



**JANUS CAPITAL**  
Group

## **Investment Management Review**

**May 11, 2004**

**(800) 525-1068**

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**JANUS CAPITAL**  
Group

- \$151.5 B in AUM as of December 31, 2003
- \$4.1 B market value<sup>1</sup>
- 9th largest mutual fund complex in US<sup>2</sup>
- 1,479 employees worldwide<sup>3</sup>
- Headquartered in Denver, Colorado with offices in Westport, CT., Hong Kong, London, Milan and Tokyo

Ownership:	100.0%	77.8%	30.0%	100.0%	0.0%	100.0%
	 <p><b>JANUS</b></p> <p>\$128.7 B in AUM<sup>4</sup></p>	 <p><b>INTECH</b> <i>Mathematical Investment Strategies</i></p> <p>\$14.3 B in AUM<sup>4</sup></p>	<p>Perkins, Wolf, McDonnell and Company, LLC</p> <p>\$7.2 B in AUM<sup>4</sup></p>	 <p><b>BAY ISLE</b> FINANCIAL</p> <p>\$1.2 B in AUM<sup>4</sup></p>	 <p>\$101 M subadvised at 12/31</p> <p>Strategic alliance</p>	<p><b>JCG Partners</b></p> <p>Rapid solutions</p> <p>Commercial Printing and Graphics Design</p>

**Complementary, best-of-breed asset management disciplines branded and marketed through one global Janus distribution network**

<sup>1</sup>Market information as of January 23, 2004

<sup>2</sup>Source: FRC. By long-term mutual fund AUM only as of 12/31/03

<sup>3</sup>Includes 432 employees at JCG Partners

<sup>4</sup>Subsidiary AUM data as of 12/31/03



- Transitioned to integrated operating company through Stilwell and Berger mergers
- Aligned employee and shareholder interests through conversion of LLC units to public shares
- Broadened the Janus branded product line
- Improved investment results through evolution of investment process
  - Restructured research teams
  - Broadened and deepened stock coverage
  - Tightened risk controls
- Sold non-core asset Nelson Money Managers plc with minimal financial impact
- Completed exchange of a substantial portion of DST shares
- Means to strengthen balance sheet



- On December 19, 2003, Janus announced its intention to make a restoration payment of approximately \$31.5 million to the Janus Funds and/or fund shareholders:
  - Net discretionary frequent trading related gains of approximately \$22.8 million;
  - Approximately \$2.7 million in “lost opportunity cost” of those gains had they been available to the funds;
  - Payment of management fees of approximately \$1.0 million\* earned on investments by discretionary frequent trading accounts; and
  - Redemption fees of approximately \$5.0 million\* waived on transactions by discretionary frequent trading accounts.
  
- Restoration amount determined by Ernst & Young
  
- Mechanics of timing and methodology of allocating payments to be determined
  
- Amounts have not been approved by regulators and do not include any additional penalties that may be sought by regulators or penalties from civil litigation
  
- Janus is continuing its ongoing dialogue with the regulators in an attempt to resolve the issues that specifically relate to Janus

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\*Previously disclosed and reserved for in Janus' third quarter results.



- Resolution of regulatory investigations
- Appoint CIO – completed with hiring of Gary Black
- Continue to improve fund performance and flows
- Continue to broaden our product lineup and leverage our global distribution network
- Strengthen the balance sheet and improve profitability and margins
- Utilize excess cash to deliver value to Janus Capital Group shareholders
- Strengthen the Janus Brand



- Janus is committed to implementing superior corporate governance practices at the corporate and fund company levels through:
  - Eliminating “soft dollars”
  - Revised prospectus language to more firmly discourage frequent trading
  - Increased redemption fees from 1% to 2% on the funds that currently impose redemption fees
  - Disclosing portfolio holdings monthly
  - Enhanced portfolio valuation techniques to discourage frequent trading
  - Recent appointments to JCG Board of Directors – as a result 6 of 9 directors of Janus’ Board are independent
  - Retained former director of the SEC to review policies and procedures
  - Will appoint an independent compliance officer who will report directly to the Independent Trustees



**Funds Managed:**

- Janus Fund
- Janus Adviser Growth Fund
- Janus Aspen Growth Portfolio
- Subadvised portfolios

**Investment Experience:**

- 15 years of investment experience
- Joined Janus in 1990
- Prior to assuming management responsibilities of Janus Fund, Blaine managed Janus Balanced Fund and Janus Core Equity Fund

**Education:**

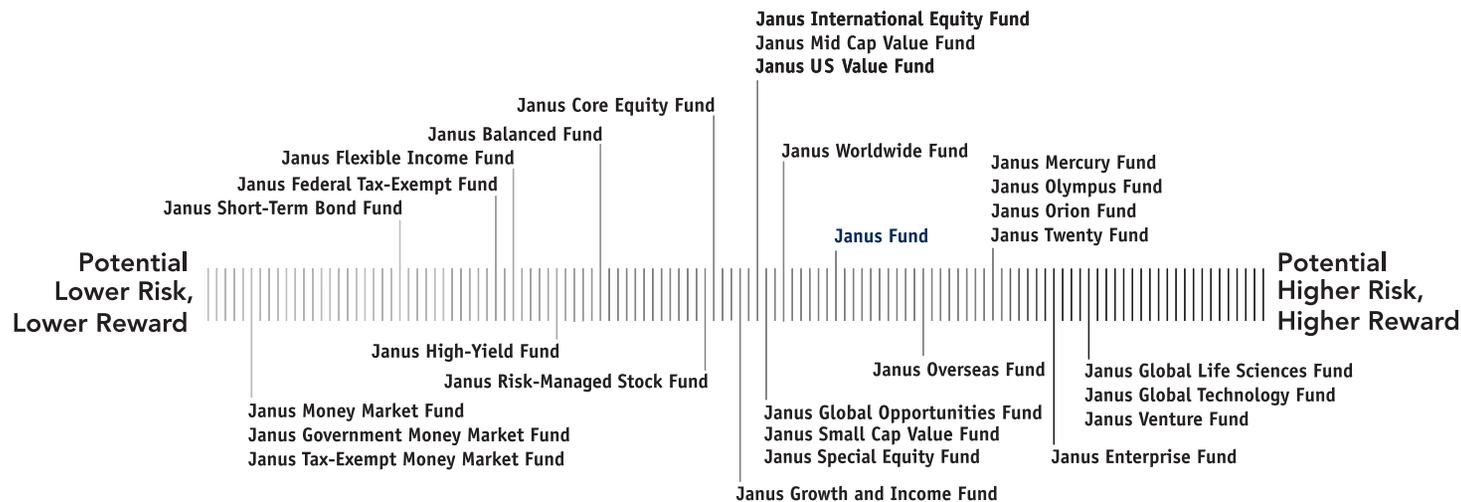
- Bachelor's degree, finance, University of Colorado

**Investment Philosophy:**

For Janus Fund, Blaine seeks long-term growth of capital in a manner consistent with the preservation of capital and invests in companies selected for their growth potential. Although the Fund can invest in companies of any size, it generally invests in larger, more established companies.



<b>Investment Objective:</b>	Long-term growth of capital, consistent with preservation of capital
<b>Benchmark:</b>	S&P 500 Index
<b>Fund Manager:</b>	Blaine Rollins, CFA (Since 2000) (Joined Janus in 1990)
<b>Fund Inception:</b>	February 5, 1970



<b>Statistics:</b>		Weighted Average Market Capitalization	\$36.3 billion
Fund Assets	\$15.7 billion	Median Market Capitalization	\$11.8 billion
Total Fund Expenses (As of 10/31/03)	0.89%	Portfolio Turnover Rate (As of 10/31/03)	22%
Earnings Growth Rate (05/04)	20.5%	Overall Morningstar Rating™	★★★ Out of 983 Large Growth Funds
Price/Earnings Ratio (Forward)	29.1x	Lipper Quartiles	1 Year (2), 3 Years (4), 5 Years (3), 10 Years (2)

Data as of March 31, 2004 unless otherwise noted. This spectrum shows our assessment of the relative volatility of the Janus funds. It should not be used to compare Janus funds with other mutual funds or different types of investments. The factors we considered in our assessment include certain historic volatility measurements, the types of securities a fund holds or may hold, how diversified a fund is, and a fund's size. The spectrum is based on historical information and cannot be used to predict the future volatility or performance of a fund, and a fund's position on the spectrum may change as market and economic conditions change. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of the funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within the scale and rated separately, which may cause slight variations in the distribution percentages.) Ratings are as of March 31, 2004. Janus Fund was rated against the following numbers of U.S.-domiciled Large Growth funds over the following time periods: 983 funds in the last three years, 633 funds in the last five years and 225 funds in the last ten years. With respect to these Large Growth funds, Janus Fund received a Morningstar Rating™ of 2 stars, 3 stars and 3 stars for the three-, five- and ten-year periods, respectively. Lipper, Inc. - A Reuters Company, is a nationally recognized organization that ranks the performance of mutual funds within a universe of funds that have similar investment objectives. Rankings are historical and are based on total return with capital gains and dividends reinvested. Rankings are as of March 31, 2004. Lipper ranks Janus Fund 196 out of 607, 373 out of 494, 189 out of 329 and 39 out of 97, for the 1-, 3-, 5- and 10-year periods, respectively, in the Large-Cap Growth Funds category.



**Increasingly optimistic:**

- Fully invested with currently less than 1% cash in portfolio\*

**Much more focused on earnings potential in a better economic environment:**

- Concentrating on how much a good company could earn in a better market

**Zig when others zag:**

- Leverage Janus' fundamental research to potentially buy good companies when others are selling

**Want to find companies that can execute and grow, whether the economy is good or bad:**

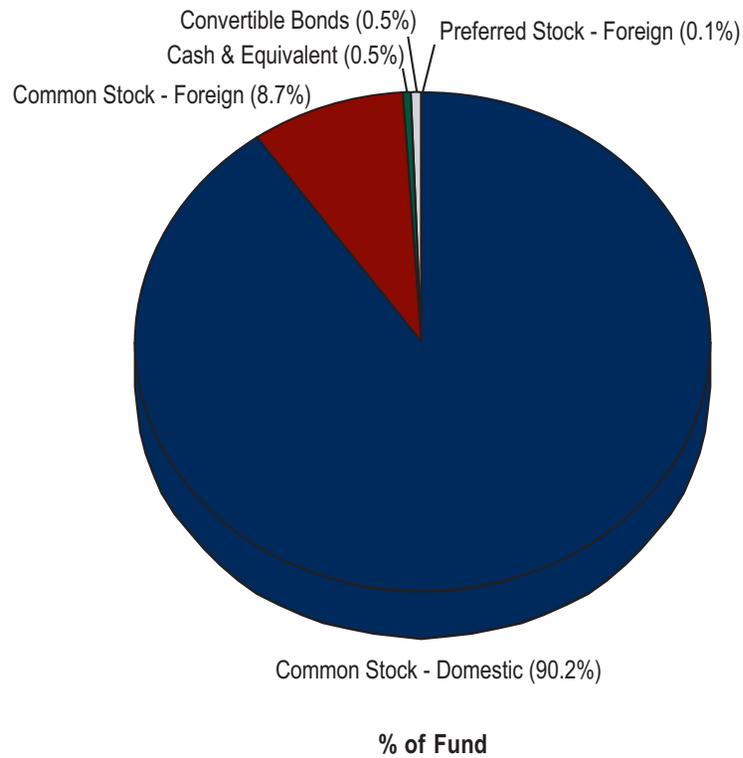
- These are the companies whose stock prices will go up, especially once revenues return

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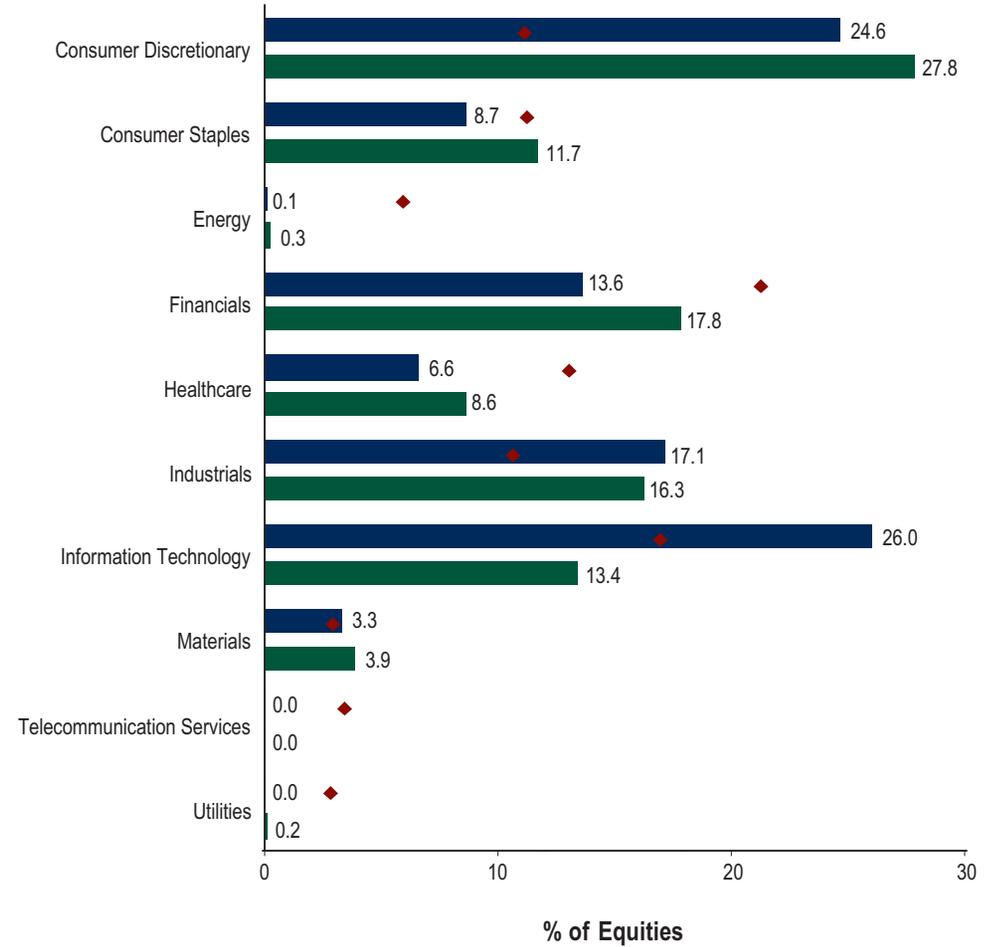
\*Data as of March 31, 2004.



**Asset Allocation as of 3/31/2004**



**Sector Weight** ■ 3/31/2004 ■ 3/31/2003 ◆ S&P 500 Index 3/31/2004



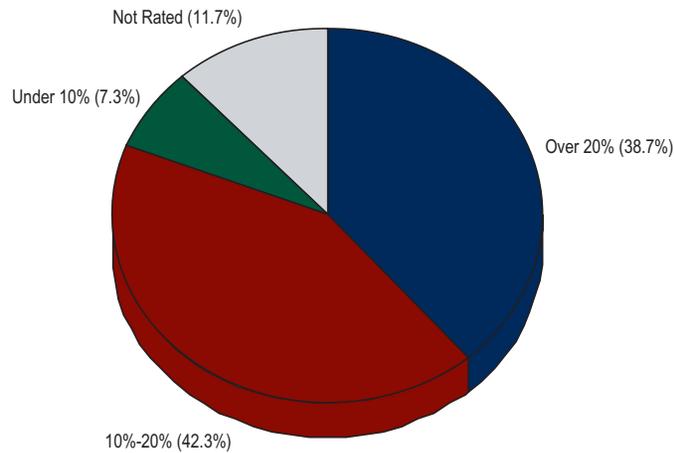
Sector classification source: GICS.



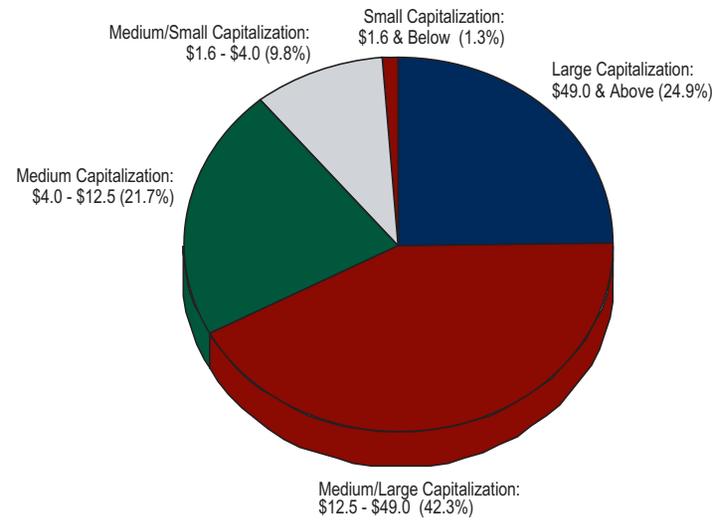
**Characteristics Relative to Benchmark**

	Weighted Avg. Market Cap. (\$B)	Median Market Cap. (\$B)	P/E Ratio (05) (x)	Earnings Growth (05/04) (%)	Dividend Yield (%)
Janus Fund	36.3	11.8	29.1	20.5	0.2
S&P 500 Index	88.2	9.4	21.3	19.7	1.7

**Earnings Growth**



**Market Capitalization\***



Data as of March 31, 2004. \*Based on number of holdings.



<b>Top Ten Industries as of March 31, 2003</b>	<b>% of Equities</b>	<b>Top Ten Industries as of March 31, 2004</b>	<b>% of Equities</b>
Semiconductor Components - Integrated Circuits	10.9	Semiconductor Components - Integrated Circuits	12.5
Multimedia	9.7	Diversified Operations	7.5
Cable Television	7.5	Cable Television	6.9
Cosmetics and Toiletries	7.3	Multimedia	6.3
Diversified Operations	4.7	Networking Products	4.3
Fiduciary Banks	3.2	Cosmetics and Toiletries	3.9
Retail - Drug Store	2.9	Television	2.9
Property and Casualty Insurance	2.8	Fiduciary Banks	2.9
Life and Health Insurance	2.3	Retail - Drug Store	2.8
Reinsurance	<u>2.3</u>	Medical Instruments	<u>2.6</u>
<b>Total</b>	<b>53.6</b>	<b>Total</b>	<b>52.6</b>



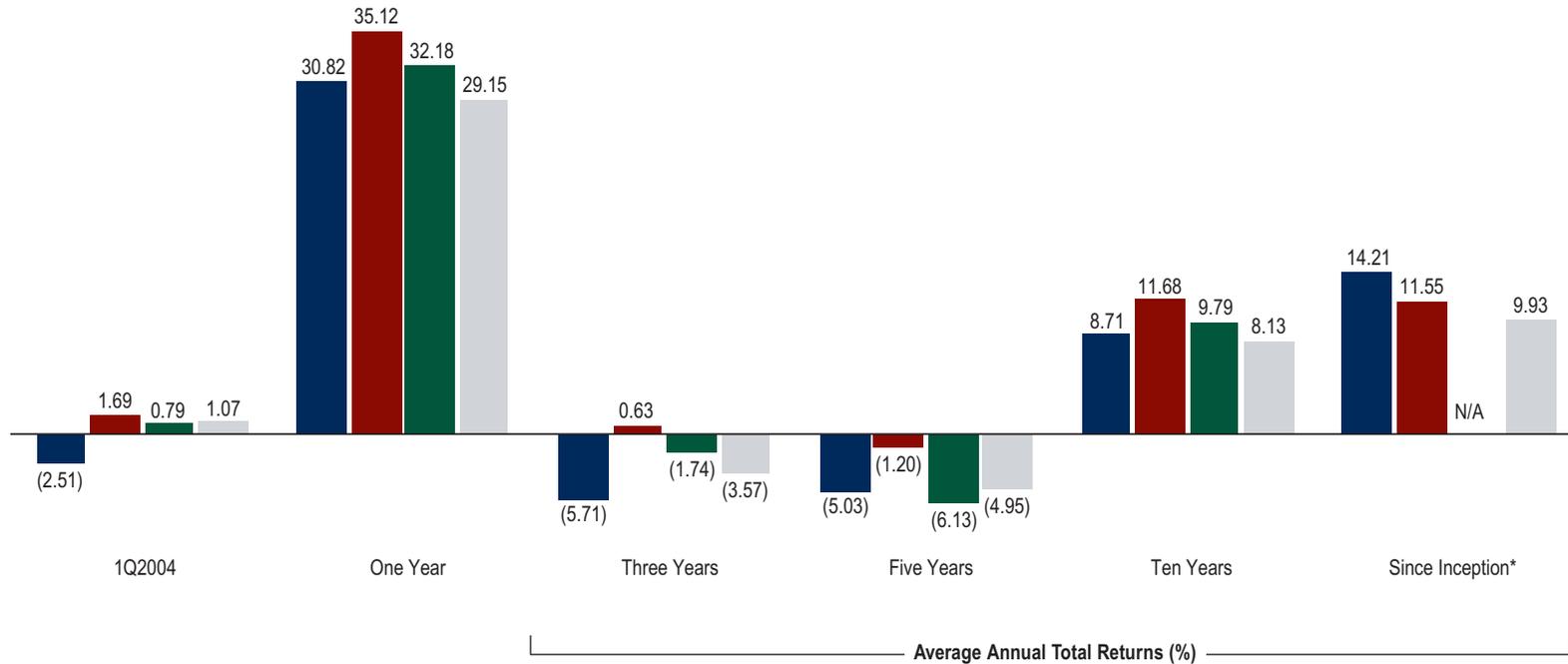
<b>Top Ten Holdings as of March 31, 2003</b>	<b>% of Fund</b>	<b>Top Ten Holdings as of March 31, 2004</b>	<b>% of Fund</b>
Comcast Corp. - Special Class A		Comcast Corp. - Special Class A	
Viacom, Inc. - Class B		Maxim Integrated Products, Inc.	
Linear Technology Corp.		Time Warner, Inc.	
Maxim Integrated Products, Inc.		Linear Technology Corp.	
Colgate-Palmolive Co.		Cisco Systems, Inc.	
Time Warner, Inc.		Univision Communications, Inc.	
Walgreen Co.		Walgreen Co.	
Procter & Gamble Co.		United Parcel Service, Inc. - Class B	
XL Capital, Ltd. - Class A		MGIC Investment Corp.	
AFLAC, Inc.		Charles Schwab Corp.	
<b>Total</b>	<b>42.1</b>	<b>Total</b>	<b>43.0</b>

Holdings are subject to change without notice.



**Net of Fees (%)**  
**As of March 31, 2004**

- Janus Fund
- S&P 500 Index
- Russell 1000 Growth Index
- Lipper Large-Cap Growth Funds Average



Index source: Confluence Technologies, Inc. Past performance is no guarantee of future results and investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Total return includes reinvestment of dividends and capital gains. The Fund's portfolio may differ significantly from the securities held in the indices. The indices are not available for direct investment; therefore their performance does not reflect the expenses associated with the active management of an actual portfolio. \*Inception date for Janus Fund is February 5, 1970. For comparative purposes, benchmark since inception returns are as of January 31, 1970. Performance since inception of Janus Fund is not available for the Russell 1000 Growth Index as the index's inception date was December 29, 1978.

