

QUESTIONS & ANSWERS REGARDING JANUS' AGREEMENTS WITH REGULATORS

April 27, 2004

Janus Capital Group has reached agreements in principle with the New York and Colorado Attorneys General as well as with the Colorado Division of Securities. Additionally, we have reached an agreement in principle on monetary terms with the U.S. Securities and Exchange Commission (SEC) staff, which is subject to approval by the SEC commissioners. The agreements are related to the previously disclosed frequent trading arrangements. This announcement reflects our strong commitment to doing what's right by our investors and putting their interests first.

Q. What are the monetary details of the agreements?

A. Under the terms of the preliminary agreements, Janus will pay \$50 million, which will be used for investor restoration, \$50 million in civil penalties, which may also be used for shareholder restoration, and \$1.2 million of related payments to the State of Colorado. Additionally, Janus will forego \$25 million of management fees per year over the next five years.

Q. What portion of the agreements will directly benefit fund shareholders?

A. While the mechanics of payment have not yet been approved by regulators, we expect the vast majority of the amounts will directly benefit current and former shareholders of the Janus funds. The collective pool of \$100 million (the total of restoration and civil penalties) will be available to compensate impacted fund shareholders. In addition, \$25 million per year of management fee reductions in specific funds will also benefit investors over the next five years.

Q. When and how will these amounts be paid to fund shareholders?

A. We are working with regulatory representatives and our fund trustees to devise a plan that is most beneficial to fund shareholders. Our plan will take into consideration all shareholders of the affected funds and account for the various ways they own our funds. This includes direct and 401(k) shareholders as well as those who own our funds through other third parties, such as financial advisers and fund supermarkets. We are eager to finalize this process and will notify investors as soon as the details are available.

Q. Which funds' fees will be reduced as part of the agreements and when?

A. The independent trustees of the Janus funds are currently reviewing criteria established by the regulators, fee reductions by other firms, and current fees in relation to fund category peers to determine how to apply the required fee reductions.

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Funds distributed by Janus Distributors LLC (04/04)

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Retail

We anticipate that the management fee reductions in selected funds will commence July 1, 2004 and will be available to shareholders from that date forward. Historically, Janus investors have benefited from some of the lowest investment expense ratios in the industry and this reduction may potentially enhance their returns in the selected funds.

Q. Do the agreements adversely affect Janus' ability to serve its shareholders and clients?

A. No, we do not believe so. The firm remains financially strong, with approximately \$650 million in cash on the balance sheet, after accounting for all agreement-related charges. Additionally, assets under management have increased by over 10% since the end of the first quarter of 2003. With firm-wide performance showing continued improvement and new leadership on both the business and investment sides of Janus, we believe we are well positioned to deliver the results our clients and shareholders expect.

Q. Does this mean the regulatory issues are now closed?

A. With today's announcement, the financial aspects of the regulatory piece are now largely behind us, although we must await final approval of the agreement terms by the SEC commissioners and completion of other final agreement documents with other regulators. What remains will be the administrative tasks of shareholder restoration and continued implementation of our refined internal policies, in addition to those put forth by regulators, to ensure that shareholder interests are always at the forefront.

Q. What will be the next steps from a fund shareholder perspective?

A. Fund shareholders will be notified when there is action to be taken on their part. In the meantime, we will be working diligently to bring final closure to this issue and will keep investors informed.



JANUS CAPITAL
Group