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## **Janus Capital Acquires Majority Interest in Global Unconstrained Fixed Income Manager, Kapstream Capital**

*Acquisition Expands Janus Capital's Global Macro Fixed Income Team*

**DENVER**—Janus Capital Group Inc. (NYSE:JNS) today announced and closed the acquisition of a majority interest in Kapstream Capital Pty Limited (“Kapstream”), a global unconstrained fixed income asset manager with USD\$6.6 billion in assets under management as of March 31, 2015. With this transaction, the total Janus Global Macro Fixed Income assets under management would be USD\$8.7 billion as of March 31, 2015. The transaction includes an initial upfront cash consideration of approximately USD \$85 million. Janus Capital has the option to purchase the remaining 49% interest in the future.

“This transaction underscores three key commitments at Janus,” said Dick Weil, Chief Executive Officer of Janus Capital. “First, we want to be the place where great investors come to invest. Kapstream’s Kumar Palghat, Steve Goldman and Nick Maroutsos are simply great people and great investors. Second, we passionately believe that given volatility in global rates, investors need excellent fixed income choices that offer less exposure to interest rate risk. Third, the acquisition of Kapstream furthers our commitment to expand our fixed income capabilities as part of the firm’s intelligent diversification strategy. Kapstream has a rapidly growing business in one of the world’s best asset management markets. In addition, this transaction will reinforce our efforts to build a global macro fixed income team offering best-in-class global unconstrained bond strategies”

Fixed income veterans Kumar Palghat and Nick Maroutsos founded Kapstream in 2006. Kapstream is one of the pioneers in managing global unconstrained fixed income. Gross, Weil and Palghat worked together at Pacific Investment Management Company for 10 years. The Global Macro Fixed Income team will remain a separate, autonomous and distinct capability to the Fundamental Fixed Income team. Janus is firmly committed to supporting and investing in both its Global Macro and Fundamental Fixed Income platforms, which offer highly complementary strategies.

Bill Gross, who joined Janus in September 2014, will remain the primary portfolio manager of the Janus Global Unconstrained Bond strategy, with Palghat supporting him as co-portfolio manager. Palghat will remain portfolio manager of the Kapstream Absolute Return Income Fund\* and Goldman will assume a greater leadership role in managing Kapstream’s strategies. The strategies for both will not change. The combined Janus Global Macro Fixed Income team (comprised of 15 professionals following the completion of the transaction) will operate jointly from Kapstream’s existing base in Sydney, Australia, and Janus’ Newport Beach, California, office.

“We are delighted to offer our clients the highest level of macro fixed income investment expertise with Bill Gross, Kumar Palghat and highly sophisticated professionals that make up the Kapstream team,” Weil said. “Combining the success and experience of Kapstream’s unconstrained fixed income business with Bill’s reputation as one of the world’s most successful fixed income investors creates a powerful opportunity for our clients and for Janus Capital.”

Kapstream's unconstrained bond business in Australia will continue in essentially its current form. The flagship Kapstream Absolute Return Income Fund has delivered consistent positive returns over the one-, three- and five-year periods ending March 31, 2015 (net of fees).

"I look forward to working with my old colleague, Kumar Palghat and the rest of the Kapstream team as we deliver value for our clients," said Bill Gross, Portfolio Manager of the Janus Global Unconstrained Bond strategy.

"While our U.S. expansion plans began in 2013 with Kapstream's Newport Beach, CA, office opening, the opportunity to work with Bill again and create a truly global team, was not one we could pass up. Our combination brings a number of advantages, primarily giving our existing clients the benefit of additional input from Bill, one of the most highly regarded fixed income portfolio managers in the world, enabling us to deliver more value to our client portfolios," Palghat said.

### **About Janus Capital Group, Inc.**

Janus Capital Group Inc. ("JCG") is a global investment firm dedicated to delivering better outcomes for clients through a broad range of actively managed investment solutions, including fixed income, equity, alternative and multi-asset class strategies. It does so through a number of distinct investment platforms, including investment teams within Janus Capital Management LLC ("Janus"), as well as INTECH Investment Management LLC ("INTECH") and Perkins Investment Management LLC ("Perkins"), in addition to a suite of exchange-traded products under VelocityShares. Each team brings distinct asset class expertise, perspective, style-specific experience and a disciplined approach to risk. Investment strategies are offered through open-end funds domiciled in both the U.S. and offshore, as well as through separately managed accounts, collective investment trusts and exchange-traded products.

At the end of March 2015, JCG managed approximately \$189.7 billion in assets for shareholders, clients and institutions around the globe. Based in Denver, Colorado, JCG also has offices in London, Milan, Singapore, Hong Kong, Tokyo, Melbourne, Paris, The Hague, Zurich, Frankfurt, Dubai and Taipei.

### **About Kapstream Capital Pty Limited**

Kapstream Capital Pty Limited is a global fixed income asset manager focused on delivering innovative solutions to its clients. With USD\$6.6 billion in assets under management as of March 31, 2015, Kapstream is one of the pioneers in long-only unconstrained and benchmark agnostic fixed income strategies. Based in Sydney, Australia, Kapstream also has offices in Newport Beach, California.

Founded in 2006 by Kumar Palghat and Nick Maroutsos, Kapstream has grown steadily over the past eight years with clients in both Australia and the United States. To date, Kapstream has ten staff and are led by three investment principals, Palghat, Maroutsos and Steve Goldman.

Janus Capital Group Inc. was advised by BofA Merrill Lynch.

Past performance is no guarantee of future results. Investing involves risk, including the possible loss of principal and fluctuation of value.

\*The Kapstream Absolute Return Income Fund is not available to investors outside of Australia.

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Certain statements in this press release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements of Janus Capital Group Inc. ("Company") to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "intends," "projects," "estimates," "plans," "may increase," "may fluctuate," "forecast" and similar expressions or future or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature and not historical facts. Any statements that refer to expectations or other characterizations of future events, circumstances or results are forward-looking statements. These statements are based on the beliefs and assumptions of Company management based on information currently available to management.

Various risks, uncertainties, assumptions and factors that could cause future results to differ materially from those expressed by the forward-looking statements included in this press release include, but are not limited to, risks specified in the Company's Annual Report on Form 10-K for the year ended December 31, 2014, included under headings such as "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in other filings and furnishings made by the Company with the SEC from time to time. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this press release may not occur. Many of these factors are beyond the control of the Company and its management. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this press release. Except for the Company's ongoing obligations to disclose material information under the applicable securities law and stock exchange rules, the Company undertakes no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

NJA-0615(1)0715 EAM PR

***Media Contact:***

Erin Freeman  
[erin.freeman@janus.com](mailto:erin.freeman@janus.com)  
+1-303-394-7681

***Investor Contact:***

John Groneman  
[john.groneman@janus.com](mailto:john.groneman@janus.com)  
+1-303-336-7466