; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit.

/s/ PricewaterhouseCoopers LLP  
Denver, Colorado  
February 24, 2022

We have served as the Company's auditor since 2019.



## Management's Report on Internal Control Over Financial Reporting

JHG management is responsible for establishing and maintaining adequate internal control over JHG's financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. JHG's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

JHG management has assessed the effectiveness of JHG's internal control over financial reporting as of December 31, 2021. In making its assessment of internal control over financial reporting, JHG management used the framework set forth in the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework* (2013). Based on the assessment using those criteria, JHG management determined that as of December 31, 2021, JHG's internal control over financial reporting was effective.

JHG's independent registered public accounting firm, PricewaterhouseCoopers LLP, audited the effectiveness of JHG's internal control over financial reporting as of December 31, 2021, as stated in Item 8 of this Annual Report on Form 10-K.

February 24, 2022

**JANUS HENDERSON GROUP PLC**

**CONSOLIDATED BALANCE SHEETS**  
**(Dollars in Millions, Except Share Data)**

	December 31, 2021	December 31, 2020
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,107.3	\$ 1,099.7
Investment securities	451.4	268.1
Fees and other receivables	351.6	373.6
OEIC and unit trust receivables	84.4	114.7
Assets of consolidated VIEs:		
Cash and cash equivalents	11.3	8.4
Investment securities	250.9	214.6
Other current assets	2.1	3.5
Other current assets	150.2	111.1
Total current assets	2,409.2	2,193.7
<b>Non-current assets:</b>		
Property, equipment and software, net	63.3	77.9
Intangible assets, net	2,542.7	2,686.3
Goodwill	1,374.3	1,383.9
Retirement benefit asset, net	165.1	191.3
Other non-current assets	172.9	157.7
Total assets	\$ 6,727.5	\$ 6,690.8
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 271.6	\$ 232.1
Current portion of accrued compensation, benefits and staff costs	420.0	371.0
OEIC and unit trust payables	92.2	121.5
Liabilities of consolidated VIEs:		
Accounts payable and accrued liabilities	2.6	3.2
Total current liabilities	786.4	727.8
<b>Non-current liabilities:</b>		
Accrued compensation, benefits and staff costs	45.7	53.7
Long-term debt	310.4	313.3
Deferred tax liabilities, net	619.2	627.4
Retirement benefit obligations, net	4.8	4.7
Other non-current liabilities	134.4	144.3
Total liabilities	1,900.9	1,871.2
<b>Commitments and contingencies (See Note 20)</b>		
	163.4	85.8
<b>REDEEMABLE NONCONTROLLING INTERESTS</b>		
	163.4	85.8
<b>EQUITY</b>		
Common stock, \$1.50 par value; 480,000,000 shares authorized, and 169,046,154 and 180,403,176 shares issued and outstanding as of December 31, 2021, and December 31, 2020, respectively	253.6	270.6
Additional paid-in-capital	3,771.8	3,815.0
Treasury shares, 1,133,934 and 2,548,063 shares held at December 31, 2021, and December 31, 2020, respectively	(55.1)	(107.3)
Accumulated other comprehensive loss, net of tax	(396.1)	(324.0)
Retained earnings	1,073.6	1,062.1
Total shareholders' equity	4,647.8	4,716.4
Nonredeemable noncontrolling interests	15.4	17.4
Total equity	4,663.2	4,733.8
Total liabilities, redeemable noncontrolling interests and equity	\$ 6,727.5	\$ 6,690.8

The accompanying notes are an integral part of these consolidated financial statements.

JANUS HENDERSON GROUP PLC

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Dollars in Millions, Except Per Share Data)

	Year ended December 31,		
	2021	2020	2019
<b>Revenue:</b>			
Management fees	\$ 2,189.4	\$ 1,794.1	\$ 1,792.3
Performance fees	102.7	98.1	17.6
Shareowner servicing fees	260.7	209.2	185.4
Other revenue	214.2	197.2	197.1
Total revenue	<u>2,767.0</u>	<u>2,298.6</u>	<u>2,192.4</u>
<b>Operating expenses:</b>			
Employee compensation and benefits	693.3	618.6	602.5
Long-term incentive plans	181.0	170.1	184.3
Distribution expenses	551.6	464.4	444.3
Investment administration	51.6	50.0	47.9
Marketing	31.7	19.6	31.1
General, administrative and occupancy	271.8	255.2	260.8
Impairment of goodwill and intangible assets	121.9	513.7	18.0
Depreciation and amortization	40.7	49.2	62.6
Total operating expenses	<u>1,943.6</u>	<u>2,140.8</u>	<u>1,651.5</u>
<b>Operating income</b>	<u>823.4</u>	<u>157.8</u>	<u>540.9</u>
Interest expense	(12.8)	(12.9)	(15.1)
Investment gains, net	0.8	57.5	34.2
Other non-operating income, net	8.8	39.7	23.5
Income before taxes	820.2	242.1	583.5
Income tax provision	(205.7)	(59.5)	(137.8)
Net income	<u>614.5</u>	<u>182.6</u>	<u>445.7</u>
Net loss (income) attributable to noncontrolling interests	7.6	(21.0)	(18.1)
<b>Net income attributable to JHG</b>	<u>\$ 622.1</u>	<u>\$ 161.6</u>	<u>\$ 427.6</u>
<b>Earnings per share attributable to JHG common shareholders:</b>			
Basic	\$ 3.60	\$ 0.87	\$ 2.21
Diluted	\$ 3.59	\$ 0.87	\$ 2.21
<b>Other comprehensive income (loss), net of tax:</b>			
Foreign currency translation gains (losses)	\$ (50.1)	\$ 71.8	\$ 74.7
Actuarial losses	(22.4)	(29.5)	(5.6)
Other comprehensive income (loss), net of tax	(72.5)	42.3	69.1
Other comprehensive loss (income) attributable to noncontrolling interests	0.4	0.8	(12.7)
Other comprehensive income (loss) attributable to JHG	<u>\$ (72.1)</u>	<u>\$ 43.1</u>	<u>\$ 56.4</u>
Total comprehensive income	<u>\$ 542.0</u>	<u>\$ 224.9</u>	<u>\$ 514.8</u>
Total comprehensive loss (income) attributable to noncontrolling interests	8.0	(20.2)	(30.8)
<b>Total comprehensive income (loss) attributable to JHG</b>	<u>\$ 550.0</u>	<u>\$ 204.7</u>	<u>\$ 484.0</u>

The accompanying notes are an integral part of these consolidated financial statements.

**JANUS HENDERSON GROUP PLC**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Dollars in Millions)

	Year ended December 31,		
	2021	2020	2019
<b>CASH FLOWS PROVIDED BY (USED FOR):</b>			
<b>Operating activities:</b>			
Net income	\$ 614.5	\$ 182.6	\$ 445.7
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	40.7	49.2	62.6
Impairment of goodwill and intangible assets	121.9	513.7	18.0
Deferred income taxes	(2.2)	(104.8)	(4.7)
Stock-based compensation plan expense	68.2	66.7	74.2
Impairment of right-of-use operating asset	—	1.3	4.7
Gain on sale of Geneva	—	(16.2)	—
Investment gains, net	(0.8)	(57.5)	(34.2)
Contributions to pension plans in excess of costs recognized	1.2	(4.6)	1.0
Contingent consideration fair value adjustment	—	(7.1)	(20.0)
Other, net	(8.4)	(20.5)	(11.1)
Changes in operating assets and liabilities:			
OEIC and unit trust receivables and payables	1.0	7.6	0.4
Other assets	(44.1)	(53.4)	(16.4)
Other accruals and liabilities	103.4	88.7	(57.0)
Net operating activities	<u>895.4</u>	<u>645.7</u>	<u>463.2</u>
<b>Investing activities:</b>			
Sales (purchases) of:			
Investment securities, net	(177.1)	134.8	1.5
Property, equipment and software	(10.4)	(17.8)	(37.8)
Investment securities by consolidated seeded investment products, net	(97.4)	(20.2)	(320.8)
Cash paid on settled seed capital hedges, net	(27.0)	(11.6)	(34.9)
Dividends received from equity-method investments	1.2	0.4	0.4
Receipt of contingent consideration payments from sale of Volantis	2.0	2.2	2.3
Receipt of contingent consideration payments from sale of Geneva	25.4	3.2	—
Proceeds from sale of Geneva	—	38.4	—
Net investing activities	<u>(283.3)</u>	<u>129.4</u>	<u>(389.3)</u>
<b>Financing activities:</b>			
Proceeds from stock-based compensation plans	12.5	1.0	—
Purchase of common stock for stock-based compensation plans	(71.8)	(49.1)	(39.0)
Purchase of common stock from Dai-ichi Life and share buyback program	(372.1)	(130.8)	(199.9)
Dividends paid to shareholders	(256.0)	(262.9)	(272.4)
Payment of contingent consideration	—	(13.8)	(14.1)
Distributions to noncontrolling interests	(0.5)	(0.8)	(1.3)
Third-party sales (purchases) in consolidated seeded investment products, net	100.3	(34.0)	320.8
Principal payments under capital lease obligations	(0.5)	(0.6)	(1.1)
Net financing activities	<u>(588.1)</u>	<u>(491.0)</u>	<u>(207.0)</u>
<b>Cash and cash equivalents:</b>			
Effect of foreign exchange rate changes	(13.5)	27.5	13.0
Net change	10.5	311.6	(120.1)
At beginning of period	1,108.1	796.5	916.6
At end of period	<u>\$ 1,118.6</u>	<u>\$ 1,108.1</u>	<u>\$ 796.5</u>
<b>Supplemental cash flow information:</b>			
Cash paid for interest	\$ 14.6	\$ 14.6	\$ 14.6
Cash paid for income taxes, net of refunds	\$ 217.6	\$ 159.0	\$ 160.0
<b>Reconciliation of cash and cash equivalents:</b>			
Cash and cash equivalents	\$ 1,107.3	\$ 1,099.7	\$ 733.9
Cash and cash equivalents held in consolidated VIEs	11.3	8.4	62.6
Total cash and cash equivalents	<u>\$ 1,118.6</u>	<u>\$ 1,108.1</u>	<u>\$ 796.5</u>

The accompanying notes are an integral part of these consolidated financial statements.

**JANUS HENDERSON GROUP PLC**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Amounts in Millions)

	Number of shares	Common stock	Additional paid-in capital	Treasury shares	Accumulated other comprehensive loss	Retained earnings	Nonredeemable noncontrolling interests	Total equity
<b>Balance January 1, 2019</b>	196.4	\$ 294.6	\$ 3,824.5	\$ (170.8)	\$ (423.5)	\$ 1,314.5	\$ 21.5	\$ 4,860.8
Net income	—	—	—	—	—	427.6	(1.1)	426.5
Other comprehensive income	—	—	—	—	56.4	—	—	56.4
Dividends paid to shareholders (\$1.44 per share)	—	—	0.1	—	—	(272.5)	—	(272.4)
Share buyback program	(9.4)	(14.1)	—	—	—	(185.8)	—	(199.9)
Distributions to noncontrolling interests	—	—	—	—	—	—	(0.7)	(0.7)
Fair value adjustments to redeemable noncontrolling interests	—	—	(33.8)	—	—	0.3	—	0.3
Purchase of common stock for stock-based compensation plans	—	—	(36.5)	(5.2)	—	—	—	(39.0)
Vesting of stock-based compensation plans	—	—	74.2	36.5	—	—	—	—
Stock-based compensation plan expense	—	—	—	—	—	—	—	—
<b>Balance at December 31, 2019</b>	<u>187.0</u>	<u>280.5</u>	<u>3,828.5</u>	<u>(139.5)</u>	<u>(367.1)</u>	<u>1,284.1</u>	<u>19.7</u>	<u>4,906.2</u>
Net income	—	—	—	—	—	161.6	(1.5)	160.1
Other comprehensive income	—	—	—	—	43.1	—	—	43.1
Dividends paid to shareholders (\$1.44 per share)	—	—	0.1	—	—	(263.0)	—	(262.9)
Share buyback program	(6.6)	(9.9)	—	—	—	(120.9)	—	(130.8)
Distributions to noncontrolling interests	—	—	—	—	—	—	(0.8)	(0.8)
Fair value adjustments to redeemable noncontrolling interests	—	—	(45.4)	(3.7)	—	0.3	—	0.3
Purchase of common stock for stock-based compensation plans	—	—	(35.9)	35.9	—	—	—	(49.1)
Vesting of stock-based compensation plans	—	—	66.7	—	—	—	—	—
Stock-based compensation plan expense	—	—	—	—	—	—	—	66.7
Proceeds from stock-based compensation plans	—	—	1.0	—	—	—	—	1.0
<b>Balance at December 31, 2020</b>	<u>180.4</u>	<u>270.6</u>	<u>3,815.0</u>	<u>(107.3)</u>	<u>(324.0)</u>	<u>1,062.1</u>	<u>17.4</u>	<u>4,735.8</u>
Net income	—	—	—	—	—	622.1	(1.5)	620.6
Other comprehensive loss	—	—	—	—	(72.1)	—	—	(72.1)
Dividends paid to shareholders (\$1.50 per share)	—	—	0.1	—	—	(256.1)	—	(256.0)
Share buyback program	(11.4)	(17.0)	—	—	—	(355.1)	—	(372.1)
Distributions to noncontrolling interests	—	—	—	—	—	—	(0.5)	(0.5)
Fair value adjustments to redeemable noncontrolling interests	—	—	(70.3)	(1.5)	—	0.6	—	0.6
Purchase of common stock for stock-based compensation plans	—	—	(53.7)	53.7	—	—	—	(71.8)
Vesting of stock-based compensation plans	—	—	68.2	—	—	—	—	—
Stock-based compensation plan expense	—	—	12.5	—	—	—	—	68.2
Proceeds from stock-based compensation plans	—	—	—	—	—	—	—	—
<b>Balance at December 31, 2021</b>	<u>169.0</u>	<u>253.6</u>	<u>3,771.8</u>	<u>(55.1)</u>	<u>(396.1)</u>	<u>1,073.6</u>	<u>15.4</u>	<u>4,663.2</u>

The accompanying notes are an integral part of these consolidated financial statements.

## JANUS HENDERSON GROUP PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### **Note 1 — Description of the Business**

As used herein, “JHG,” “we,” “us,” “our” and similar terms refer to Janus Henderson Group plc and its subsidiaries, unless indicated otherwise.

JHG is an independent global asset manager, specializing in active investment across all major asset classes. We actively manage a broad range of investment products for institutional and retail investors across five capabilities: Equities, Fixed Income, Quantitative Equities, Multi-Asset and Alternatives.

JHG is a public limited company incorporated in Jersey, Channel Islands, and is tax-resident and domiciled in the UK. Our common stock is traded on the NYSE and our CDIs are traded on the ASX.

#### **Note 2 — Summary of Significant Accounting Policies**

##### ***Basis of Presentation***

Our consolidated financial statements have been prepared according to U.S. GAAP and include all majority-owned subsidiaries and consolidated seeded investment products. Intercompany accounts and transactions have been eliminated in consolidation. Events subsequent to the balance sheet date have been evaluated for inclusion in the accompanying consolidated financial statements through the issuance date.

Certain prior year amounts in our Consolidated Statements of Comprehensive Income have been reclassified to conform to current year presentation. Specifically, intangible asset impairments recognized during the year ended December 31, 2019, that were previously classified in depreciation and amortization were reclassified to impairment of goodwill and intangible assets on the Consolidated Statements of Comprehensive Income. There is no change to total operating expenses as a result of this change in classification.

##### ***Accounting Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and the differences could be material. Our significant estimates relate to investment securities, acquisition accounting, goodwill and intangible assets, retirement benefit assets and obligations, contingent consideration, equity compensation and income taxes.

##### ***Segment Information***

We are a global asset manager and manage a range of investment products, operating across various product lines, distribution channels and geographic regions. However, resources are allocated and the business is managed by the chief operating decision-maker, the CEO, on an aggregated basis. Strategic and financial management decisions are determined centrally by the CEO and, on this basis, we operate as a single segment investment management business.

##### ***Consolidation of Investment Products***

We perform periodic consolidation analyses of our seeded investment products to determine if the product is a VIE or a VRE. Factors considered in this assessment include the product’s legal organization, the product’s capital structure and equity ownership, and any de facto agent implications of our involvement with the product. Investment products that are determined to be VIEs are consolidated if we are the primary beneficiary of the product. VREs are consolidated if we hold the majority voting interest. Upon the occurrence of certain events (such as contributions and redemptions, either by

JHG or third parties, or amendments to the governing documents of our investment products), management reviews and reconsiders its previous conclusion regarding the status of a product as a VIE or a VRE. Additionally, management continually reconsiders whether we are considered a VIE's primary beneficiary and thus would be required to consolidate such product or discontinue consolidation of the VIE if we are no longer considered the primary beneficiary.

#### *Variable Interest Entities*

Certain investment products for which a controlling financial interest is achieved through arrangements that do not involve or are not directly linked to voting interests are considered VIEs. We review factors, including whether or not (i) the product has equity that is sufficient to permit it to finance its activities without additional subordinated support from other parties and (ii) the equity holders at risk have the obligation to absorb losses, the right to receive residual returns and the right to direct the activities of the product that most significantly impact the product's economic performance, to determine if the investment product is a VIE. We reevaluate such factors as facts and circumstances change.

We consolidate a VIE if we are the VIE's primary beneficiary. The primary beneficiary of a VIE is defined as the variable interest holder that has a controlling financial interest in the VIE. A controlling financial interest is defined as (i) the power to direct the activities of the VIE that most significantly impact its economic performance and (ii) the obligation to absorb losses of the product or the right to receive benefits from the product that potentially could be significant to the VIE.

We are the manager of various types of seeded investment products, which may be considered VIEs. Our involvement in financing the operations of the VIEs is generally limited to our investments in the products.

VIEs are generally subject to consolidation by us at lower ownership percentages than the 50% threshold applied to VREs and are also subject to specific disclosure requirements.

#### *Voting Rights Entities*

We consolidate seeded investment products accounted for as VREs when we are considered to control such products, which generally exists if we have a greater than 50% voting equity interest.

#### ***Property, Equipment and Software***

Property, equipment and software are recorded at cost. Depreciation is recorded using the straight-line method over the estimated useful life of the related assets (or the lease term, if shorter).

The following table presents depreciation expense for the December 31, 2021, 2020 and 2019 (in millions):

	Year ended December 31,		
	2021	2020	2019
Depreciation expense	\$ 23.5	\$ 26.0	\$ 23.5

Property, equipment and software as of December 31, 2021 and 2020, are summarized as follows (in millions):

	Depreciation period	December 31,	
		2021	2020
Furniture, fixtures and computer equipment	3-10 years	\$ 24.8	\$ 18.1
Leasehold improvements	Over the shorter of 20 years or the period of the lease	40.6	40.2
Computer software	3-7 years	92.1	91.4
Property, equipment and software, gross		\$ 157.5	\$ 149.7
Accumulated depreciation		(94.2)	(71.8)
Property, equipment and software, net		\$ 63.3	\$ 77.9

Computer software is recorded at cost and depreciated over its estimated useful life. Internal and external costs incurred in connection with researching or obtaining computer software for internal use are expensed as incurred during the preliminary project stage, as are post-implementation training and maintenance costs. Internal and external costs incurred for internal use software during the application development stage are capitalized until such time that the software is substantially complete and ready for its intended use. Application development stage costs are depreciated on a straight-line basis over the estimated useful life of the software.

An impairment loss is recognized if the carrying value of the asset exceeds the fair value of the asset. The amount of the impairment loss is equal to the excess of the carrying amount over the fair value. The evaluation is based on an estimate of the future cash flows expected to result from the use of the asset and its eventual disposal. If expected future undiscounted cash flows are less than the carrying amount of the asset, an impairment loss is recognized in an amount equal to the excess of the carrying amount of the asset over the fair value of the asset. There were no impairments of property, equipment and software for the years ended December 31, 2021, 2020 and 2019.

#### ***Cloud Computing Arrangements***

Costs paid to vendors for third-party cloud-based hosting services are recorded to other long-term assets and subsequently amortized to general, administration and occupancy expense on a straight-line basis over the life of the contract. Implementation costs incurred related to the cloud hosting arrangement are accounted for similarly to internal use software. Implementation costs are capitalized or expensed depending on the nature of the costs and the project stage during which they are incurred. We capitalize costs incurred during the application development stage to other long-term assets and subsequently amortize those costs to general, administration and occupancy expense on a straight-line basis over the life of the contract beginning when the asset is ready for its intended use.

#### ***Deferred Commissions***

Initial sales commissions paid to financial intermediaries on sales of certain wholesale products are deferred and amortized over various periods, not exceeding four years. The amortization period is based on the average expected life of the product on which the commission is received. Deferred commissions are recognized as components of other current assets on the Consolidated Balance Sheets.

#### ***Equity Method Investments***

Our investment in equity method investees, where we do not control the investee but can exert significant influence over the financial and operating policies (generally considered to be ownership between 20% and 50%), is accounted for using the equity method of accounting.

Investments are initially recognized at cost when purchased for cash or at the fair value of shares received where acquired as part of a wider transaction. The investments are subsequently carried at cost adjusted for our share of net income or loss and other changes in comprehensive income of the equity method investee, less any dividends or



distributions received by us. The Consolidated Statements of Comprehensive Income includes our share of net income or loss for the year, or period of ownership, if shorter, within investment gains, net.

### ***Financial Instruments***

Financial assets are recognized at fair value in the Consolidated Balance Sheets when we become a party to the contractual provisions of an instrument. The fair value recognized is adjusted for transaction costs, except for financial assets classified as trading where transaction costs are recognized immediately in net income. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or where they have been transferred and we have also transferred substantially all the risks and rewards of ownership.

Purchases and sales of financial assets are recognized at the trade date. Delivery and settlement terms are usually determined by established practices in the market concerned.

Debt securities, equity securities and holdings in pooled funds are measured at subsequent reporting dates at fair value. We determine the classification of its financial assets on initial recognition.

Unrealized gains and losses represent the difference between the fair value of the financial asset at the reporting date and cost or, if these have been previously revalued, the fair value at the last reporting date. Realized gains and losses on financial assets are calculated as the difference between the net sales proceeds and cost or amortized cost using the specific identification method.

Financial liabilities, excluding contingent consideration, derivatives, fund deferral liabilities and redeemable noncontrolling interests in consolidated funds, which are stated at fair value, are stated at amortized cost using the effective interest rate method. Financial liabilities stated at amortized cost include our long-term debt. Amortized cost is calculated by taking into account any issuance costs and any discount or premium on settlement. Financial liabilities cease to be recognized when the obligation under the liability has been discharged or cancelled or has expired.

### ***Investment Securities***

#### *Seeded Investment Products*

We periodically add new investment strategies to our investment product offerings by providing the initial cash investment, or seeding. The primary purpose of seeded investment products is to generate an investment performance track record in a product to attract third-party investors. Seeded investment products are initially assessed for consolidation. If it is determined consolidation is required, the individual securities within the portfolio are accounted for as trading securities. If consolidation is not required, the fair value is determined using the number of shares held multiplied by the share price of the respective fund. The change in fair value of seeded investment products is recorded in investment gains, net on our Consolidated Statements of Comprehensive Income. Noncontrolling interests in seeded investment products represent third-party ownership interests and are included in investment securities on our Consolidated Balance Sheets. These assets are not available for general corporate purposes and may be redeemed by the third parties at any time.

Refer to the Consolidation of Investment Products section in this note for information regarding the consolidation of certain seeded investment products.

We may redeem invested seed capital for a variety of reasons, including when third-party investments in the relevant product are sufficient to sustain the given investment strategy. The length of time we hold a majority interest in a product varies based on a number of factors, including market demand, market conditions and investment performance.

#### *Investments in Advised Mutual Funds and Investments Related to the Economic Hedging of Deferred Compensation*

We grant mutual fund share awards to employees that are indexed to certain funds managed by us. Upon vesting, participants receive the value of the mutual fund share awards adjusted for gains or losses attributable to the mutual

funds to which the award was indexed, subject to tax withholding, or participants receive shares in the mutual fund. When investments in our fund products are purchased and held against deferred compensation liabilities, any movement in the fair value of the assets and corresponding movements in the deferred compensation liability are recognized in the Consolidated Statements of Comprehensive Income.

We maintain deferred compensation plans for certain highly compensated employees and members of the Board of Directors. Eligible participants may defer a portion of their compensation and have the ability to earn a return by indexing their deferrals to mutual funds managed by us and our subsidiaries. We make no contributions to the plans. To protect against market variability of the liability, we create an economic hedge by investing in mutual funds that are consistent with the deferred amounts and mutual fund elections of the participants. Such investments remain assets of JHG. Changes in market value of the liability to participants are recognized as long-term incentive plans in our Consolidated Statements of Comprehensive Income, and changes in the market value of the mutual fund securities are recognized in investment gains, net on our Consolidated Statements of Comprehensive Income.

#### *Other Investment Securities*

Other investment securities primarily represent investments in our fund products held by employee benefit trusts, certain investments in unconsolidated seed capital investments and certain investments in consolidated funds. Gains and losses arising from changes in the fair value of these securities are included within investments gains, net in the Consolidated Statements of Comprehensive Income. Where investments in our fund products are held against outstanding deferred compensation liabilities, any movement in the fair value of these assets and corresponding movements in the deferred compensation liability are recognized in the Consolidated Statements of Comprehensive Income.

#### *Trade Receivables*

Trade receivables, which generally have 30-day payment terms, are initially recognized at fair value, which is normally equivalent to the invoice amount. When the time value of money is material, the fair value is discounted. Provision for specific doubtful accounts is made when there is evidence that we may not be able to recover balances in full. Balances are written off when the receivable amount is deemed uncollectable.

#### *OEIC and Unit Trust Receivables and Payables*

OEIC and unit trust receivables and payables are in relation to the purchase of units/shares (by investors) and the liquidation of units/shares (owned by trustees). The amounts are dependent on the level of trading and fund switches in the four working days leading up to the end of the period. Since they are held with different counterparties, the amounts are presented gross on our Consolidated Balance Sheets.

#### *Cash and Cash Equivalents*

Cash and cash equivalents primarily consist of cash held at banks, on-demand deposits, highly liquid short-term government securities and investments in money market instruments with a maturity date of three months or less. Cash balances maintained by consolidated VREs are not considered legally restricted and are included in cash and cash equivalents on the Consolidated Balance Sheets. Cash balances held by consolidated VIEs are disclosed separately as a component of assets of consolidated VIEs on the Consolidated Balance Sheets.

#### *Derivative Instruments*

We may, from time to time, use derivative financial instruments to mitigate price, interest rate, foreign currency and credit risk. We do not designate derivative instruments as hedges for accounting purposes.

Derivative instruments are measured at fair value and classified as either other current assets or accounts payable and accrued liabilities on our Consolidated Balance Sheets. Changes in the fair value of derivative instruments are recorded within investment gains, net in our Consolidated Statements of Comprehensive Income.

Our consolidated seed investments may also be party to derivative instruments. These derivative instruments are disclosed separately from our corporate derivative instruments. Refer to Note 11 — Fair Value Measurements.

### ***Leases***

We determine if an arrangement is a lease at inception. Operating lease right-of-use (“ROU”) assets are included in other non-current assets in our Consolidated Balance Sheets. The current and non-current portions of operating lease liabilities are included in accounts payable and accrued liabilities and in other non-current liabilities, respectively.

Finance lease ROU assets are included in property, equipment and software, net, and finance lease liabilities are included in other non-current liabilities.

ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

### ***Nonredeemable Noncontrolling Interests and Redeemable Noncontrolling Interests***

Nonredeemable noncontrolling interests that are not subject to redemption rights are classified in permanent equity. Redeemable noncontrolling interests are classified outside of permanent equity on the Consolidated Balance Sheets and are measured at the estimated fair value as of the balance sheet date. Noncontrolling interests in consolidated seed investments are classified as redeemable noncontrolling interests where there is an obligation on the fund to repurchase units at the investor’s request. Refer to Note 15 — Noncontrolling Interests for further information.

### ***Fair Value Measurements***

Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments traded in active markets (such as publicly traded securities and derivatives) is based on quoted market prices at the reporting date. The quoted market price used for financial instruments is the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid ask spread. In circumstances where the last traded price is not within the bid ask spread, management will determine the point within the bid ask spread that is most representative of fair value current bid price. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques commonly used by market participants, including the use of comparable recent arm’s length transactions, DCF analysis and option pricing models. Estimating fair value requires significant management judgment, including benchmarking to similar instruments with observable market data and applying appropriate discounts that reflect differences between the securities that we are valuing and the selected benchmark.

Measurements of fair value are classified within a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value based on whether the inputs to those valuation techniques are observable or unobservable.

The valuation hierarchy contains three levels:

- Level 1 — Valuation inputs are unadjusted quoted market prices for identical assets or liabilities in active markets.
- Level 2 — Valuation inputs are quoted market prices for identical assets or liabilities in markets that are not active, quoted market prices for similar assets and liabilities in active markets, and other observable inputs directly or indirectly related to the asset or liability being measured.

- Level 3 — Valuation inputs are unobservable and significant to the fair value measurement.

The valuation of an asset or liability may involve inputs from more than one level of the hierarchy. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

#### *Level 1 Fair Value Measurements*

Our Level 1 fair value measurements consist mostly of seeded investment products, investments in advised mutual funds, cash equivalents and investments related to deferred compensation plans with quoted market prices in active markets. The fair value level of consolidated seeded investment products is determined by the underlying securities of the product. The fair value level of unconsolidated seeded investment products is determined using the underlying inputs used in the calculation of the NAV of each product.

#### *Level 2 Fair Value Measurements*

Our Level 2 fair value measurements consist mostly of consolidated seeded investment products and our long-term debt. The fair value of consolidated seeded investment products is determined by the underlying securities of the product. The fair value of our long-term debt is determined using broker quotes and recent trading activity, which are considered Level 2 inputs.

#### *Level 3 Fair Value Measurements*

Our assets and liabilities measured at Level 3 are primarily deferred compensation liabilities that are held against investments in our fund products, where the significant valuation inputs are unobservable.

Details of inputs used to calculate the fair value of contingent deferred consideration can be found in Note 11 — Fair Value Measurements.

#### *Nonrecurring Fair Value Measurements*

Nonrecurring Level 3 fair value measurements include goodwill and intangible assets. We measure the fair value of goodwill and intangible assets on initial recognition using DCF analysis that requires assumptions regarding projected future earnings and discount rates. Because of the significance of the unobservable inputs in the fair value measurements of these assets and liabilities, such measurements are classified as Level 3. See the Goodwill and Intangible Assets, Net accounting policy set forth within this note for further information.

#### ***Income Taxes***

We provide for current tax expense according to the tax laws in each jurisdiction in which we operate, using tax rates and laws that have been enacted by the balance sheet date.

Deferred income tax assets and liabilities are recorded for temporary differences between the financial statement and income tax basis of assets and liabilities as measured by the enacted income tax rates that may be in effect when these differences reverse. The effect of changes in tax rates on our deferred tax assets and liabilities is recognized as income tax within net income in the period that includes the enactment date. Significant management judgment is required in developing our provision for income taxes, including the valuation allowances that might be required against deferred tax assets and the evaluation of unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return.

We periodically assess the recoverability of our deferred tax assets and the need for valuation allowances on these assets. We make these assessments based on the weight of available evidence regarding possible sources of future taxable income and estimates relating to the future performance of the business that results in taxable income.

In evaluating uncertain tax positions, we consider the probability that the tax benefit can be sustained on examination by a taxing authority on the basis of its technical merits (“the recognition threshold”). For tax positions meeting this threshold, the amount recognized in the financial statements is the benefit expected to be realized upon settlement with the taxing authority on the basis of a cumulative-probability assessment of the possible outcomes. For tax positions not meeting the recognition threshold, no financial statement benefit is recognized. We recognize the accrual of interest and penalties on uncertain tax positions as a component of the income tax provision.

### ***Revenue Recognition***

Revenue is measured and recognized based on the five-step process outlined in U.S. GAAP. Revenue is determined based on the transaction price negotiated with the customer, net of rebates. Management fees, performance fees, shareowner servicing fees and other revenue are derived from providing professional services to manage investment products.

Management fees are earned over time as services are provided and are generally based on a percentage of the market value of AUM. These fees are calculated as a percentage of either the daily, month-end or quarter-end average asset balance in accordance with contractual agreements.

Performance fees are specified in certain fund and client contracts and are based on investment performance either on an absolute basis or compared to an established index over a specified period of time. Performance fees are generated on certain management contracts when performance hurdles or other specified criteria are achieved. Performance fees for all fund ranges and separate accounts are recognized when it is probable that a significant reversal of revenue recognized will not occur in future periods. There are no performance fee contracts where revenue can be clawed back. There are no cumulative revenues recognized that would be reversed if all of the existing investments became worthless.

Management fees are primarily received monthly or quarterly, while performance fees are usually received monthly, quarterly or annually, although the frequency of receipt varies between agreements. Management and performance fee revenue earned but not yet received is recognized within fees and other receivables on our Consolidated Balance Sheets.

Shareowner servicing fees are earned for services rendered related to transfer agent and administrative activities performed for investment products. These services are transferred over time and are generally based on a percentage of the market value of AUM.

Other revenue includes distribution and servicing fees earned from U.S. mutual funds associated with mutual fund transfer agent, accounting, shareholder servicing and participant recordkeeping activities. These services are transferred over time and are generally based on a percentage of the market value of AUM.

### ***U.S. Mutual Fund Performance Fees***

The investment management fee paid by each U.S. mutual fund subject to a performance fee is the base management fee plus or minus a performance fee adjustment as determined by the relative investment performance of the fund compared to a specified benchmark index. Under the performance-based fee structure, the investment advisory fee paid by each fund consists of two components: (i) a base fee calculated by applying the contractual fixed rate of the advisory fee to the fund’s average daily net assets during the previous month, plus or minus (ii) a performance fee adjustment calculated by applying a variable rate of up to 0.15% to the fund’s average daily net assets during the performance measurement period. The performance measurement period begins as a trailing period ranging from 12 to 18 months, and each subsequent month is added to each successive performance measurement period until a 36-month period is achieved. At that point, the measurement period becomes a rolling 36-month period.

The addition of performance fees to all funds without such fees is subject to the approval of both a majority of the shareholders of such funds and the funds’ independent board of trustees.

### *Principal Versus Agent*

We utilize third-party intermediaries to fulfill certain performance obligations in our revenue agreements. Generally, we are deemed to be the principal in these arrangements because we control the investment management and other related services before they are transferred to customers. Such control is evidenced by our primary responsibility to customers, the ability to negotiate the third-party contract price and select and direct third-party service providers, or a combination of these factors. Therefore, distribution and service fee revenues and the related third-party distribution and service expenses are reported on a gross basis.

### *Operating Expenses*

Operating expenses are accrued and recognized as incurred.

### *Stock-Based Compensation*

We grant stock-based awards to certain employees, all of which are classified as equity settled stock-based payments. Equity settled stock-based payments are measured at the fair value of the shares at the grant date. The awards are expensed, with a corresponding increase in reserves, on a graded basis over the vesting period. Forfeitures are recognized as they occur.

The grant date fair value for stock options is determined using the Black-Scholes option pricing model, and the grant date fair value of restricted stock is determined from the market price on the date of grant. The Black-Scholes model requires management to determine certain variables; the assumptions used in the Black-Scholes option pricing model include dividend yield, expected volatility, risk-free interest rate and expected life. The dividend yield and expected volatility are determined using historical Company data. The risk-free interest rate for options granted is based on the three-year UK treasury coupon at the time of the grant. The expected life of the stock options is the same as the service conditions applicable to all Company awards.

We generally use the Monte Carlo model to determine the fair value of performance-based awards. The assumptions used in the Monte Carlo model include dividend yield, share price volatility and discount rate.

### *Commissions*

Commissions on management fees are accounted for on an accrual basis and are recognized in the accounting period in which the associated management fee is earned.

### *Earnings Per Share*

Basic earnings per share attributable to our shareholders is calculated by dividing net income (adjusted for the allocation of earnings to participating restricted stock awards) by the weighted average number of shares outstanding. We have calculated earnings per share using the two-class method. There are some participating restricted stock awards that are paid non-forfeitable dividends. Under the two-class method, net income attributable to JHG is adjusted for the allocation of earnings to participating restricted stock awards.

Diluted earnings per share is calculated in a similar way to basic earnings per share but is adjusted for the effect of potential common shares unless they are anti-dilutive.

### *Contingent Consideration*

Contingent consideration, resulting from business combinations, is recognized at fair value at the acquisition date as part of the business combination and discounted where the time value of money is material. The determination of the fair value is based on DCFs, with the key assumptions being the probability of meeting each performance target and the discount factor applied. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date through other non-operating income. Finance charges, where discounting

has been applied, are also recognized through other non-operating income. See Note 11 — Fair Value Measurements for further information about contingent consideration on acquisitions taking place during the reporting period.

### ***Goodwill and Intangible Assets, Net***

Goodwill represents the excess of cost over the fair value of the identifiable net assets of acquired companies and is capitalized in the Consolidated Balance Sheets.

Intangible assets consist primarily of investment management contracts and trademarks acquired as part of business combinations. Investment management contracts have been identified as separately identifiable intangible assets arising on the acquisition of subsidiaries or businesses. Such contracts are recognized at the present value of the expected future cash flows of the investment management contracts at the date of acquisition. Investment management contracts may be classified as either indefinite-lived investment management contracts or definite-lived client relationships.

Indefinite-lived intangible assets comprise investment management agreements where the agreements are with investment companies themselves and not with underlying investors. Such contracts are typically renewed indefinitely and, therefore, we consider the contract life to be indefinite and, as a result, the contracts are not amortized. Definite-lived intangible assets comprise investment management agreements where the agreements are with the underlying investor.

Definite-lived client relationships are amortized on a straight-line basis over their remaining useful lives.

Goodwill and indefinite-lived intangible assets are reviewed for impairment annually or more frequently if changes in circumstances indicate that the carrying value may be impaired. Intangible assets subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying value may not be recoverable. If the fair value of the sole reporting unit or intangible asset is less than the carrying amount, an impairment is recognized. Any impairment is recognized immediately through net income and cannot subsequently be reversed. We have determined that we have one reporting unit for goodwill impairment testing purposes, which is consistent with internal management reporting and management's oversight of operations. We may first assess goodwill for impairment using qualitative factors to determine whether it is necessary to perform a quantitative impairment test.

Goodwill and intangible assets require significant management estimates and judgment, including the valuation and expected life determination upon inception and the ongoing evaluation for impairment.

### ***Foreign Currency***

Transactions in foreign currencies are recorded at the appropriate exchange rate prevailing at the date of the transaction. Foreign currency monetary balances at the reporting date are converted at the prevailing exchange rate. Foreign currency non-monetary balances carried at fair value or cost are translated at the rates prevailing at the date when the fair value or cost is determined. Gains and losses arising on retranslation are recognized as a component of net income.

On consolidation, the assets and liabilities of our operations for which the functional currency is not USD are translated at exchange rates prevailing at the reporting date. Income and expense items are recognized at an average monthly exchange rate. Exchange differences arising, if any, are taken through other comprehensive income to accumulated other comprehensive income. In the period in which an operation is disposed of, translation differences previously recognized in accumulated other comprehensive income are recognized as a component of net income.

### ***Post-Employment Retirement Benefits***

We provide employees with retirement benefits through both defined benefit and defined contribution plans. The assets of these plans are held separately from our general assets in trustee-administered funds.

Contributions to the defined contribution plan are expensed to employee compensation and benefits on the Consolidated Statements of Comprehensive Income when they become payable.

Defined benefit obligations and the cost of providing benefits are determined annually by independent qualified actuaries using the projected unit credit method. Our annual measurement date of the defined benefit plan is December 31. The defined benefit obligation is measured as the present value of the estimated future cash outflows using a discount rate based on AA-rated corporate bond yields of appropriate duration. The plan assets are recognized at fair value. The funded status of the defined benefit pension plans (the resulting surplus or deficit of defined benefit assets less liabilities) is recognized in the Consolidated Balance Sheets, net of any taxes that would be deducted at source.

Actuarial gains and losses arise as a result of the difference between actual experience and actuarial assumptions. We have adopted the 10% corridor method for recognizing actuarial gains and losses, which means that cumulative actuarial gains or losses up to an amount equal to 10% of the higher of the liabilities or assets of the scheme (the corridor) have no immediate impact on net income and are instead recognized through other comprehensive income. Cumulative gains or losses greater than the corridor are amortized to net income over the average remaining future working lifetime of the active members in the plan.

Net periodic benefit cost is recorded as a component of net income in the Consolidated Statements of Comprehensive Income and includes service cost, interest cost, expected return on plan assets and any actuarial gains and losses previously recognized as a component of other comprehensive income that have been amortized in the period. Net periodic benefit costs, with the exception of service costs, are recognized in other non-operating income, net in the Consolidated Statements of Comprehensive Income; service costs are recognized in employee compensation and benefits.

See Note 17 — Retirement Benefit Plans for further discussion of our pension plans.

### ***Common Stock***

JHG's ordinary shares, par value \$1.50 per share, are classified as equity instruments. Equity shares issued by us are recorded at the fair value of the proceeds received or the market price on the day of issue. Direct issue costs, net of tax, are deducted from additional paid-in-capital within equity.

Treasury shares held are equity shares of JHG acquired by or issued to employee benefit trusts. Treasury shares held are recorded at cost and are deducted from equity. No gain or loss is recognized in the Consolidated Statements of Comprehensive Income on the purchase, issue, sale or cancellation of our own equity shares.

### **Note 3 — Recent Accounting Pronouncements**

#### ***Recent Accounting Pronouncements Adopted***

##### *Income Taxes*

In December 2019, the Financial Accounting Standards Board ("FASB") issued accounting standards update ("ASU") 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which is part of the FASB's initiative to reduce complexity in accounting standards. The ASU eliminates certain exceptions to the general principles of ASC 740, Income Taxes, and simplifies income tax accounting in several areas. We adopted the ASU, which was effective as of January 1, 2021. The adoption of this ASU did not have a material impact on our results of operations or financial position.

### **Note 4 — Dispositions**

#### *Geneva*

On December 3, 2019, Henderson Global Investors (North America), Inc. ("HGINA"), a subsidiary of the Company, entered into an agreement to sell its 100% ownership interest in Geneva to GCM Purchaser, LLC. The sale closed on March 17, 2020.



Consideration included aggregate cash consideration of \$38.4 million and contingent consideration (“Earnout”) based on future revenue. Payments under the Earnout are to be made quarterly over a five-year term, with minimum aggregate payments of \$20.5 million and maximum aggregate payments of \$35.0 million. We recognized a gain on the sale of Geneva of \$16.2 million in other non-operating income, net on the Consolidated Statements of Comprehensive Income during the year ended December 31, 2020.

In November 2021, we received \$20.0 million from GCM Purchaser, LLC with the intention to buy out the remaining Earnout balances with a lump sum. Approximately \$12.5 million went toward the remaining balance of the base earnout, and the remaining \$7.5 million went toward the excess earnout payment which was recorded in other non-operating income, net on the Consolidated Statements of Comprehensive Income during the year ended December 31, 2021. As such, all consideration has been received, including the excess Earnout, and we do not expect to receive any additional contingent consideration related to the sale.

*Management-Led Buyout of Quantitative Equities Subsidiary Intech*

Subsequent to December 31, 2021, we made the strategic decision to sell our 97%-owned Quantitative Equities subsidiary, Intech, to a consortium composed of Intech management and certain non-executive directors (“Management Buyout”). As part of this decision, JHG and Intech will enter into a transition services agreement that provides for continuation of support services.

**Note 5 — Consolidation**

*Variable Interest Entities*

*Consolidated Variable Interest Entities*

Our consolidated VIEs as of December 31, 2021 and 2020, include certain consolidated seeded investment products in which we have an investment and act as the investment manager. Third-party assets held in consolidated VIEs are not available to us or to our creditors. We may not, under any circumstances, access third-party assets held by consolidated VIEs to use in our operating activities or otherwise. In addition, the investors in these VIEs have no recourse to the credit of JHG.

*Unconsolidated Variable Interest Entities*

The following table presents the carrying value of investment securities included on our Consolidated Balance Sheets pertaining to unconsolidated VIEs (in millions):

	December 31, 2021	December 31, 2020
Unconsolidated VIEs	\$ 102.7	\$ 9.6

Our total exposure to unconsolidated VIEs represents the value of our economic ownership interest in the investment securities.

## ***Voting Rights Entities***

### *Consolidated Voting Rights Entities*

The following table presents the balances related to consolidated VREs that were recorded on JHG's Consolidated Balance Sheets, including our net interest in these products (in millions):

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Investment securities	\$ 179.6	\$ 29.3
Cash and cash equivalents	1.3	2.8
Other current assets	0.7	0.4
Accounts payable and accrued liabilities	(1.2)	(0.1)
Total	\$ 180.4	\$ 32.4
Redeemable noncontrolling interests in consolidated VREs	(17.5)	—
JHG's net interest in consolidated VREs	\$ 162.9	\$ 32.4

The increase in consolidated VREs is primarily due to approximately \$163.0 million of seed capital investments into certain ETF products in September 2021.

Third-party assets held in consolidated VREs are not available to us or to our creditors. We may not, under any circumstances, access third-party assets held by consolidated VREs to use in our operating activities or otherwise. In addition, the investors in the VREs have no recourse to the credit of JHG. Our total exposure to consolidated VREs represents the value of our economic ownership interest in these seeded investment products.

### *Unconsolidated Voting Rights Entities*

The following table presents the carrying value of investment securities included on our Consolidated Balance Sheets pertaining to unconsolidated VREs (in millions):

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Unconsolidated VREs	\$ 56.6	\$ 63.6

Our total exposure to unconsolidated VREs represents the value of our economic ownership interest in the investment securities.

## Note 6 — Investment Securities

Our investment securities as of December 31, 2021 and 2020, are summarized as follows (in millions):

	December 31, 2021	December 31, 2020
Seeded investment products:		
Consolidated VIEs	\$ 250.9	\$ 214.6
Consolidated VREs	179.6	29.3
Unconsolidated VIEs and VREs	159.3	73.2
Separate accounts	56.7	63.5
Pooled investment funds	0.1	0.1
Total seeded investment products	646.6	380.7
Investments related to deferred compensation plans	50.3	96.5
Other investments	5.4	5.5
Total investment securities	<u>\$ 702.3</u>	<u>\$ 482.7</u>

### Trading Securities

Net unrealized gains (losses) on investment securities held by us as of December 31, 2021, 2020 and 2019, are summarized as follows (in millions):

	Year ended December 31,		
	2021	2020	2019
Unrealized gains (losses) on investment securities held at period end	<u>\$ (0.2)</u>	<u>\$ 69.8</u>	<u>\$ 19.2</u>

### Investment Gains, Net

Investment gains, net on our Consolidated Statements of Comprehensive Income included the following for the years ended December 31, 2021, 2020 and 2019 (in millions):

	Year ended December 31,		
	2021	2020	2019
Seeded investment products and hedges, net	\$ 2.0	\$ 26.6	\$ 3.5
Third-party ownership interests in seeded investment products	(8.0)	20.1	17.2
Long Tail Alpha investment	3.0	6.0	1.5
Deferred equity plan	2.8	2.1	9.5
Other	1.0	2.7	2.5
Investment gains, net	<u>\$ 0.8</u>	<u>\$ 57.5</u>	<u>\$ 34.2</u>

### Cash Flows

Cash flows related to our investment securities for the years ended December 31, 2021, 2020 and 2019, are summarized as follows (in millions):

	Year ended December 31,					
	2021		2020		2019	
	Purchases and settlements	Sales, settlements and maturities	Purchases and settlements	Sales, settlements and maturities	Purchases and settlements	Sales, settlements and maturities
Investment securities by consolidated seeded investment products	\$ (100.4)	\$ 3.0	\$ (103.9)	\$ 83.7	\$ (903.3)	\$ 582.5
Investment securities	(303.0)	125.9	(120.4)	255.2	(192.5)	194.0

## Note 7 — Derivative Instruments

### *Derivative Instruments Used to Hedge Seeded Investment Products*

We maintain an economic hedge program that uses derivative instruments to mitigate against market volatility of certain seeded investments by using index and commodity futures (“futures”), index swaps, total return swaps and credit default swaps. Foreign currency exposures associated with our seeded investment products are also hedged by using foreign currency forward contracts and swaps.

We were party to the following derivative instruments as of December 31, 2021 and 2020 (in millions):

	Notional value	
	December 31, 2021	December 31, 2020
Futures	\$ 368.7	\$ 164.5
Credit default swaps	207.2	166.2
Total return swaps	55.0	35.6
Foreign currency forward contracts and swaps	415.6	205.0

The derivative instruments are not designated as hedges for accounting purposes. Changes in fair value of the derivatives are recognized during the period in which they occur in investment gains, net in our Consolidated Statements of Comprehensive Income.

Derivative assets and liabilities are generally recognized on a gross basis and included in other current assets or in accounts payable and accrued liabilities on the Consolidated Balance Sheets. The derivative assets and liabilities as of December 31, 2021 and 2020, are summarized as follows (in millions):

	Fair value	
	December 31, 2021	December 31, 2020
Derivative assets	\$ 8.8	\$ 9.1
Derivative liabilities	15.5	10.8

In addition to using derivative instruments to mitigate against market volatility of certain seeded investments, we also engage in short sales of securities. As of December 31, 2021 and 2020, the fair value of securities sold but not yet purchased was \$3.1 million and \$7.9 million, respectively. The cash received from the short sale and the obligation to repurchase the shares are classified in other current assets and in accounts payable and accrued liabilities on our Consolidated Balance Sheets, respectively. Fair value adjustments are recognized in investment gains, net on our Consolidated Statements of Comprehensive Income.

### *Derivative Instruments in Consolidated Seeded Investment Products*

Certain of our consolidated seeded investment products utilize derivative instruments to contribute to the achievement of defined investment objectives. These derivative instruments are classified within other current assets or in accounts payable and accrued liabilities on our Consolidated Balance Sheets. Gains and losses on these derivative instruments are classified within investment gains, net in our Consolidated Statements of Comprehensive Income.

Our consolidated seeded investment products were party to the following derivative instruments as of December 31, 2021 and 2020 (in millions):

	Notional value	
	December 31, 2021	December 31, 2020
Futures	\$ 190.1	\$ 57.0
Credit default swaps	6.1	1.5
Interest rate swaps	—	75.0
Options	0.1	0.5
Foreign currency forward contracts and swaps	22.1	56.1

### *Derivative Instruments Used in Foreign Currency Hedging Program*

In January 2021, we implemented the Program to take reasonable measures to minimize the income statement effects of foreign currency remeasurement of monetary balance sheet accounts. The Program is not designed to eliminate all impacts of foreign currency risk; rather it is designed to reduce income statement volatility. The Program utilizes foreign currency forward contracts and swaps to achieve its objectives, and it is considered an economic hedge for accounting purposes.

The notional value of the foreign currency forward contracts and swaps was \$171.4 million at December 31, 2021. The derivative assets and liabilities are generally recognized on a gross basis and included in other current assets or in accounts payable and accrued liabilities on our Consolidated Balance Sheets. The derivative assets as of December 31, 2021, are summarized as follows (in millions):

	Fair Value
	December 31, 2021
Derivative assets	\$ 3.2

Changes in fair value of the derivatives are recognized in other non-operating income, net on our Consolidated Statements of Comprehensive Income, and we recognized a gain of \$0.4 million during the year ended December 31, 2021. Foreign currency remeasurement is also recognized in other non-operating income, net on our Consolidated Statement of Comprehensive Income.

### **Note 8 — Goodwill and Intangible Assets**

The following tables present movements in our intangible assets and goodwill during the years ended December 31, 2021 and 2020 (in millions):

	December 31, 2020	Amortization	Disposal	Impairment	Foreign currency translation	December 31, 2021
<b>Indefinite-lived intangible assets:</b>						
Investment management agreements	\$ 2,242.9	\$ —	\$ —	\$ (115.6)	\$ (12.5)	\$ 2,114.8
Trademarks	373.2	—	—	(6.3)	(0.2)	366.7
<b>Definite-lived intangible assets:</b>						
Client relationships	170.9	—	—	—	(2.5)	168.4
Accumulated amortization	(100.7)	(7.7)	—	—	1.2	(107.2)
Net intangible assets	<u>\$ 2,686.3</u>	<u>\$ (7.7)</u>	<u>\$ —</u>	<u>\$ (121.9)</u>	<u>\$ (14.0)</u>	<u>\$ 2,542.7</u>
Goodwill	<u>\$ 1,383.9</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (9.6)</u>	<u>\$ 1,374.3</u>

	December 31, 2019	Amortization	Disposal	Impairment	Foreign currency translation	December 31, 2020
<b>Indefinite-lived intangible assets:</b>						
Investment management agreements	\$ 2,490.3	\$ —	\$ —	\$ (263.5)	\$ 16.1	\$ 2,242.9
Trademarks	380.8	—	—	(7.7)	0.1	373.2
<b>Definite-lived intangible assets:</b>						
Client relationships	364.7	—	(79.3)	(119.0)	4.5	170.9
Accumulated amortization	(147.2)	(12.4)	61.4	—	(2.5)	(100.7)
<b>Net intangible assets</b>	<b>\$ 3,088.6</b>	<b>\$ (12.4)</b>	<b>\$ (17.9)</b>	<b>\$ (390.2)</b>	<b>\$ 18.2</b>	<b>\$ 2,686.3</b>
Goodwill	\$ 1,504.3	\$ —	\$ (23.5)	\$ (123.5)	\$ 26.6	\$ 1,383.9

Indefinite-lived intangible assets represent certain investment management contracts where we expect both the renewal of the contracts and the cash flows generated by them to continue indefinitely. Trademarks primarily relate to JCG and were acquired as a result of the Merger. Definite-lived intangible assets represent client relationships, which are amortized over their estimated lives using the straight-line method. The initial estimated weighted-average life of the client relationships is approximately 13 years.

Foreign currency translation movements in the table primarily relate to the translation of the intangible assets and goodwill balances denominated in non-USD currencies to our functional and presentational currency of USD using the closing foreign currency exchange rate at the end of each reporting period.

### ***Impairment Testing***

During the first quarter of 2021, as part of our ongoing strategic initiatives and looking globally at delivering excellent service to our clients and positioning our business for success, we completed a review of Perkins. To right-size our product portfolio and better align with the changing needs of clients, certain strategies were closed and the funds were liquidated during the second quarter of 2021. The majority of the Perkins value equity strategies were unaffected by this reorganization and they have continued under the Janus Henderson brand. The Perkins brand was discontinued and the marketing efforts for value equity strategies were incorporated under the Janus Henderson brand. During the first quarter 2021, we impaired the entire balance of the intangible asset associated with the Perkins trademark. The impairment charge of \$3.6 million is included in the table above and recorded in goodwill and intangible asset impairment charges on the Consolidated Statements of Comprehensive Income.

During the second quarter of 2021, we performed an interim impairment assessment on a certain indefinite-lived intangible asset composed of investment management agreements due to a significant decrease in AUM and unfavorable changes in the forecast on this specific asset. A DCF model was used to determine the estimated fair value of the investment management agreements. The results of the DCF model revealed a fair value of nil and we therefore impaired the entire \$40.8 million balance of the intangible asset. The impairment charge is recorded in goodwill and intangible asset impairment charges on the Consolidated Statements of Comprehensive Income.

Goodwill and indefinite-lived intangible assets are reviewed for impairment annually or more frequently if changes in circumstances indicate that the carrying value may be impaired. We perform our annual impairment assessment of goodwill and indefinite-lived intangible assets as of October 1 of each year. For our 2021 assessment, we elected to perform step one of the goodwill impairment assessment comparing the estimated fair value of the reporting unit to its carrying value. We opted to use a market value approach to estimate the enterprise value of our sole reporting unit. The results of the assessment revealed the estimated fair value of the reporting unit was greater than the carrying value.

We also assessed our indefinite-lived and definite-lived intangible assets as part of our annual impairment assessment. We used a qualitative approach to determine the likelihood of impairment, with AUM being the focus of the assessment. After reviewing the results of the qualitative assessment, a certain intangible asset composed of investment management agreements with a carrying value of \$117.8 million as of October 1, 2021, required further review to determine if it was impaired. We prepared a DCF model to determine the estimated fair value of the intangible asset, which was below the carrying value of the asset. As such, a \$74.8 million impairment was recorded in impairment of goodwill and intangible

assets expense in the Consolidated Statements of Comprehensive Income to bring the carrying value of the intangible asset as of December 31, 2021 (post-impairment), to \$43.0 million.

Some of the inputs used in the interim and annual DCF models required significant management judgment, including the discount rates, terminal growth rates, forecasted financial results and market returns.

Additionally, in conjunction with the indefinite-lived intangible asset annual impairment assessment, we considered the results of the AUM analysis included above to determine if there were indicators of impairment of our trademark intangible assets. Based on that qualitative assessment, certain trademarks with a \$2.7 million carrying value as of October 1, 2021 required further review to determine if they were impaired. We prepared a DCF model to arrive at the estimated fair value of the intangible asset, which was below the carrying value of the asset. As such, we impaired the entire asset and a \$2.7 million impairment was recorded in impairment of goodwill and intangible assets expense in the Consolidated Statements of Comprehensive Income to bring the carrying value of the intangible asset as of December 31, 2021 (post-impairment) to \$0. As discussed above, some of the inputs in the DCF model require significant management judgment. For the remaining indefinite-lived intangible assets, we concluded it is more likely than not that the fair values of our intangible assets exceed their carrying values; no impairment was recorded.

Our definite-lived intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. There were no definite-lived intangible asset impairments identified during the year ended December 31, 2021.

#### ***Future Amortization***

Expected future amortization expense related to definite-lived intangible assets is summarized below (in millions):

<b>Future amortization</b>	<b>Amount</b>
2022	\$ 7.6
2023	7.3
2024	5.9
2025	5.9
2026	5.9
Thereafter	28.6
Total	\$ 61.2

#### **Note 9 — Leases**

Our leases include operating and finance leases for property and equipment. Property leases include office space in the UK, Europe, the U.S. and the Asia Pacific region. Equipment leases include copiers and server equipment located throughout our office space. Our leases have remaining lease terms of one year to 10 years. Certain leases include options to extend or early terminate the leases; however, we currently do not intend to exercise these options, and they are not reflected in our lease assets and liabilities. The impact of operating and financing leases on our financial statements is summarized below.

## Balance Sheet

Operating and financing lease assets and liabilities on our Consolidated Balance Sheets as of December 31, 2021 and 2020, consisted of the following (in millions):

	December 31, 2021	December 31, 2020
<b>Operating lease right-of-use assets:</b>		
Other non-current assets	\$ 115.5	\$ 121.8
<b>Operating lease liabilities:</b>		
Accounts payable and accrued liabilities	\$ 28.4	\$ 26.8
Other non-current liabilities	104.6	117.8
Total operating lease liabilities	\$ 133.0	\$ 144.6
<b>Finance lease right-of-use assets:</b>		
Property and equipment, cost	\$ 15.4	\$ 14.9
Accumulated depreciation	(13.4)	(12.9)
Property and equipment, net	\$ 2.0	\$ 2.0
<b>Finance lease liabilities:</b>		
Accounts payable and accrued liabilities	\$ 0.7	\$ 0.5
Other non-current liabilities	1.4	1.6
Total finance lease liabilities	\$ 2.1	\$ 2.1

## Statement of Comprehensive Income

The components of lease expense on our Consolidated Statements of Comprehensive Income during the years ended December 31, 2021 and 2020, are summarized below (in millions):

	Year ended December 31, 2021	Year ended December 31, 2020
Operating lease cost <sup>(1)</sup>	\$ 30.2	\$ 31.2
<b>Finance lease cost:</b>		
Amortization of right-of-use asset <sup>(2)</sup>	\$ 0.5	\$ 0.9
Interest on lease liabilities <sup>(3)</sup>	—	0.1
Total finance lease cost	\$ 0.5	\$ 1.0

- (1) Included in general, administrative and occupancy on our Consolidated Statements of Comprehensive Income.
- (2) Included in depreciation and amortization on our Consolidated Statements of Comprehensive Income.
- (3) Included in interest expense on our Consolidated Statements of Comprehensive Income.

We sublease certain office buildings in the UK. During the years ended December 31, 2021 and 2020, we received the following from tenants (in millions):

	Year ended December 31, 2021	Year ended December 31, 2020
Sublease income	\$ 7.2	\$ 3.0

As collection of rents under the sublease is uncertain, we recognized impairments of a subleased ROU operating assets during the years ended December 31, 2021 and 2020, of the following (in millions):

	Year ended December 31, 2021	Year ended December 31, 2020
Impairment of a subleased right-of-use operating asset	\$ —	\$ 1.4



### **Cash Flow Statement**

Cash payments for operating and finance leases included in our Consolidated Statements of Cash Flows for the years ended December 31, 2021 and 2020, consisted of the following (in millions):

	Year ended December 31, 2021	Year ended December 31, 2020
Operating cash flows from operating leases	\$ 27.9	\$ 32.4
Financing cash flows from finance leases	\$ 0.4	\$ 0.7

Non-cash lease transactions during the year ended December 31, 2021 and 2020, included a \$11.4 million and \$1.2 million ROU asset and corresponding lease liability, respectively.

### **Supplemental Information**

The weighted-average remaining lease term, weighted-average discount rate and future lease obligations are summarized below.

<b>Weighted-average remaining lease term (in months):</b>	Year ended December 31, 2021	Year ended December 31, 2020
Operating leases	67	74
Finance leases	42	52

<b>Weighted-average discount rate<sup>(1)</sup>:</b>	Year ended December 31, 2021	Year ended December 31, 2020
Operating leases	4.2%	4.2%
Finance leases	3.5%	4.3%

(1) Discounted using incremental borrowing rates determined for each lease as of the date of adoption, including consideration for specific interest rate environments.

<b>Future lease obligations (in millions)</b>	<b>Operating leases</b>	<b>Finance leases</b>
2022	\$ 29.6	\$ 0.6
2023	27.4	0.6
2024	26.0	0.6
2025	19.1	0.4
2026	14.5	—
Thereafter	26.4	—
Total lease payments	143.0	2.2
Less interest	10.0	0.1
Total	<u>\$ 133.0</u>	<u>\$ 2.1</u>

### Note 10 — Equity Method Investments

Equity method investments of \$16.3 million and \$14.4 million were recognized on our Consolidated Balance Sheets within other non-current assets as of December 31, 2021 and 2020, respectively.

We hold interests in the following investments accounted for under the equity method:

	Country of incorporation and principal place of operation	Functional currency	2021 percentage owned		2020 percentage owned	
Long Tail Alpha	USA	USD	20	%	20	%

The share of net gain (loss) from equity method investments recognized within investment gains, net on our Consolidated Statements of Comprehensive Income, was a \$3.0 million gain and \$6.0 million gain during the years ended December 31, 2021 and 2020, respectively.

### Note 11 — Fair Value Measurements

The following table presents assets and liabilities in our consolidated financial statements or disclosed in the notes to our consolidated financial statements at fair value on a recurring basis as of December 31, 2021 (in millions):

	Fair value measurements using:				Total
	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)		
<b>Assets:</b>					
Cash equivalents	\$ 585.4	\$ —	\$ —		\$ 585.4
Investment securities:					
Consolidated VIEs	216.8	26.2	7.9		250.9
Other investment securities	424.1	27.3	—		451.4
Total investment securities	640.9	53.5	7.9		702.3
Seed hedge derivatives	—	8.8	—		8.8
Derivatives in consolidated seeded investment products	—	0.6	—		0.6
Derivatives used in foreign currency hedging program	—	3.2	—		3.2
Volantis contingent consideration	—	—	0.9		0.9
Total assets	<u>\$ 1,226.3</u>	<u>\$ 66.1</u>	<u>\$ 8.8</u>		<u>\$ 1,301.2</u>
<b>Liabilities:</b>					
Derivatives in consolidated seeded investment products	\$ —	\$ 0.4	\$ —		\$ 0.4
Securities sold, not yet purchased	3.1	—	—		3.1
Seed hedge derivatives	—	15.5	—		15.5
Long-term debt <sup>(1)</sup>	—	328.7	—		328.7
Deferred bonuses	—	—	50.5		50.5
Total liabilities	<u>\$ 3.1</u>	<u>\$ 344.6</u>	<u>\$ 50.5</u>		<u>\$ 398.2</u>

(1) Carried at amortized cost on our Consolidated Balance Sheets and disclosed at fair value.

The following table presents assets and liabilities in our consolidated financial statements or disclosed in the notes to the consolidated financial statements at fair value on a recurring basis as of December 31, 2020 (in millions):

	Fair value measurements using:			Total
	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Assets:</b>				
Cash equivalents	\$ 525.0	\$ —	\$ —	\$ 525.0
Investment securities:				
Consolidated VIEs	125.7	77.7	11.2	214.6
Other investment securities	230.9	37.2	—	268.1
Total investment securities	356.6	114.9	11.2	482.7
Seed hedge derivatives	—	9.1	—	9.1
Derivatives in consolidated seeded investment products	—	0.9	—	0.9
Volantis contingent consideration	—	—	2.8	2.8
Geneva contingent consideration	—	—	17.4	17.4
Total assets	\$ 881.6	\$ 124.9	\$ 31.4	\$ 1,037.9
<b>Liabilities:</b>				
Derivatives in consolidated seeded investment products	\$ —	\$ 0.2	\$ —	\$ 0.2
Securities sold, not yet purchased	7.9	—	—	7.9
Seed hedge derivatives	—	10.8	—	10.8
Long-term debt <sup>(1)</sup>	—	348.4	—	348.4
Deferred bonuses	—	—	65.2	65.2
Total liabilities	\$ 7.9	\$ 359.4	\$ 65.2	\$ 432.5

(1) Carried at amortized cost on our Consolidated Balance Sheets and disclosed at fair value.

### **Level 1 Fair Value Measurements**

Our Level 1 fair value measurements consist mostly of investments held by seeded investment products, investments in advised mutual funds, cash equivalents, securities sold, not yet purchased and investments related to deferred compensation plans with quoted market prices in active markets. The fair value level of consolidated investments held by seeded investment products is determined by the underlying securities of the product. The fair value level of unconsolidated investments held in seeded investment products is determined by the NAV, which is considered a quoted price in an active market.

### **Level 2 Fair Value Measurements**

Our Level 2 fair value measurements consist mostly of consolidated seeded investment products, derivative instruments and our long-term debt. The fair value of consolidated seeded investment products is determined by the underlying securities of the product. The fair value of our long-term debt is determined using broker quotes and recent trading activity, which are considered Level 2 inputs.

### **Level 3 Fair Value Measurements**

#### *Investment Securities*

As of December 31, 2021 and 2020, certain securities within consolidated VIEs were valued using significant unobservable inputs, resulting in Level 3 classification.

### *Volantis Contingent Consideration*

On April 1, 2017, we completed the sale of the Volantis UK Small Cap (“Volantis”) alternative team assets. Consideration for the sale was a 10% share of the management and performance fees generated by Volantis (excluding one particular fund) for a period of three years following the sale. In addition, consideration for the sale included 50% of the first £12 million of performance fees generated by the excluded fund referenced above. As of December 31, 2021, the fund has not reached the £12 million performance fee threshold. As a result, this fee sharing arrangement will remain in effect until the performance threshold is reached.

As of December 31, 2021 and 2020, the fair value of the Volantis contingent consideration was \$0.9 million and \$2.8 million, respectively.

### *Deferred Bonuses*

Deferred bonuses represent liabilities to employees over the vesting period that will be settled by investments in our products. The significant unobservable inputs used to value the liabilities are investment designations and vesting periods.

### *Changes in Fair Value*

Changes in fair value of our Level 3 assets for the years ended December 31, 2021 and 2020, were as follows (in millions):

	<u>Year ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Beginning of period fair value	\$ 31.4	\$ 12.8
Contingent consideration from sale of Geneva	—	20.5
Settlement of contingent consideration	(19.4)	(3.9)
Fair value adjustments	(6.6)	5.0
Purchases of securities	4.6	(3.1)
Sales of securities	(1.2)	—
Foreign currency translation	—	0.1
End of period fair value	<u>\$ 8.8</u>	<u>\$ 31.4</u>

Changes in fair value of our individual Level 3 liabilities for the years ended December 31, 2021 and 2020, were as follows (in millions):

	<u>Year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	
	<u>Deferred bonuses</u>	<u>Contingent consideration</u>	<u>Deferred bonuses</u>
Beginning of period fair value	\$ 65.2	\$ 21.2	\$ 76.6
Fair value adjustments	6.8	(7.1)	2.7
Vesting of deferred bonuses	(53.0)	—	(49.5)
Amortization of deferred bonuses	31.5	—	33.2
Unrealized gains (losses)	—	0.3	—
Distributions	—	(13.8)	—
Foreign currency translation	—	(0.6)	2.2
End of period fair value	<u>\$ 50.5</u>	<u>\$ —</u>	<u>\$ 65.2</u>

### *Nonrecurring Fair Value Measurements*

Nonrecurring Level 3 fair value measurements include goodwill and intangible assets. We measure the fair value of goodwill and intangible assets on initial recognition using DCF analysis that requires assumptions regarding projected future earnings and discount rates. We also measured the fair value of a certain indefinite-lived intangible asset during

our interim impairment assessment completed during the second quarter of 2021 as well as our annual impairment assessment completed as of October 1, 2021.

Refer to Note 8 — Goodwill and Intangible Assets for additional information on the impairment assessments. Because of the significance of the unobservable inputs in the fair value measurements of these assets, such measurements are classified as Level 3.

The significant inputs used in both the second quarter and annual DCF analysis to calculate the fair value of the certain indefinite-lived intangible assets included the discount rate, terminal growth rate and forecasted financial results and market returns.

Discount rates of 9.1% and 11.3% were used to determine the fair value of the intangible assets in the second quarter and the annual assessment, respectively. The discount rate was calculated using a market participant approach with data from certain peer asset management companies. The discount rate also contemplated the risk-free rate and other premiums, such as the risk premium and company size premium.

The terminal growth rates used to determine the fair value of the intangible assets were based on the fundamentals of the business as well as varying external factors such as market positioning and industry growth expectations. The terminal growth rates were 1% and 3% for the second quarter and the annual assessment, respectively.

#### Note 12 — Debt

Our debt as of December 31, 2021 and 2020, consisted of the following (in millions):

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Carrying value</u>	<u>Fair value</u>	<u>Carrying value</u>	<u>Fair value</u>
4.875% Senior Notes due 2025	\$ 310.4	\$ 328.7	\$ 313.3	\$ 348.4

#### ***4.875% Senior Notes Due 2025***

The 2025 Senior Notes have a principal value of \$300.0 million as of December 31, 2021, and pay interest at 4.875% semiannually on February 1 and August 1, which is approximately \$14.6 million per year. The Senior Notes include unamortized debt premium, net at December 31, 2021, of \$10.4 million, which will be amortized over the remaining life of the notes. The unamortized debt premium is recorded as a liability within long-term debt on our Consolidated Balance Sheets. JHG fully and unconditionally guarantees the obligations of JCG in relation to the 2025 Senior Notes.

#### ***Credit Facility***

At December 31, 2021, we had a \$200 million Credit Facility. JHG and its subsidiaries may use the Credit Facility for general corporate purposes. The rate of interest for each interest period is the aggregate of the applicable margin, which is based on our long-term credit rating and the SOFR in relation to any loan in USD; the SONIA in relation to any loan in GBP; the Euro Interbank Offered Rate (“EURIBOR”) in relation to any loan in EUR; or the Bank Bill Swap Rate (“BBSW”) in relation to any loan in AUD. As a result of LIBOR’s phase out, our Credit Facility was amended to incorporate the SOFR as the successor rate to USD LIBOR and the SONIA as the successor rate to GBP LIBOR. For more information, refer to Part I, Item 1A, Risk Factors. We are required to pay a quarterly commitment fee on any unused portion of the Credit Facility, which is also based on our long-term credit rating. Under the Credit Facility, the financing leverage ratio cannot exceed 3.00x EBITDA. At December 31, 2021, we were in compliance with all covenants contained in, and there were no borrowings under, the Credit Facility. The maturity date of the Credit Facility is February 16, 2024.

## Note 13 — Income Taxes

The components of our provision for income taxes for the years ended December 31, 2021, 2020 and 2019, are as follows (in millions):

	<u>Year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current:			
UK	\$ 41.5	\$ 18.1	\$ 23.6
U.S., including state and local	154.0	136.4	110.7
International	12.4	9.8	8.2
Total current income taxes	<u>207.9</u>	<u>164.3</u>	<u>142.5</u>
Deferred:			
UK	29.6	4.4	(0.4)
U.S., including state and local	(8.7)	(92.0)	(2.2)
International	<u>(23.1)</u>	<u>(17.2)</u>	<u>(2.1)</u>
Total deferred income taxes (benefits)	<u>(2.2)</u>	<u>(104.8)</u>	<u>(4.7)</u>
Total income tax expense	<u>\$ 205.7</u>	<u>\$ 59.5</u>	<u>\$ 137.8</u>

The components of our total income before taxes for the years ended December 31, 2021, 2020 and 2019, are as follows (in millions):

	<u>Year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
UK	\$ 220.3	\$ 110.7	\$ 80.1
U.S.	627.1	142.5	445.3
International	<u>(27.2)</u>	<u>(11.1)</u>	<u>58.1</u>
Total income before taxes	<u>\$ 820.2</u>	<u>\$ 242.1</u>	<u>\$ 583.5</u>

We are a tax resident in the UK and are subject to the tax laws and regulations of that country. The following is a reconciliation between the UK statutory corporation tax rate and the effective tax rate on our income from operations:

	<u>Year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
UK statutory corporation tax rate	19.0 %	19.0 %	19.0 %
Effect of foreign tax rates	3.5	4.1	4.4
Equity-based compensation	0.2	2.2	1.1
Tax adjustments	0.4	0.5	0.2
Impact of changes in statutory tax rates on deferred taxes	3.5	2.8	—
Goodwill impairments	—	1.5	—
Taxes applicable to prior years	(1.4)	(2.4)	(0.5)
Other, net	<u>(0.3)</u>	<u>(1.4)</u>	<u>—</u>
Effective income tax rate, controlling interest	24.9 %	26.3 %	24.2 %
Net income attributable to noncontrolling interests	0.2	(1.7)	(0.6)
Total effective income tax rate	<u>25.1 %</u>	<u>24.6 %</u>	<u>23.6 %</u>

We operate in several taxing jurisdictions around the world, each with its own statutory tax rate and set of tax laws and regulations. As a result, our future blended average statutory tax rate will be influenced by any changes to such laws and regulations and the mix of profits and losses of our subsidiaries.

## Tax Legislation

Any legislative changes and new or proposed Treasury regulations may result in additional income tax impacts, which could be material in the period any such changes are enacted.

## Deferred Taxes

The significant components of our deferred tax assets and liabilities as of December 31, 2021 and 2020, are as follows (in millions):

	December 31,	
	2021	2020
Deferred tax assets:		
Compensation and staff benefits	\$ 65.3	\$ 69.7
Loss carryforwards <sup>(1)</sup>	83.8	71.0
Accrued liabilities	4.3	3.4
Debt premium	2.9	3.8
Lease liabilities	27.8	26.0
Other	17.6	7.5
Gross deferred tax assets	201.7	181.4
Valuation allowance	(83.6)	(65.1)
Deferred tax assets, net of valuation allowance	\$ 118.1	\$ 116.3
Deferred tax liabilities:		
Retirement benefits	\$ (36.5)	\$ (28.5)
Goodwill and acquired intangible assets	(665.0)	(677.4)
Lease right-of-use assets	(26.3)	(24.3)
Other	(9.1)	(12.8)
Gross deferred tax liabilities	(736.9)	(743.0)
Total deferred tax (liabilities) <sup>(2)</sup>	\$ (618.8)	\$ (626.7)

- (1) The majority of this loss carryforward relates to the UK capital loss of \$334.0 million, before tax effects, which may be carried forward without time limitation. There is a full valuation allowance against UK capital losses.
- (2) The change in the net deferred tax liabilities does not equal the deferred tax expense due to the foreign currency translation adjustment on deferred tax liabilities booked through equity.

Deferred tax assets and liabilities that relate to the same jurisdiction are recorded net on our Consolidated Balance Sheets as non-current balances and as of December 31, 2021 and 2020, are as follows (in millions):

	December 31,	
	2021	2020
Deferred tax assets, net (included in other non-current assets)	\$ 0.4	\$ 0.7
Deferred tax liabilities, net	(619.2)	(627.4)
Total deferred tax (liabilities)	\$ (618.8)	\$ (626.7)

A valuation allowance has been established against the deferred tax assets related to our tax loss carryforward where a history of losses in the respective tax jurisdiction makes it unlikely that the deferred tax asset will be realized or where it is unlikely that we would generate sufficient taxable income of the appropriate character to realize the full benefit of the deferred tax asset. The valuation allowance for deferred tax assets increased by \$19.0 million in 2021. The increase is primarily attributable to the deferred tax balance revaluation arising from the UK tax rate increase from 19% to 25% as enacted by the Finance Act 2021. The foreign currency translation on capital losses also increased during the current year.

As a multinational corporation, the Company operates in various locations outside the U.S. and generates earnings from its non-U.S. subsidiaries. Prior to enactment of the Tax Act, the Company indefinitely reinvested the undistributed

earnings of all its non-U.S. subsidiaries, except for income previously taxed in the U.S. or subject to regulatory or legal repatriation restrictions or requirements. Consistent with prior year's assertion, the Company intends to assert indefinite reinvestment on distributions exceeding the tax basis and undistributed earnings for Janus UK Holdings Corporation Limited and Kapstream Capital Pty Limited.

### ***Unrecognized Tax Benefits***

We operate in several tax jurisdictions and a number of years may elapse before an uncertain tax position, for which we have unrecognized tax benefits, is finally resolved. A reconciliation of the beginning and ending liability for the years ended December 31, 2021, 2020 and 2019, is as follows (in millions):

	<u>Year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 15.8	\$ 14.1	\$ 12.4
Additions for tax positions of current year	5.0	—	—
Additions for tax positions of prior years	—	3.5	3.5
Reduction due to settlement with taxing authorities	(1.2)	—	—
Reduction due to statute expirations	(0.4)	(1.9)	(1.9)
Foreign currency translation	—	0.1	0.1
Ending balance	<u>\$ 19.2</u>	<u>\$ 15.8</u>	<u>\$ 14.1</u>

If the balance in the table above is recognized, the balance would favorably affect our effective tax rate in future periods.

We recognize interest and penalties on uncertain tax positions as a component of the income tax provision. At December 31, 2021, 2020 and 2019, the total accrued interest balance relating to uncertain tax positions was \$2.6 million, \$2.1 million and \$1.7 million, respectively. Potential penalties at December 31, 2021, 2020 and 2019, were insignificant and have not been accrued.

The Company is subject to U.S. federal income tax, state and local income tax, UK income tax and income tax in several other jurisdictions, all of which can be examined by the relevant taxing authorities. For the Company's major tax jurisdictions, the tax years that remain open to examination by the taxing authorities at December 31, 2021, are 2018 and onward for U.S. federal tax and a few states have open years from 2013. The tax years from 2017 and onward remain open for the UK under the normal four-year time limit.

It is reasonably possible that the total amounts of unrecognized tax benefits will change within the next 12 months due to completion of tax authorities' exams or the expiration of statutes of limitations. Management estimates that the existing liability for uncertain tax positions could decrease by approximately \$1.6 million within the next 12 months, ignoring changes due to foreign currency translation.

### **Note 14 — Other Financial Statement Captions**

Other current assets on our Consolidated Balance Sheets at December 31, 2021 and 2020, are composed of the following (in millions):

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Prepaid expenses	\$ 38.1	\$ 35.1
Current corporation tax	10.9	2.1
Derivatives (including collateral and margin)	56.4	24.3
Other current assets	44.8	49.6
Total other current assets	<u>\$ 150.2</u>	<u>\$ 111.1</u>



Other non-current assets on our Consolidated Balance Sheets of \$172.9 million and \$157.7 million as of December 31, 2021 and 2020, respectively, primarily relate to operating leases, deferred consideration and equity-method investments.

Accounts payable and accrued liabilities on our Consolidated Balance Sheets at December 31, 2021 and 2020, comprise the following (in millions):

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
Accrued distribution commissions	\$ 65.3	\$ 40.6
Accrued rebates	24.5	37.2
Other accrued liabilities	76.8	53.4
Total other accrued liabilities	<u>\$ 166.6</u>	<u>\$ 131.2</u>
Current corporation tax (including interest)	17.6	19.8
Leases	29.1	27.3
Derivatives	15.5	10.8
Other current liabilities	42.8	43.0
Total accounts payable and accrued liabilities	<u>\$ 271.6</u>	<u>\$ 232.1</u>

Other non-current liabilities on our Consolidated Balance Sheets at December 31, 2021 and 2020, comprise the following (in millions):

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
Non-current tax liabilities (including interest)	\$ 19.8	\$ 16.1
Leases	104.6	117.9
Other creditors	10.0	10.3
Total other non-current liabilities	<u>\$ 134.4</u>	<u>\$ 144.3</u>

Other creditors include the non-current portion of lease obligations, provisions for retirement obligations of leased office space and deferred compensation for certain members of the board of directors.

## **Note 15 — Noncontrolling Interests**

### ***Redeemable Noncontrolling Interests***

Redeemable noncontrolling interests as of December 31, 2021 and 2020, consisted of the following (in millions):

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
Consolidated seeded investment products	\$ 148.5	\$ 70.6
Intech:		
Employee appreciation rights	12.6	12.3
Founding member ownership interests	2.3	2.9
Total redeemable noncontrolling interests	<u>\$ 163.4</u>	<u>\$ 85.8</u>

### ***Consolidated Seeded Investment Products***

Noncontrolling interests in consolidated seeded investment products are classified as redeemable noncontrolling interests when there is an obligation to repurchase units at the investor's request.

Redeemable noncontrolling interests in consolidated seed investment products may fluctuate from period to period and are impacted by changes in our relative ownership, changes in the amount of third-party investment in seeded products and volatility in the market value of the seeded products' underlying securities. Third-party redemption of investments is

redeemed from the respective product's net assets and cannot be redeemed from the assets of other seeded products or from our other assets.

The following table presents the movement in redeemable noncontrolling interests in consolidated seeded investment products for the years ended December 31, 2021, 2020 and 2019 (in millions):

	<u>Year ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Opening balance	\$ 70.6	\$ 662.8	\$ 121.6
Changes in market value	(6.2)	22.2	18.9
Changes in ownership	84.3	(612.2)	509.7
Foreign currency translation	(0.2)	(2.2)	12.6
Closing balance	<u>\$ 148.5</u>	<u>\$ 70.6</u>	<u>\$ 662.8</u>

### *Intech*

Intech ownership interests held by a founding member had an estimated fair value of \$2.3 million as of December 31, 2021, representing an approximate 1.1% ownership of Intech. This founding member is entitled to retain his remaining Intech interests for the remainder of his life and has the option to require us to purchase his ownership interests of Intech at fair value.

Intech appreciation rights are amortized using a graded vesting method over the respective vesting period. The appreciation rights are exercisable upon termination of employment from Intech to the extent vested. Upon exercise, the appreciation rights are settled in Intech equity. Refer to Note 16 — Long-Term Incentive Compensation for a description of Intech appreciation rights.

### ***Nonredeemable Noncontrolling Interests***

Nonredeemable noncontrolling interests as of December 31, 2021 and 2020, are as follows (in millions):

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Nonredeemable noncontrolling interests in:		
Seed capital investments	\$ 2.8	\$ 4.6
Intech	12.6	12.8
Total nonredeemable noncontrolling interests	<u>\$ 15.4</u>	<u>\$ 17.4</u>

### **Note 16 — Long-Term Incentive Compensation**

We operate the following stock and mutual fund-based compensation plans:

- Deferred Incentive Plan (“DIP”)
- Deferred Equity Plan (“DEP”)
- Restricted Share Plan (“RSP”)
- Restricted Stock Awards (“RSAs”)
- Performance Stock Units (“PSUs”)
- Mutual Fund Share Awards (“MFSAs”)
- Other less significant plans (includes: Intech Long-Term Incentive Awards, Saveshare Plan (“SAYE”), Company Share Option Plan (“CSOP”), Executive Shared Ownership Plan (“ExSOP”), Long-Term Incentive Plan (“LTIP”), Buy As You Earn Share Plan (“BAYE”) and Employee Stock Purchase Plan (“ESPP”).

Further details on the material plans in operation during 2021 are discussed below.

### ***Deferred Incentive Plan***

Starting in 2020 as part of our effort to consolidate how awards are issued, DIP awards are generally issued as part of annual variable compensation and for recruitment and retention purposes in accordance with the Third Amended and Restated 2010 LTIP. Awards are issued as stock or as mutual fund awards and generally vest over a three- or four-year period.

The expense of deferred short-term incentive awards is recognized in net income over the period of deferral on a graded basis, the fair value of which is determined by prevailing share price or unit price at grant date.

### ***Deferred Equity Plan***

Employees who receive cash-based incentive awards over a preset threshold have an element deferred. The deferred awards are deferred into our common stock or into our managed funds. The DEP trustee purchases JHG common stock and units or shares in JHG-managed funds and holds them in trust. Awards are deferred for up to three years and vest in three equal tranches if employees satisfy employment conditions at each vesting date.

The expense of deferred short-term incentive awards is recognized in net income over the period of deferral on a graded basis, the fair value of which is determined by prevailing share price or unit price at grant date.

### ***Restricted Share Plan***

The RSP allows employees to receive shares of our common stock for nil consideration at a future point, usually after three years. RSP is recognized in net income on a graded basis. The awards are typically granted for staff recruitment and retention purposes; all awards have employment conditions and larger awards can be subject to performance hurdles. Our Compensation Committee approves all awards to Code Staff (employees who perform a significant influence function, senior management and individuals whose professional activities could have a material impact on our risk profile) and any awards over £500,000. The fair value of the shares granted is calculated using the NYSE average high/low trading prices on grant date.

### ***Restricted Stock Awards***

RSAs are generally issued as part of annual variable compensation and for recruitment and retention purposes in accordance with the Amended and Restated 2010 LTIP, the JCG 2005 Long-Term Incentive Stock Plan and the 2012 Employment Inducement Award Plan (“2012 EIA Plan”). Awards generally vest over a three- or four-year period.

### ***Performance Stock Units***

The following table presents a summary of PSUs granted to our CEO<sup>(1)</sup>.

Grant date	December 31, 2016	February 28, 2018	February 28, 2019	February 28, 2020	February 26, 2021
Units granted	63,549 <sup>(2)</sup>	108,184 <sup>(2)</sup>	83,863 <sup>(2)</sup>	96,933 <sup>(3)</sup>	77,228 <sup>(3)</sup>
Value at grant (in millions)	\$2.0	\$3.7	\$2.0	\$2.0	\$2.0
Units vested	23,831	59,903	125,795		
Vesting date	December 31, 2019	February 4, 2021	February 4, 2022		

(1) Units granted on February 28, 2018, were granted to our then Co-CEOs.

(2) Vesting of these price-vesting units was subject to our three-year Total Shareholder Return (“TSR”) performance relative to a peer group over a three-year period following the grant date.

(3) These price-vesting units may or may not vest in whole or in part three years after the date of grant, depending on our three-year TSR performance relative to a peer group during the vesting period.

### *Mutual Fund Share Awards*

MFSAs are generally issued as part of annual variable compensation and for recruitment and retention purposes. At December 31, 2021, the cost basis of unvested MFSAs, including those issued within DIP, totaled \$91.1 million. The awards are indexed to certain mutual funds managed by us. Upon vesting, participants receive the value of the award adjusted for gains or losses attributable to the mutual funds to which the award was indexed, subject to tax withholding. The awards are time-based awards that generally vest three or four years from the grant date.

### *Intech Long-Term Incentive Awards*

Intech profits interests and phantom interests entitle holders to periodic distributions of a portion of Intech operating income. The profits interests and phantom interests awards entitle recipients to 9.0% of Intech's pre-incentive profits. Distributions are made during employment and, for profits interests, post-employment for up to 10 years. Phantom interests are entitled to a one-time distribution at termination of employment. Compensation expense for post-employment distributions is based upon the present value of expected future distributions and will be recognized pro rata over the 10-year vesting schedule for profits interests and five years for phantom interests. The present value of these payments was determined using a 2% discount rate, which represents the interest rate on a 20-year U.S. Treasury note. As of December 31, 2021, the total undiscounted estimated post-employment payments for profits interests and phantom interests fell below zero, which pushed the undiscounted estimated post-employment payments into a negative position (the majority will not be paid until 10 to 20 years after the grant date). The estimated post-employment payments will be evaluated and adjusted quarterly, as necessary, with changes recorded in results of operations. As of December 31, 2021, the carrying value of the liability associated with the Intech profits interests and phantom interests was \$6.7 million and is included in accrued compensation, benefits and staff costs on our Consolidated Balance Sheet.

### *Compensation Expense*

The components of our long-term incentive compensation expense for the years ended December 31, 2021, 2020 and 2019, are summarized as follows (in millions):

	Year ended December 31,		
	2021	2020	2019
DIP	\$ 52.1	\$ 27.4	\$ —
DEP	2.8	8.7	19.1
RSP	0.9	3.5	8.3
RSA (including PSUs)	8.8	22.0	41.8
Other	3.3	3.0	4.5
Stock-based payments expense	67.9	64.6	73.7
DIP funds — liability settled	71.3	41.3	—
DEP funds — liability settled	13.1	23.7	57.5
MFSAs — liability settled	12.9	28.2	46.2
Profits interests and other	2.9	0.9	(3.9)
Social Security costs	12.9	11.4	10.8
Total charge to the Consolidated Statements of Comprehensive Income	<u>\$ 181.0</u>	<u>\$ 170.1</u>	<u>\$ 184.3</u>

Unrecognized and unearned compensation expense based on expected vesting outcomes as of December 31, 2021, including the weighted-average number of years over which the compensation cost will be recognized, is summarized as follows (in millions):

	Unrecognized compensation	Weighted- average years
DIP	\$ 40.5	1.8
DEP	0.3	0.2
RSP	0.3	0.9
RSA	1.9	1.3
Other	2.5	1.5
Stock-based payments expense	45.5	1.8
DIP funds — liability settled	45.4	1.7
DEP funds — liability settled	0.6	0.2
MFSA — liability settled	0.9	0.4
Profits interests and other	1.1	2.5
Social Security costs	20.9	0.8
Total remaining charge to the Consolidated Statements of Comprehensive Income	<u>\$ 114.4</u>	<u>1.6</u>

We generally grant annual long-term incentive awards in March and April in relation to annual awards but also throughout the year due to seasonality of performance fee bonuses.

### Stock Options

Stock options were granted to employees in 2021, 2020 and 2019. The fair value of stock options granted were estimated on the date of each grant using the Black-Scholes option pricing model, with the following assumptions:

### Black-Scholes Option Pricing Model

	Year ended December 31,		
	2021	2020	2019
	\$	\$	\$
Fair value of options granted	£ 10.28	£ 4.59	£ 2.15
Assumptions:			
Dividend yield	3.68 %	6.50 %	6.92 %
Expected volatility	41.37 %	37.59 %	30.17 %
Risk-free interest rate	0.17 %	0.01 %	0.55 %
Expected life (years)	3	3	3

The table below summarizes our outstanding options, exercisable options, and options vested or expected to vest for the years ended December 31, 2021, 2020 and 2019:

	2021		2020		2019	
	Shares	Weighted- average price	Shares	Weighted- average price	Shares	Weighted- average price
Outstanding at January 1	1,255,398	\$ 27.13	1,873,927	\$ 28.41	3,139,762	\$ 27.91
Granted	83,648	\$ 23.85	212,550	\$ 16.06	244,336	\$ 18.84
Exercised	(418,292)	\$ 29.04	(147,408)	\$ 7.21	(325,134)	\$ 5.43
Forfeited	(427,865)	\$ 36.87	(683,671)	\$ 31.86	(1,185,037)	\$ 28.30
Outstanding at December 31	<u>492,889</u>	<u>\$ 20.83</u>	<u>1,255,398</u>	<u>\$ 27.13</u>	<u>1,873,927</u>	<u>\$ 28.41</u>
Exercisable <sup>(1)</sup>	92,630	\$ 26.62	254,779	\$ 22.74	91,099	\$ —
Vested or expected to vest	<u>92,630</u>	<u>\$ 26.62</u>	<u>902,633</u>	<u>\$ 30.86</u>	<u>962,064</u>	<u>\$ 32.97</u>

- (1) The number of exercisable options represents instruments for which all vesting criteria have been satisfied and whose exercise price was below the closing price of our common stock as of the end of the period.

The following table summarizes the intrinsic value of exercised, outstanding and exercisable options at December 31, 2021, 2020 and 2019 (in millions):

	December 31,		
	2021	2020	2019
Exercised	\$ 0.3	\$ —	\$ 0.4
Outstanding	\$ 7.4	\$ 4.1	\$ 1.0
Exercisable	\$ 1.0	\$ 0.7	\$ 0.3

### Deferred Incentive Plan, Deferred Equity Plan and Restricted Stock Awards

The table below summarizes unvested DIP, DEP and RSA for the years ended December 31, 2021, 2020 and 2019:

	2021		2020		2019	
	Shares	Weighted-average price	Shares	Weighted-average price	Shares	Weighted-average price
Outstanding at January 1	5,602,828	\$ 24.56	5,516,920	\$ 28.41	5,116,926	\$ 32.71
Granted	2,285,257	\$ 29.94	2,736,264	\$ 20.69	2,799,296	\$ 24.00
Vested	(2,699,721)	\$ 26.78	(2,443,459)	\$ 29.00	(2,067,138)	\$ 31.73
Forfeited	(238,437)	\$ 27.37	(206,897)	\$ 25.42	(332,164)	\$ 29.38
Unvested at December 31	<u>4,949,927</u>	<u>\$ 26.42</u>	<u>5,602,828</u>	<u>\$ 24.56</u>	<u>5,516,920</u>	<u>\$ 28.41</u>

### Note 17 — Retirement Benefit Plans

#### Defined Contribution Plans

We operate two separate defined contribution retirement benefit plans: a 401(k) plan for U.S. employees and a separate plan for international employees.

Substantially all of our U.S. full-time employees are eligible to participate in our 401(k) plan. During the year ended December 31, 2021, we matched 5.0% of employee-eligible compensation in our 401(k) plan.

Expenses related to our 401(k) plan are included in employee compensation and benefits on our Consolidated Statements of Comprehensive Income and were \$8.3 million, \$8.0 million and \$7.9 million during the years ended December 31, 2021, 2020 and 2019, respectively. The assets of the plan are held in trustee-administered funds separately from our assets.

Substantially all of our non-U.S. full-time employees are eligible to participate in our defined contribution plans. The total amounts charged to our Consolidated Statements of Comprehensive Income for the years ended December 31, 2021, 2020 and 2019, in respect to our non-U.S. defined contribution plan were \$19.0 million, \$14.0 million and \$10.4 million, respectively, which represents contributions paid or payable to this plan by us.

#### Defined Benefit Plans

The main defined benefit pension plan sponsored by us is the defined benefit section of the JHGPS, previously the Henderson Group Pension Scheme, which closed to new members on November 15, 1999. The JHGPS is funded by contributions to a separately administered fund.

Benefits in the defined benefit section of the JHGPS are based on service and final salary. The plan is approved by Her Majesty's Revenue and Customs ("HMRC") for tax purposes and is operated separately from the Company and

managed by an independent trustee board. The trustee is responsible for payment of the benefits and management of the JHGPS assets. We also have a contractual obligation to provide certain members of the JHGPS with additional defined benefits on an unfunded basis.

The JHGPS is subject to UK regulations, which require us and the trustee to agree to a funding strategy and contribution schedule for the scheme.

Our December 31, 2021, triennial valuation of the JHGPS resulted in a surplus on a technical provisions basis of \$2.7 million.

### ***Plan Assets and Benefit Obligations***

The Plan assets and defined benefit obligations of the JHGPS and the unapproved pension plan were valued as of December 31, 2021 and 2020. Our plan assets, benefit obligations and funded status as of the December 31 measurement date were as follows (in millions):

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Change in plan assets:</b>		
Fair value of plan assets as of January 1	\$ 1,232.5	\$ 1,083.1
Return on plan assets	(41.5)	160.6
Employer contributions	1.9	2.1
Benefits paid	(17.2)	(15.9)
Settlements	(21.2)	(32.2)
Foreign currency translation	(11.9)	34.8
Fair value of plan assets as of December 31	<u>1,142.6</u>	<u>1,232.5</u>
<b>Change in benefit obligation:</b>		
Benefit obligation as of January 1	(1,026.5)	(840.4)
Service cost	(0.6)	(0.9)
Interest cost	(13.5)	(14.1)
Settlements	21.2	32.2
Curtailments	(0.3)	—
Benefits paid	17.2	15.9
Actuarial gain (loss)	18.1	(191.1)
Foreign currency translation	9.2	(28.1)
Benefit obligation as of December 31	<u>(975.2)</u>	<u>(1,026.5)</u>
<b>Funded status as of year-end</b>	<u>167.4</u>	<u>206.0</u>
Tax at source	(7.1)	(19.4)
<b>Net retirement benefit asset recognized in the Consolidated Balance Sheets</b>	<u>\$ 160.3</u>	<u>\$ 186.6</u>

Actuarial gains during the year ended December 31, 2021 were primarily due to changes in financial assumptions over the year, including an increase in discount rate resulting from higher bond yields, leading to a decrease in the benefit obligation. During the year ended December 31, 2021, \$21.2 million was paid to members transferring their benefits out of the scheme, reducing the benefit obligation.

The JHGPS contains a money purchase section (“MPS”) which operates in a similar way to a defined contribution plan, but also provides for a minimum benefit to members of the JHGPS if the investment performance of their MPS investments falls below defined thresholds. The minimum benefit is referred to as a reference scheme test (“RST”) underpin. The RST underpin serves as a defined benefit guarantee in the case that investment returns of the MPS do not meet statutorily defined returns. As the MPS is providing a defined benefit in the form of the RST underpin, disclosure of the related plan assets and liabilities are made on a gross basis, similar to that of a defined benefit plan and are included in the plan assets and benefit obligations of the retirement benefit asset.

Amounts recognized on our Consolidated Balance Sheets, net of tax at source as of December 31, 2021 and 2020, consist of the following (in millions):

	December 31,	
	2021	2020
Retirement benefit assets recognized in the Consolidated Balance Sheets:		
Janus Henderson Group UK Pension Scheme	\$ 165.1	\$ 191.3
Retirement benefit obligations recognized in the Consolidated Balance Sheets:		
Janus Henderson Group unapproved pension scheme	(4.8)	(4.7)
Net retirement benefit asset recognized in the Consolidated Balance Sheets	<u>\$ 160.3</u>	<u>\$ 186.6</u>

We used the following key assumptions in determining the defined benefit obligation as of December 31, 2021 and 2020:

	December 31,	
	2021	2020
Discount rate	1.9 %	1.3 %
Inflation — salaries	N/A %	2.5 %
Inflation — Retail Price Index RPI	3.4 %	2.9 %
Inflation — Consumer Price Index CPI	2.8 %	2.2 %
Pension increases (RPI capped at 5% per annum p.a.)	3.3 %	2.9 %
Pension increases (RPI capped at 2.5% p.a.)	2.2 %	2.1 %
Life expectancy of male aged 60 at accounting date	29.6	28.4
Life expectancy of male aged 60 in 15 years' time	30.5	29.4

The discount rate applied to the plan obligations is based on AA-rated corporate bond yields with similar maturities.

#### **Plan Assets**

The fair values of the JHGPS plan assets as of December 31, 2021 and 2020, by major asset class are as follows (in millions):

	December 31,	
	2021	2020
Cash and cash equivalents	\$ 1.5	\$ 10.4
Money market instruments	17.5	14.4
Bulk annuity policy	386.6	453.4
Fixed income investments	479.7	483.8
Equity investments	257.3	270.5
Total assets at fair value	<u>\$ 1,142.6</u>	<u>\$ 1,232.5</u>

As of December 31, 2021 and 2020, \$230.2 million and \$244.7 million, respectively, of JHGPS assets were held in JHG-managed funds.

On September 5, 2019, JHGPS and Scottish Widows Limited (“SWL”) entered into a pension buy-in agreement (“agreement”). The agreement provides JHGPS a monthly contractual payment stream from SWL to satisfy pension obligations payable to approximately one-third of total plan participants receiving benefits from JHGPS as of December 31, 2019. The agreement does not relieve JHGPS or JHG (as plan sponsor) of the primary responsibility for the pension obligations. JHGPS paid a premium of approximately £328 million (\$404 million) for the agreement, and it was recorded at fair value as a plan asset of JHGPS.



The remaining assets of the JHGPS plan are allocated to a growth portfolio and to fixed income assets. The majority of the growth portfolio is invested in pooled diversified funds, with the objective of achieving a level of growth greater than the fixed income portfolio. The fixed income portfolio is managed on a segregated basis, with the primary objective of meeting the cash flows as they mature.

Excluding the bulk annuity policy, the strategic allocation as of December 31, 2021 and 2020, was broadly 80% fixed income investments and 20% growth portfolio.

The following table presents JHGPS plan assets at fair value on a recurring basis as of December 31, 2021 (in millions):

	Fair value measurements using:			Total
	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Cash and cash equivalents	\$ 1.5	\$ —	\$ —	\$ 1.5
Money market instruments	17.5	—	—	17.5
Bulk annuity contract	—	—	386.6	386.6
Fixed income investments	479.7	—	—	479.7
Equity investments	257.3	—	—	257.3
Total	\$ 756.0	\$ —	\$ 386.6	\$ 1,142.6

The following table presents JHGPS plan assets at fair value on a recurring basis as of December 31, 2020 (in millions):

	Fair value measurements using:			Total
	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Cash and cash equivalents	\$ 10.4	\$ —	\$ —	\$ 10.4
Money market instruments	14.4	—	—	14.4
Bulk annuity contract	—	—	453.4	453.4
Fixed income investments	483.8	—	—	483.8
Equity investments	270.5	—	—	270.5
Total	\$ 779.1	\$ —	\$ 453.4	\$ 1,232.5

The value of the bulk annuity contracts decreased from \$453.4 million at December 31, 2020, to \$386.6 million at December 31, 2021, due to changes in financial conditions and demographic assumptions resulting in a decrease of \$35.7 million and \$17.6 million, respectively, combined with \$13.5 million in cash payments received under the contract terms.

The expected rate of return on assets for the financial period ending December 31, 2021, was 1.2% p.a. based on financial conditions as of December 31, 2020 (2020: 1.7% p.a.). This rate is derived by taking the weighted average of the long-term expected rate of return on each of the asset classes in JHGPS's target asset allocation. The expected rate of return has been determined based on yields on either long-dated government bonds or relevant corporate bonds, dependent on the class of asset in question, adjusted where appropriate based on the individual characteristics of each asset class.

### *Actuarial Gains and Losses*

Cumulative amounts recognized in accumulated other comprehensive income and the actuarial gain, net of tax deducted at source, credited to other comprehensive income for the years ended December 31, 2021 and 2020, are shown below (in millions):

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
Opening accumulated unamortized actuarial gain (loss)	\$ (10.4)	\$ 19.1
Actuarial loss	(35.3)	(43.7)
Tax at source on current year actuarial gain	11.8	14.6
Prior service cost	0.4	0.4
Release of actuarial gain (loss) due to settlement event	1.1	(1.2)
Release of tax at source due to settlement event	(0.4)	0.4
Closing accumulated unamortized actuarial loss	<u>\$ (32.8)</u>	<u>\$ (10.4)</u>

No actuarial gains were amortized from accumulated other comprehensive income during the year ended December 31, 2021 (2020: nil).

A high court ruling on October 26, 2018, suggested that most UK pension schemes, including our scheme, will need to amend benefits to correct for inequalities in “guaranteed minimum pensions.” The estimated impact of this ruling on the obligations is estimated as \$3.7 million, treated as a prior service cost in 2018 to be amortized in future years; the amount amortized in 2021 was \$0.4 million and the amount expected to be amortized in 2022 is \$0.4 million. However, considerable legal and other uncertainties remain, and the ultimate cost of amending benefits could be significantly higher or lower.

### *Net Periodic Benefit Cost*

The components of net periodic benefit cost in respect to defined benefit plans for the years ended December 31, 2021, 2020 and 2019, include the following (in millions):

	<b>December 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
Service cost	\$ (0.6)	\$ (0.9)	\$ (0.8)
Settlement gain (loss)	(1.1)	1.3	2.1
Curtailed loss	(0.3)	—	—
Interest cost	(13.5)	(14.1)	(17.4)
Amortization of prior service cost	(0.4)	(0.4)	(0.4)
Expected return on plan assets	11.3	12.5	18.6
Net periodic benefit credit	(4.6)	(1.6)	2.1
Contributions to money purchase section	(11.3)	(8.2)	(7.9)
Total cost	<u>\$ (15.9)</u>	<u>\$ (9.8)</u>	<u>\$ (5.8)</u>

The following key assumptions were used in determining the net periodic benefit cost for the years ended December 31, 2021, 2020 and 2019 (in millions):

	December 31,		
	2021	2020	2019
Discount rate	1.3 %	2.1 %	2.9 %
Inflation — salaries	2.5 %	2.5 %	2.5 %
Inflation — RPI	2.9 %	3.0 %	3.1 %
Inflation — CPI	2.2 %	1.9 %	2.0 %
Pension increases (RPI capped at 5% p.a.)	2.9 %	2.9 %	3.0 %
Pension increases (RPI capped at 2.5% p.a.)	2.1 %	2.0 %	2.1 %
Expected return on plan assets	1.2 %	1.7 %	2.5 %
Amortization period for net actuarial gains at beginning of the year	9.0	9.0	10.0

### Cash Flows

Employer contributions of \$1.9 million were paid in relation to our defined benefit pension plans during 2021 (excluding credits to members' Money purchase accounts). We expect to contribute approximately \$0.2 million to the JHGPS (excluding credits to members' Money purchase accounts) in the year ended December 31, 2022.

The expected future benefit payments for our pension plan are as follows (in millions):

2022	\$ 21.0
2023	\$ 22.8
2024	\$ 23.7
2025	\$ 24.0
2026	\$ 25.6
2027-2031	\$ 141.5

### Note 18 — Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss, net of tax for the years ended December 31, 2021 and 2020, are as follows (in millions):

	Year ended December 31,					
	2021			2020		
	Foreign currency	Retirement benefit asset, net	Total	Foreign currency	Retirement benefit asset, net	Total
Beginning balance	\$ (313.6)	\$ (10.4)	\$ (324.0)	\$ (386.2)	\$ 19.1	\$ (367.1)
Other comprehensive loss	(46.9)	(23.5)	(70.4)	73.4	(29.1)	44.3
Amounts reclassified from accumulated other comprehensive loss	(3.2)	1.1	(2.1)	(1.6)	(0.4)	(2.0)
Total other comprehensive loss	(50.1)	(22.4)	(72.5)	71.8	(29.5)	42.3
Less: other comprehensive loss attributable to noncontrolling interests	0.4	—	0.4	0.8	—	0.8
Ending balance	<u>\$ (363.3)</u>	<u>\$ (32.8)</u>	<u>\$ (396.1)</u>	<u>\$ (313.6)</u>	<u>\$ (10.4)</u>	<u>\$ (324.0)</u>

The components of other comprehensive income (loss), net of tax for the years ended December 31, 2021, 2020 and 2019, are as follows (in millions):

	Pre-tax amount	Tax expense	Net amount
<b>Year ended December 31, 2021</b>			
Foreign currency translation adjustments	\$ (48.2)	\$ 1.3	\$ (46.9)
Retirement benefit asset, net	(23.5)	—	(23.5)
Reclassifications to net income	(2.1)	—	(2.1)
Total other comprehensive loss	<u>\$ (73.8)</u>	<u>\$ 1.3</u>	<u>\$ (72.5)</u>
<b>Year ended December 31, 2020</b>			
Foreign currency translation adjustments	\$ 73.1	\$ 0.3	\$ 73.4
Retirement benefit asset, net	(29.0)	(0.1)	(29.1)
Reclassifications to net income	(2.0)	—	(2.0)
Total other comprehensive income	<u>\$ 42.1</u>	<u>\$ 0.2</u>	<u>\$ 42.3</u>
<b>Year ended December 31, 2019</b>			
Foreign currency translation adjustments	74.3	0.4	74.7
Retirement benefit asset, net	(4.1)	(0.1)	(4.2)
Reclassifications to net income	(1.4)	—	(1.4)
Total other comprehensive income	<u>\$ 68.8</u>	<u>\$ 0.3</u>	<u>\$ 69.1</u>

## Note 19 — Earnings and Dividends Per Share

### Earnings Per Share

The following is a summary of the earnings per share calculation for the years ended December 31, 2021, 2020 and 2019 (in millions, except per share data):

	Year ended December 31,		
	2021	2020	2019
Net income attributable to JHG	\$ 622.1	\$ 161.6	\$ 427.6
Allocation of earnings to participating stock-based awards	(17.7)	(4.7)	(11.7)
Net income attributable to JHG common shareholders	<u>\$ 604.4</u>	<u>\$ 156.9</u>	<u>\$ 415.9</u>
Weighted-average common shares outstanding — basic	167.9	179.4	188.0
Dilutive effect of nonparticipating stock-based awards	0.6	0.5	0.6
Weighted-average common shares outstanding — diluted	<u>168.5</u>	<u>179.9</u>	<u>188.6</u>
Earnings per share:			
Basic (two class)	<u>\$ 3.60</u>	<u>\$ 0.87</u>	<u>\$ 2.21</u>
Diluted (two class)	<u>\$ 3.59</u>	<u>\$ 0.87</u>	<u>\$ 2.21</u>

### Dividends Per Share

The payment of cash dividends is within the discretion of our Board of Directors and depends on many factors, including, but not limited to, our results of operations, financial condition, capital requirements, legal requirements and general business conditions.

The following is a summary of cash dividends declared and paid for the years ended December 31, 2021, 2020 and 2019:

	Year ended December 31,		
	2021	2020	2019
Dividends paid per share	\$ 1.50	\$ 1.44	\$ 1.44

#### **Note 20 — Commitments and Contingencies**

Commitments and contingencies may arise in the normal course of business. Commitments and contingencies as of December 31, 2021, are discussed below.

##### ***Operating and Finance Leases***

As of December 31, 2021, we had future minimum rental commitments under non-cancelable operating and finance leases. Refer to Note 9 — Leases for information related to operating and financing lease commitments.

##### ***Litigation and Other Regulatory Matters***

We are periodically involved in various legal proceedings and other regulatory matters. Although there can be no assurances, based on information currently available, we believe that it is probable that the ultimate outcome of matters that are pending or threatened will not have a material effect on our consolidated financial statements.

#### **Note 21 — Related Party Transactions**

Disclosures relating to equity method investments and our pension scheme can be found in Note 10 — Equity Method Investments and Note 17 — Retirement Benefit Plans, respectively. Transactions between JHG and our controlled subsidiaries have been eliminated on consolidation and are not disclosed in this note.

Certain managed funds are deemed to be related parties of JHG under the related party guidance. We earn fees from the funds for which we act as investment manager, and the balance sheet includes amount due from these managed funds.

During the years ended December 31, 2021, 2020 and 2019, we recognized revenues of \$2,507.9 million, \$1,974.6 million and \$1,870.1 million, respectively, from the funds we manage that are related parties and not consolidated in our Consolidated Statements of Comprehensive Income.

The following table reflects amounts in our Consolidated Balance Sheets relating to fees receivable from managed funds (in millions):

	As of December 31	
	2021	2020
Accrued income	\$ 204.1	\$ 210.8
Accounts receivable	77.4	55.7

Dai-ichi Life was a significant shareholder of JHG at December 31, 2020. Investment management fees attributable to Dai-ichi Life separate accounts for the year ended December 31, 2020, were \$22.2 million.

On February 4, 2021, Dai-ichi Life announced its intention to sell all 30,668,922 shares of JHG common stock it owned by means of a registered secondary public offering. On February 9, 2021, Dai-ichi Life completed the secondary offering, and as part of the offering, we repurchased 8,048,360 shares of common stock from Dai-ichi Life for a total of approximately \$230.0 million through Goldman Sachs & Co. LLC (“as underwriter”) at the price at which the shares of common stock were sold to the public in the secondary offering, less the underwriting discount. As a result of the completion of the secondary offering, Dai-ichi Life no longer owns any shares of JHG common stock. We did not receive any proceeds from Dai-ichi Life’s sale of common stock in the secondary offering.

Seed investments held in managed funds are discussed in Note 5 — Consolidation.

## Note 22 — Geographic Information

The following summary provides information concerning our principal geographic areas for the years ended and as of December 31, 2021, 2020 and 2019 (in millions):

Operating revenues	Year ended December 31,		
	2021	2020	2019
U.S.	\$ 1,634.4	\$ 1,401.5	\$ 1,353.0
UK	639.7	562.7	602.4
Luxembourg	437.2	281.5	182.3
Australia and other	55.7	52.9	54.7
Total	<u>\$ 2,767.0</u>	<u>\$ 2,298.6</u>	<u>\$ 2,192.4</u>

Operating revenues are attributed to countries based on the location in which revenues are earned.

Long-lived assets	As of December 31,	
	2021	2020
U.S.	\$ 2,153.1	\$ 2,208.2
UK	374.6	386.2
Australia	76.0	167.4
Other	2.3	2.4
Total	<u>\$ 2,606.0</u>	<u>\$ 2,764.2</u>

Long-lived assets include property, equipment, software and intangible assets. As of 2021, intangible assets in the U.S., UK and Australia were \$2,122.2 million, \$345.1 million and \$75.4 million, respectively. As of 2020, intangible assets in the U.S., UK and Australia were \$2,171.5 million, \$348.3 million and \$166.6 million, respectively.

### ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

### ITEM 9A. CONTROLS AND PROCEDURES

#### Evaluation of Disclosure Controls and Procedures

As of December 31, 2021, our management evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Disclosure controls and procedures are designed by us to ensure that we record, process, summarize and report within the time periods specified in the SEC's rule and forms the information we must disclose in reports that we file with or submit to the SEC. Richard M. Weil, Chief Executive Officer, and Roger Thompson, Chief Financial Officer, reviewed and participated in management's evaluation of the disclosure controls and procedures. Based on this evaluation, Mr. Weil and Mr. Thompson concluded that as of December 31, 2021, our disclosure controls and procedures were effective.

#### Management's Report on Internal Control Over Financial Reporting

Our Management's Report on Internal Control Over Financial Reporting and our registered public accounting firm's Report of Independent Registered Public Accounting Firm, which contains its attestation on our internal control over financial reporting, are incorporated by reference from Part II, Item 8, Financial Statements and Supplementary Data.

## **Changes in Internal Control Over Financial Reporting**

There were no changes in our internal control over financial reporting (as that term is defined in Rule 13a-15(f) under the Exchange Act) that occurred during the fiscal quarter ended December 31, 2021, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### **ITEM 9B. OTHER INFORMATION**

None.

### **ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

## **PART III**

### **Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

The information required by this Item will be included in the Proxy Statement under the captions “Board of Directors” and “Corporate Governance” and is incorporated herein by reference.

### **Item 11. EXECUTIVE COMPENSATION**

The information required by this Item will be included in the Proxy Statement under the captions “Board Compensation” and “Executive Compensation” and is incorporated herein by reference.

### **Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information required by this Item will be included in the Proxy Statement under the caption “Security Ownership of Certain Beneficial Owners and Management” and is incorporated herein by reference.

### **Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

The information required by this Item will be included in the Proxy Statement under the caption “Related Party Transactions” and is incorporated herein by reference.

### **Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The information required by this Item will be included in the Proxy Statement under the caption “Reappointment and Remuneration of Auditors” and is incorporated herein by reference.

## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

#### (a) List of Documents Filed as Part of This Report

##### (1) Financial Statements

The financial statements and related notes, together with the report of PricewaterhouseCoopers LLP dated February 24, 2022, appear in Part II, Item 8, Financial Statements and Supplementary Data.

##### (2) Financial Statement Schedules

No financial statement schedules are required.

##### (3) List of Exhibits

Filed with this Report:

#### (b) Exhibits

<u>Exhibit No.</u>	<u>Document</u>
10.17	Janus Henderson Group Global Remuneration Policy Statement*
10.18	Amendment and Restatement Agreement dated December 21, 2021, between Janus Henderson Group plc, as Company, and Janus Capital Group Inc., as Guarantor, with Bank of America Europe Designated Activity Company (as successor in title to Bank of America Merrill Lynch International Limited), as Facility Agent relating to the US\$200,000,000 Revolving Credit Facility dated February 16, 2017.
10.19	Settlement Agreement dated November 18, 2021, between Janus Henderson Investors US LLC (f/k/a Janus Capital Management LLC) and Richard Weil.*
21.1	List of the Subsidiaries of the company prepared pursuant to Item 601(b)(21) of Regulation S-K
23.1	Consent of Independent Registered Public Accounting Firm – PricewaterhouseCoopers LLP
24.1	Power of Attorney (included as a part of the Signature pages to this report)
31.1	Certification of Richard Weil, Chief Executive Officer of Registrant
31.2	Certification of Roger Thompson, Chief Financial Officer of Registrant
32.1	Certification of Richard Weil, Chief Executive Officer of Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Roger Thompson, Chief Financial Officer of Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002



- 101.INS Inline XBRL Insurance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
- 101.SCH Inline XBRL Taxonomy Extension Schema Document
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 104 Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document)

\* Compensatory plan or agreement.

Incorporated by reference:*(2) Plan of acquisition, reorganization, arrangement, liquidation or succession*

- 2.1 Agreement and Plan of Merger, dated October 3, 2016, by and among Janus Capital Group Inc., Henderson Group plc and Horizon Orbit Corp, is hereby incorporated by reference from Exhibit 2.1 to JCG's Current Report on Form 8-K, dated October 3, 2016 (File No. 001-15253)

*(3) Articles of Incorporation and Bylaws*

- 3.1.1 Memorandum of Association of Janus Henderson Group plc, is hereby incorporated by reference from Exhibit 3.1 to JHG's Current Report on Form 8-K, dated May 30, 2017
- 3.1.2 Articles of Association of Janus Henderson Group plc, is hereby incorporated by reference from Exhibit 3.2 to JHG's Current Report on Form 8-K, dated May 30, 2017

*(4) Instruments Defining the Rights of Security Holders, Including Indentures*

- 4.1 Description of Securities is hereby incorporated by reference to Exhibit 4.3 to JHG's Annual Report on Form 10-K for the year ended December 31, 2019 for the year ended December 31, 2017 (File No. 001-38103)
- 4.2 Specimen of Common Stock Certificate is hereby incorporated by reference from Exhibit 4.1 to JHG's Registration Statement on Form S-3, filed on February 4, 2021 (File No. 333-252714)
- 4.3 Indenture dated as of November 6, 2001 (the "Base Indenture"), between Janus Capital Group Inc. and The Bank of New York Trust Company N.A. (as successor to The Chase Manhattan Bank), is hereby incorporated by reference from Exhibit 4.1 to JCG's Current Report on Form 8-K, dated November 6, 2001 (File No. 001-15253)
- 4.3.2 Officer's Certificate pursuant to the Base Indenture establishing the terms of the 2025 Senior Notes is hereby incorporated by reference from Exhibit 4.1 to JCG's Current Report on Form 8-K, dated July 28, 2015 (File No. 001-15253)
- 4.3.3 Fifth Supplemental Indenture to the Base Indenture, dated as of May 30, 2017, among Janus Capital Group Inc., Henderson Group plc and The Bank of New York Mellon Trust Company N.A., is hereby incorporated by reference from Exhibit 4.5 to JHG's Current Report on Form 8-K, dated May 30, 2017
- 4.4 Form of Global Notes for the 2025 Senior Notes, is hereby incorporated by reference from Exhibit 4.2 to JCG's Current Report on Form 8-K, dated July 31, 2015 (File No. 001-15253)
- 4.5 Form of Indenture for debt securities between Janus Henderson Group plc and the trustee to be named therein is hereby incorporated by reference from Exhibit 4.2 to JHG's Registration Statement on Form S-3, filed on February 4, 2021 (File No. 333-252714)

*(10) Material Contracts*

- 10.1 Facility Agreement, dated 16 February 2017, for US\$200,000,000 Revolving Credit Facility for Henderson Group plc arranged by Bank of America Merrill Lynch International Limited as Coordinator, Bookrunner and Mandated Lead Arranger with Bank of America Merrill Lynch International Limited as Facility Agent, is hereby incorporated by reference from Exhibit 1.1 to JHG's Current Report on Form 8-K, dated May 30, 2017
- 10.2 Form of Instrument of Indemnity, is hereby incorporated by reference from Exhibit 10.16 to JHG's Registration Statement on Form F-4, filed on March 20, 2017 (File No. 333-216824)
- 10.3 Janus Henderson Group plc Third Amended and Restated 2010 Deferred Incentive Stock Plan, effective February 3, 2020, is hereby incorporated by reference from Exhibit 4.2 to JHG's Registration Statement on Form S-8, filed on February 27, 2020 (File No. 333-236685)\*
- 10.3.1 Form of US Restricted Stock Unit Award Agreement for grants to executive officers under the Janus Henderson Group Third Amended and Restated 2010 Deferred Incentive Plan on or after January 1, 2020, is hereby incorporated by reference to Exhibit 10.24.1 of JHG's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 333-38103)\*
- 10.3.2 Form of US Restricted Stock Unit Award Agreement for grants to executive officers under the Janus Henderson Group Third Amended and Restated 2010 Deferred Incentive Plan on or after January 1, 2021, is hereby incorporated by reference to Exhibit 10.27.1 of JHG's Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 333-38103)\*
- 10.3.3 Form of UK Restricted Stock Unit Award Agreement for grants to executive officers under the Janus Henderson Group Third Amended and Restated 2010 Deferred Incentive Plan on or after January 1, 2020, is hereby incorporated by reference to Exhibit 10.24.2 of JHG's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 333-38103)\*
- 10.3.4 Form of UK Restricted Stock Unit Award Agreement for grants to executive officers under the Janus Henderson Group Third Amended and Restated 2010 Deferred Incentive Plan on or after January 1, 2021, is hereby incorporated by reference to Exhibit 10.27.2 of JHG's Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 333-38103)\*
- 10.3.5 Form of Performance Share Unit Award Agreement for grants to executive officers under the Janus Henderson Group Third Amended and Restated 2010 Deferred Incentive Plan on or after January 1, 2020, is hereby incorporated by reference to Exhibit 10.24.3 of JHG's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 333-38103)\*
- 10.3.6 Form of Performance Share Unit Award Agreement for grants to executive officers under the Janus Henderson Group Third Amended and Restated 2010 Deferred Incentive Plan on or after January 1, 2021, is hereby incorporated by reference to Exhibit 10.27.3 of JHG's Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 333-38103)\*
- 10.3.7 Form of US Fund Award Agreement for grants to executive officers under the Janus Henderson Group Third Amended and Restated 2010 Deferred Incentive Plan on or after January 1, 2020, is hereby incorporated by reference to Exhibit 10.24.4 of JHG's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 333-38103)\*
- 10.3.8 Form of US Fund Award Agreement for grants to executive officers under the Janus Henderson Group Third Amended and Restated 2010 Deferred Incentive Plan on or after January 1, 2021, is hereby incorporated by reference to Exhibit 10.27.4 of JHG's Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 333-38103)\*

- 10.3.9 Form of UK Fund Award Agreement for grants to executive officers under the Janus Henderson Group Third Amended and Restated 2010 Deferred Incentive Plan on or after January 1, 2020, is hereby incorporated by reference to Exhibit 10.24.5 of JHG's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 333-38103)\*
- 10.3.10 Form of UK Fund Award Agreement for grants to executive officers under the Janus Henderson Group Third Amended and Restated 2010 Deferred Incentive Plan on or after January 1, 2021, is hereby incorporated by reference to Exhibit 10.27.5 of JHG's Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 333-38103)\*
- 10.3.11 Form of Matching Restricted Stock Unit Award Agreement for grants to executive officers under the Janus Henderson Group Third Amended and Restated 2010 Deferred Incentive Plan on or after January 1, 2020, is hereby incorporated by reference to Exhibit 10.24.6 of JHG's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 333-38103)\*
- 10.4 Second Amended and Restated 2010 Long Term Incentive Stock Plan, effective May 30, 2017, is hereby incorporated by reference from Exhibit 4.12 to JHG's Registration Statement on Form S-8, filed on May 31, 2017 (File No. 333-218365)\*
- 10.4.1 Long Term Incentive Award Acceptance Form with Appendix A (Terms of Restricted Stock Unit Award), Appendix B (Additional Terms of Restricted Stock Unit Award) and Appendix C (Forfeiture and Clawback) effective August 11, 2017, is hereby incorporated by reference from Exhibit 10.32 to JHG's Annual Report on Form 10-K for the year ended December 31, 2017\*
- 10.5 Second Amended and Restated 2012 Employment Inducement Award Plan, effective May 30, 2017, is hereby incorporated by reference from Exhibit 4.9 to JHG's Registration Statement on Form S-8, filed on May 31, 2017 (File No. 333-218365)\*
- 10.6 Third Amended and Restated Employee Stock Purchase Plan, effective April 1, 2019, is hereby incorporated by reference from Exhibit 10.19.9 to JHG's Form 10-Q, filed on May 2, 2019 (File No. 333-218365)\*
- 10.7 Janus Henderson Group plc Fourth Amended and Restated Mutual Fund Share Investment Plan, effective May 30, 2017, is hereby incorporated by reference from Exhibit 10.7 to JHG's Form 10-Q, filed on August 8, 2017 (File No. 001-38103)\*
- 10.8 Janus Henderson Group plc Second Amended and Restated Income Deferral Program, effective May 30, 2017, is hereby incorporated by reference from Exhibit 10.9 to JHG's Form 10-Q, filed on August 8, 2017 (File No. 001-38103)\*
- 10.9 Janus Henderson Group plc Fourth Amended and Restated Director Deferred Fee Plan, effective May 30, 2017, is hereby incorporated by reference from Exhibit 10.10 to JHG's Form 10-Q, filed on August 8, 2017 (File No. 001-38103)\*
- 10.10 Henderson Group plc Long Term Incentive Plan (LTIP), is hereby incorporated by reference from Exhibit 10.7 to JHG's Registration Statement on Form F-4 filed on March, 20, 2017 (File No. 333-216824)\*
- 10.11 Rules of the Henderson Group plc Deferred Equity Plan (DEP), is hereby incorporated by reference from Exhibit 10.10 to Registrant's Registration Statement on Form F-4 filed on March, 20, 2017 (File No. 333-216824)\*
- 10.12 Henderson Group plc Restricted Share Plan, is hereby incorporated by reference from Exhibit 10.14 to JHG's Registration Statement on Form F-4 filed on March, 20, 2017 (File No. 333-216824)\*

- 10.13 Service Agreement between Janus Henderson Group and Richard Weil, effective from August 1, 2018, is hereby incorporated by reference from Exhibit 10.33 to JHG's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 (File No. 001-38103)\*
- 10.14 Summary of Janus Henderson Group plc Non-Executive Director Compensation Program effective May 30, 2017, is hereby incorporated by reference from Exhibit 10.24 to JHG's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 001-38103)\*
- 10.15 Amended and Restated Investment and Strategic Cooperation Agreement, dated October 3, 2016, by and among Henderson Group plc, Janus Capital Group Inc. and Dai-ichi Life Holdings, Inc., is hereby incorporated by reference from Exhibit 10.1 to JHG's Registration Statement on Form F-4, filed on March 20, 2017 (File No. 333-216824)
- 10.15.1 Termination and Amendment Agreement, dated as of February 4, 2021, by and between Janus Henderson Group plc and Dai-ichi Life Holdings, Inc., is hereby incorporated by reference from Exhibit 10.1 to JHG's Current Report on Form 8-K, dated February 4, 2021 (File No. 333-38103)
- 10.16 Service Agreement between Henderson Group plc and Roger Thompson, effective from June 26, 2013, is hereby incorporated by reference from Exhibit 10.5 to JHG's Registration Statement on Form F-4, filed on March 20, 2017 (File No. 333-216824)\*

\* Management contract or compensatory plan or agreement.

**ITEM 16. FORM 10-K SUMMARY**

None.



<b>Signature/Name</b>	<b>Title</b>
/s/ ALISON DAVIS Alison Davis	Director
/s/ KALPANA DESAI Kalpana Desai	Director
/s/ JEFFREY DIERMEIER Jeffrey Diermeier	Director
/s/ KEVIN DOLAN Kevin Dolan	Director
/s/ EUGENE FLOOD JR Eugene Flood Jr	Director
Edward Garden	Director
/s/ LAWRENCE KOCHARD Lawrence Kochard	Director
Nelson Peltz	Director
/s/ ANGELA SEYMOUR-JACKSON Angela Seymour-Jackson	Director



# SHAREHOLDER INFORMATION AS AT 18 FEBRUARY 2022

## Total number of holders of shares, CDIs, UK DIs and their voting rights

The issued share capital of Janus Henderson Group plc consisted of 169,046,154 shares held by 34,775 security holders. This included: 23,638,805 shares held by CHESS Depository Nominees Pty Limited (CDN), quoted on the ASX in the form of CHESS Depository Interests (CDIs) and held by 29,868 CDI holders; and 2,350,236 UK Depository Interests (UK DIs), each representing an entitlement to one underlying Janus Henderson ordinary share and held by 3,457 UK DI holders either through CREST or via the Janus Henderson Corporate Sponsored Nominee Facility. Each registered holder of shares present in person (or by proxy, attorney or representative) at a meeting of shareholders has one vote on a vote taken by a show of hands, and one vote for each fully paid share held on a vote taken on a poll. CDI holders can instruct CDN to appoint a proxy on their behalf and can direct the proxy how to vote on the basis of one vote per person taken by a show of hands, and one vote per CDI on a vote taken on a poll.

## Twenty largest share/CDI/UK DI holders

	Shares/CDIs/UK DIs	% of issued capital
1 Cede & Co	142,154,167	84.09
2 J.P. Morgan Nominees Australia Pty Limited	5,536,919	3.28
3 Citicorp Nominees Pty Limited	3,412,048	2.02
4 HSBC Custody Nominees (Australia) Limited	2,644,886	1.56
5 HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	2,575,933	1.52
6 National Nominees Limited	862,549	0.51
7 Hargreaves Lansdown (Nominees) Limited (1)	544,894	0.32
8 BNP Paribas Nominees Pty Limited <DRP>	403,295	0.24
9 BNP Paribas Nominees Pty Limited <Agency Lending DRP A/C>	268,240	0.16
10 Apollo Nominees Limited	242,570	0.14
11 Dr Peter Malcolm Heyworth	189,401	0.11
12 Hargreaves Lansdown (Nominees) Limited (2)	172,347	0.10
13 BNP Paribas Nominees Pty Limited HUB24 Custodial Services Limited <DRP A/C>	110,861	0.07
14 Australian Executor Trustees Limited <IPS Super A/C>	97,902	0.06
15 Netwealth Investments Limited <Wrap Services A/C>	97,297	0.06
16 Euroclear Nominees Limited	92,968	0.05
17 Vidacos Nominees Limited	86,193	0.05
18 HSBC Custody Nominees (Australia) Limited-GSCO ECA	82,322	0.05
19 BNP Paribas Nominees Pty Limited <Pitcher Partners DRP>	81,408	0.05
20 Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	72,068	0.04
Top 20 total	159,728,268	94.49
Total shares	169,046,154	100.00

## Distribution of share/CDI/UK DI holdings

Categories	Number of holders
1-1,000	33,216
1,001-5,000	1,348
5,001-10,000	114
10,001-100,000	84
100,001 and over	13
Total	34,775

1,698 share/CDI/UK DI holders held less than a marketable parcel (being A\$500 worth) of shares/CDIs/UK DIs i.e. fewer than 10 shares/CDIs/UK DIs.

## SHAREHOLDER INFORMATION CONTINUED

### Stock exchange listings

Janus Henderson Group plc ordinary shares are listed on the NYSE and its CDIs are quoted on the ASX.

### Substantial shareholders

Details of the Company's substantial shareholders are set out on page 60 of the Company's 2022 Proxy Statement under the heading 'Security Ownership of Certain Beneficial Owners and Management'.

### Total number of options over unissued shares

There were 436,234 options over unissued ordinary shares in the Company held by 435 option holders.

### Restricted securities

None of the shares/CDIs on issue are 'restricted securities' as defined in the ASX Listing Rules.

### Buyback

On 28 July 2021, the Board approved an on-market share buyback programme. The Company has authority to spend up to US\$200 million to buy its ordinary shares on the NYSE and CDIs on the ASX from August 2021 through April 2022. In 2021, the Company repurchased a total of 11,352,195 ordinary shares for US\$372.1 million, of which 558,352 were CDIs. All repurchased securities were cancelled. Note that on 4 February 2021, Dai-ichi announced its intention to sell all 30,668,922 Janus Henderson shares it owned by means of a registered secondary public offering. On 9 February 2021, the Company repurchased 8,048,360 ordinary shares from Dai-ichi for a total of US\$230.2 million, completing the 2020 share buyback programme that was authorised on 3 February 2020.

Additional information regarding shares acquired on-market in satisfaction of employee awards and entitlements is set out on page 32 of Item 5 Part II on Form 10-K.

### Company Secretary

Michelle Rosenberg

### Principal place of business in the United Kingdom

201 Bishopsgate  
London EC2M 3AE  
Phone: +44 (0) 20 7818 1818

### Registered office in Jersey

13 Castle Street  
St Helier, Jersey JE1 1ES

### Registered office in Australia

Level 4, Deutsche Bank Place  
126 Phillip Street  
Sydney NSW 2000  
Phone: +61 (0) 2 9230 4706

### Locations of share registries

#### Australia

Janus Henderson Group Share Registry  
GPO Box 4578  
Melbourne VIC 3001  
Phone: 1300 137 981 or +61 (0) 3 9415 4081  
Fax: +61 (0) 3 9473 2500

#### New Zealand

Janus Henderson Group Share Registry  
Private Bag 92119  
Auckland 1142  
Phone: 0800 888 017  
Fax: +64 (0) 9 488 8787

#### United Kingdom

Janus Henderson Group Depository Computershare Investor Services  
The Pavilions  
Bridgwater Road  
Bristol BS13 8AE  
Phone: +44 (0) 370 703 0109

#### United States

Janus Henderson Group Transfer Agent  
P.O. Box 505000  
Louisville, KY, 40233-5000  
Phone: +1 866 638 5573 or +1 781 575 2374

#### Email

Holders of Ordinary Shares listed on NYSE:  
web.queries@computershare.com

Holders of CDIs listed on ASX:  
web.queries@computershare.com.au

Holders of UK DIs and UK DIs via CSN:  
web.queries@computershare.co.uk

#### Website

ir.janushenderson.com

**Past performance is no guarantee of future results. Investing involves risk, including the possible loss of principal and fluctuation of value. Diversification neither assures a profit nor eliminates the risk of experiencing investment losses.**

#### Asset outperformance disclosures

For percentage of AUM outperforming the relevant benchmark: outperformance is measured based on composite performance gross of fees versus 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 versus zero for absolute return strategies, (2) fund net of fees versus primary index or (3) fund net of fees versus Morningstar peer group average or median. Non-discretionary and separately managed account assets are included with a corresponding composite where applicable. Cash management vehicles, ETF-enhanced beta strategies, 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 December 2021. Capabilities defined by Janus Henderson.

#### Morningstar rating and ranking disclosures

Morningstar quartile data 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, 62%, 61%, 64% and 86% of total mutual fund AUM were in the top two Morningstar quartiles for the one-, three-, five- and ten-year periods ended 31 December 2021. For the one-, three-, five- and ten-year periods ending 31 December 2021, 43%, 57%, 55% and 64% of the 193, 184, 179 and 151 total mutual funds, respectively, were in the top two 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.

Ratings and/or 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 rating/ranking. When an expense waiver is in effect, it may have a material effect on the total return or yield, and therefore the ranking and/or rating for the period.

ETFs and funds not ranked by Morningstar are excluded from the analysis. Capabilities defined by Janus Henderson. © 2021 Morningstar, Inc. All Rights Reserved.

#### Forward-looking information

This presentation includes statements concerning potential future events involving Janus Henderson Group plc that could differ materially from the events that actually occur. The differences could be caused by a number of factors, including those factors identified in Janus Henderson Group's Annual Report on Form 10-K for the fiscal year ended 31 December 2021 and the Company's other filings and furnishings with the Securities and Exchange Commission (Commission file no. 001-38103), including those that appear under headings such as 'Risk Factors' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations'. Many of these factors are beyond the control of the Company and its management. Any forward-looking statements contained in this presentation are as of the date on which such statements were made. The Company assumes no duty to update them, even if experience, unexpected events, or future changes make it clear that any projected results expressed or implied therein will not be realised.

Annualised, pro forma, projected and estimated numbers are used for illustrative purposes only, are not forecasts and may not reflect actual results.

#### No public offer

The information, statements and opinions contained in this presentation do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

Not all products or services are available in all jurisdictions. Various account minimums or other eligibility qualifications apply depending on the investment strategy, vehicle or investor jurisdiction.

Mutual funds in the US distributed by Janus Henderson Distributors US LLC.

**Please consider the charges, risks, expenses and investment objectives carefully before investing. For a US fund prospectus or, if available, a summary prospectus containing this and other information, please contact your investment professional or call 800.668.0434. Read it carefully before you invest or send money.**

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Janus Henderson has agreed to sell its majority interest in Intech to Intech management and directors, with closing expected in the first half of 2022.

Design and production by

**CONRAN  
DESIGN** GROUP

201 Bishopsgate, London EC2M 3AE

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