2009 ANNUAL REPORT

Janus Aspen Series

Janus Aspen Enterprise Portfolio
(formerly named Janus Aspen Mid Cap Growth Portfolio)

HIGHLIGHTS

- Portfolio management perspective
- Investment strategy behind your portfolio
- Portfolio performance, characteristics and holdings

JANUS

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Please consider the charges, risks, expenses and investment objectives carefully before investing. For a prospectus containing this and other information, please call Janus at 1-877-335-2687 or download the file from janus.com/variable-insurance. Read it carefully before you invest or send money.

Useful Information About Your Portfolio Report
(unaudited)

Management Commentary

The Management Commentary in this report includes valuable insight from the Portfolio's manager as well as statistical information to help you understand how your Portfolio's performance and characteristics stack up against those of comparable indices.

Please keep in mind that the opinions expressed by the Portfolio's manager in the Management Commentary are just that: opinions. They are a reflection of the manager's best judgment at the time this report was compiled, which was December 31, 2009. As the investing environment changes, so could the manager's opinions. These views are unique to each manager and aren't necessarily shared by their fellow employees or by Janus in general.

Portfolio Expenses

We believe it's important for our shareholders to have a clear understanding of Portfolio expenses and the impact they have on investment return.

The following is important information regarding the Portfolio's Expense Example, which appears in the Portfolio's Management Commentary within this Annual Report. Please refer to this information when reviewing the Expense Example for the Portfolio.

Example

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs, including redemption fees, where applicable (and any related exchange fees) and (2) ongoing costs, including management fees; distribution and shareholder servicing (12b-1) fees (applicable to Service Shares only); and other Portfolio expenses. The example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. The example is based upon an investment of $1,000 invested at the beginning of the period and held for the six-month period from July 1, 2009 to December 31, 2009.

Actual Expenses

The first line of the table in each example provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during the period.

Hypothetical Example for Comparison Purposes

The second line of the table in each example provides information about hypothetical account values and hypothetical expenses based upon the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the tables are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as redemption fees (where applicable) and any charges at the separate account level or contract level. These fees are fully described in the prospectus. Therefore, the second line of each table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

Janus Aspen Enterprise Portfolio (unaudited)

Portfolio Snapshot
We believe that investing in companies with predictable and sustainable growth can drive consistent returns and allow us to outperform our benchmark and peers over time with moderate risk. We seek to identify mid cap companies with high quality management teams that wisely allocate capital to fund and drive long-term growth over time.

Brian Demain
portfolio manager

Performance Overview

During the 12 months ended December 31, 2009, Janus Aspen Enterprise Portfolio's Institutional Shares and Service Shares returned 44.83% and 44.44%, respectively. Meanwhile, the Portfolio's primary benchmark, the Russell Midcap® Growth Index, returned 46.29%. The Portfolio's secondary benchmark, the S&P MidCap 400 Index, returned 37.38% for the same time period.

Economic Overview

Equity markets began the year in the midst of a significant sell-off, a continuation from the credit crisis that hit all capital markets severely in late 2008. Most indices touched the low point for the period in mid-March as evidence of an above-average contraction in the U.S. economy continued to unfold. Amid signs of stabilization in the economy and global financial system, markets rebounded strongly for much of the period. Despite a modest pullback in October, broad indices finished the period significantly higher. For the year, mid cap stocks easily outpaced small and large cap stocks, while growth-style indices also outperformed value index. Within our benchmark, the information technology sector was the largest contributor to performance followed by consumer discretionary. Telecommunications and utilities were the smallest contributors to performance. Commodity prices generally were strongly higher during the year led by industrials metals and crude oil; natural gas finished the period with modest losses. Gold futures also touched record highs in December.

Detractors from Relative Performance

Following a weak start to the year, we exited our position in managed care company Coventry Health Care, Inc. early in 2009 amid the uncertainty surrounding health care reform and management's ability to control costs. Similarly, Microsemi Corp., an analog semiconductor manufacturer, was also sold earlier in the year, after concerns about the CEO's credibility weighed on the stock. We felt the uncertainty was too high given the credibility issues and moved onto to more attractive risk/reward opportunities.

Biopharmaceutical holding Gilead Sciences, Inc. also detracted from performance. Despite uncertainty surrounding health care reform, we believe Gilead has a strong differentiated drug franchise with its HIV-fighting drug Truvada. We also think the market for this drug is large and growing given indications of increased effectiveness when used earlier in treatment.

Contributors to Relative Performance

Crown Castle International Corp., a wireless tower company and long-term holding in the Portfolio, performed well with strong quarterly results, which were highlighted by growing numbers of tenants on its towers. We think this could continue as wireless service providers work to upgrade their networks in order to meet growing demand for data transmission. We also believe Crown will be able to improve its free cash flow and generate strong returns on invested capital. Its historically predictable, long-term contract-driven revenue base remains attractive to us.

Li & Fung, Ltd., a Hong Kong-based apparel outsourcer, benefited for much of the year from the rebound in consumer sentiment, particularly in the U.S. While consumer spending is likely to remain soft in our view, we think the company is managing the macroeconomic environment quite well as it continues to win customers. We think the cost savings it offers clients is its main appeal, which could help Li & Fung continue to gain market share and grow free cash flow.

tw telecom, inc. (formerly Time Warner Telecom), a provider of managed network services, benefited from good quarterly results and increased optimism in the U.S. economic recovery. We think tw telecom managed the downturn well. We like its historically stable recurring cash flows and long-term growth potential. We also think the company can leverage its asset base to generate strong incremental returns on capital.

(unaudited)

Please see the "Notes to Financial Statements" for a discussion of derivatives used by the Portfolio.

Outlook

The economic environment in the U.S. and abroad has continued to improve. From industrial and manufacturing to consumer confidence, many economic indicators suggested a much better environment than a year ago and we think a lot of the improvement has been discounted by the market. Conditions are much improved from a year ago, but we think the U.S. economy remains somewhat challenged over the near-term. And while the financial system has stabilized, we think there are a number of key fundamental and structural issues that create some uncertainty. These include questions around the magnitude of consumer deleveraging, the large U.S. government fiscal deficit and the housing market. In our view, all remain unresolved and we are monitoring each of these very closely.

Against this uncertain macroeconomic backdrop, we remain focused on finding what we think are the best long-term investment opportunities. We are looking for sustainable and predictable growth companies, with strong management teams, flexible margin structures and high or improving returns on invested capital. We look to pay a reasonable price for these companies, and sell them if they achieve our price target or if the fundamental story changes materially. Strong secular growth companies should be able to maintain a reasonable level of earnings in a challenging economy, and should be able to grow earnings in a strong economy. We are finding these types of opportunities across all sectors.

Thank you for your investment in Janus Aspen Enterprise Portfolio.

Janus Aspen Enterprise Portfolio At A Glance

5 Top Performers – Holdings

	Contribution
Crown Castle International Corp.	3.18%
Li & Fung, Ltd.	2.12%
tw telecom, inc.	1.84%
Lamar Advertising Co. – Class A	1.82%
Amphenol Corp. – Class A	1.67%

5 Bottom Performers – Holdings

	Contribution
Coventry Health Care, Inc.	–0.36%
Microsemi Corp.	–0.27%
Gilead Sciences, Inc.	–0.25%
SunPower Corp. – Class B	–0.23%
Iron Mountain, Inc.	–0.21%

5 Top Performers – Sectors*

	Portfolio Contribution	Portfolio Weighting (Average % of Equities)	Russell Midcap® Growth Index Weighting
Information Technology	15.90%	25.06%	21.61%
Consumer Discretionary	7.61%	11.06%	18.40%
Telecommunication Services	5.25%	5.93%	1.94%
Health Care	4.91%	15.98%	13.57%
Industrials	4.34%	18.15%	16.01%

5 Bottom Performers – Sectors*

	Portfolio Contribution	Portfolio Weighting (Average % of Equities)	Russell Midcap® Growth Index Weighting
Utilities	–0.20%	0.64%	3.32%
Consumer Staples	0.75%	2.24%	6.01%
Materials	1.81%	5.22%	4.64%
Energy	2.58%	7.03%	7.21%
Financials	3.86%	8.70%	7.29%

* Based on sector classification according to the Global Industry Classification Standard codes, which are the exclusive property and a service mark of MSCI Inc. and Standard & Poor's.

Janus Aspen Enterprise Portfolio (unaudited)

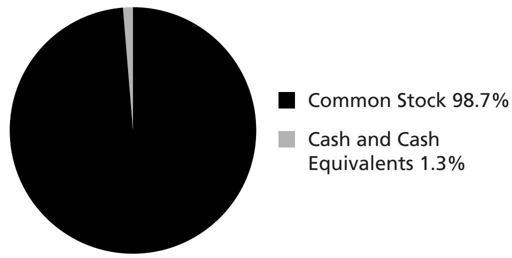
5 Largest Equity Holdings – (% of Net Assets)

As of December 31, 2009

Crown Castle International Corp.	
Wireless Equipment	4.0%
Celgene Corp.	
Medical – Biomedical and Genetic	3.1%
Amphenol Corp. – Class A	
Electronic Connectors	2.4%
Atmel Corp.	
Semiconductor Components/Integrated Circuits	2.2%
Li & Fung, Ltd.	
Distribution/Wholesale	2.1%
	13.8%

Asset Allocation – (% of Net Assets)

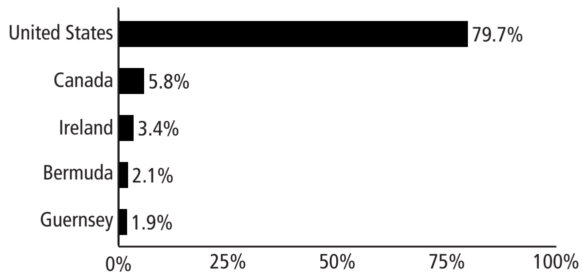
As of December 31, 2009



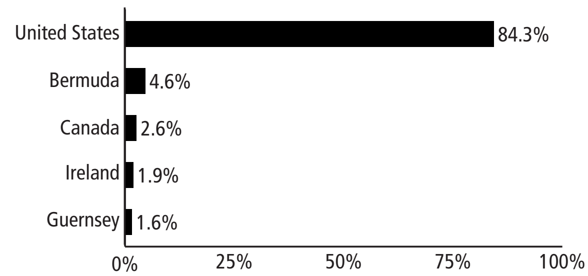
Emerging Markets comprised 0.7% of total net assets.

Top Country Allocations – Long Positions (% of Investment Securities)

As of December 31, 2009

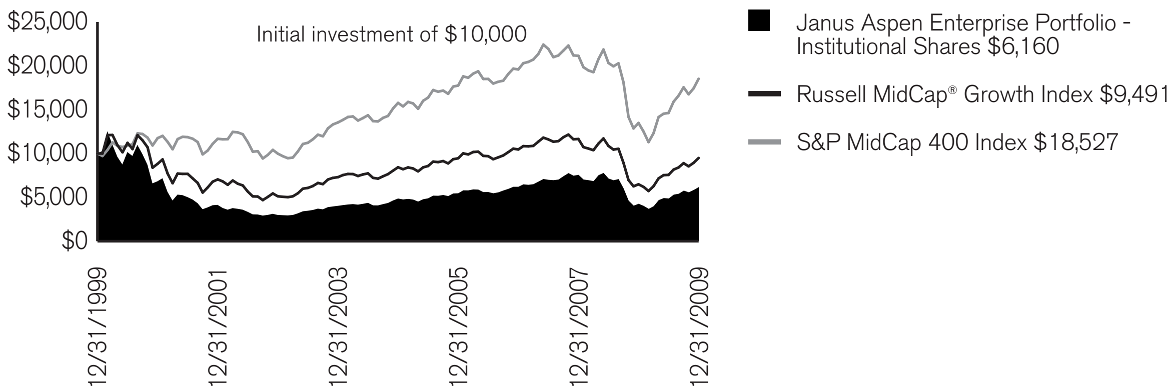


As of December 31, 2008



(unaudited)

Performance



Average Annual Total Return – for the periods ended December 31, 2009

	One Year	Five Year	Ten Year	Since Inception*
Janus Aspen Enterprise Portfolio – Institutional Shares	44.83%	4.88%	−4.73%	8.83%
Janus Aspen Enterprise Portfolio – Service Shares	44.44%	4.62%	−4.94%	8.55%
Russell Midcap® Growth Index	46.29%	2.40%	−0.52%	7.67%
S&P MidCap 400 Index	37.38%	3.27%	6.36%	10.75%
Lipper Quartile – Institutional Shares	2nd	1st	4th	2nd
Lipper Ranking – Institutional Shares based on total returns for Variable Annuity Multi-Cap Growth Funds	34/120	19/87	31/39	4/9

Expense Ratios – for the fiscal year ended December 31, 2008

	Total Annual Fund Operating Expenses
Janus Aspen Enterprise Portfolio – Institutional Shares	0.67%
Janus Aspen Enterprise Portfolio – Service Shares	0.92%

Visit janus.com/variable-insurance to view current performance and characteristic information

Data presented represents past performance, which is no guarantee of future results. Investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Due to market volatility, current performance may be higher or lower than the performance shown. Call 877.33JANUS(52687) or visit janus.com/variable-insurance for performance current to the most recent month-end.

The Portfolio's expense ratios shown were determined based on average net assets as of the fiscal year ended December 31, 2008. The expense information shown may include "acquired fund" fees and expenses. ("Acquired Fund" means any underlying fund (including, but not limited to, exchange-traded funds) in which the Portfolio invests or has invested in during the period.) Further information is available in the prospectus. All expenses are shown without the effect of expense offset arrangements. Pursuant to such arrangements, credits realized as a result of uninvested cash balances are used to reduce custodian and transfer agent expenses.

See important disclosures on the next page.

Janus Aspen Enterprise Portfolio (unaudited)

The Portfolio's performance may be affected by risks that include those associated with investments in specific industries or countries. Additional risks to the Portfolio may include those associated with investing in foreign securities, emerging markets, initial public offerings ("IPOs") and derivatives. Please see a Janus prospectus or janus.com/variable-insurance for more information about risks, portfolio holdings and other details.

The Portfolio may invest in derivatives which can be highly volatile and involve additional risks than if the underlying securities were held directly by the Portfolio. Such risks include gains or losses which, as a result of leverage, can be substantially greater than the derivatives' original cost. There is also a possibility that derivatives may not perform as intended which can reduce opportunity for gain or result in losses by offsetting positive returns in other securities the Portfolio owns.

These returns do not reflect the charges and expenses of any particular insurance product or qualified plan. Returns shown would have been lower had they included insurance charges.

Returns include reinvestment of dividends from net investment income and distributions from capital gains. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or the redemption of Portfolio shares. The returns do not include adjustments in accordance with generally accepted accounting principles required at the period end for financial reporting purposes.

Returns shown for Service Shares for periods prior to December 31, 1999 are derived from the historical performance of Institutional Shares, adjusted to reflect the higher operating expenses of Service Shares.

Lipper, a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments including mutual funds, retirement funds, hedge funds, fund fees and expenses to the asset management and media communities. Lipper ranks the performance of mutual funds within a classification of funds that have similar investment objectives. Rankings are historical with capital gains and dividends reinvested and do not include the effect of loads.

Lipper ranking is for the Institutional Share class only; other classes may have different performance characteristics.

September 30, 1993 is the date used to calculate the since-inception Lipper ranking, which is slightly different from when the Portfolio began operations since Lipper provides fund rankings as of the last day of the month.

There is no assurance that the investment process will consistently lead to successful investing.

See Notes to Schedule of Investments for index definitions.

The Portfolio's holdings may differ significantly from the securities held in the indices. The indices are unmanaged and are not available for direct investment; therefore, their performance does not reflect the expenses associated with the active management of an actual portfolio.

As of May 1, 2009, Janus Aspen Mid Cap Growth Portfolio changed its name to Janus Aspen Enterprise Portfolio.

See "Explanations of Charts, Tables and Financial Statements."

* The Portfolio's inception date – September 13, 1993

Portfolio Expenses

The examples below show you the ongoing costs (in dollars) of investing in your Portfolio and allow you to compare these costs with those of other mutual funds. Please refer to the section Useful Information About Your Portfolio Report for a detailed explanation of the information presented in this chart.

Expense Example – Institutional Shares	Beginning Account Value (7/1/09)	Ending Account Value (12/31/09)	Expenses Paid During Period (7/1/09-12/31/09)†
Actual	$1,000.00	$1,267.10	$3.89
Hypothetical (5% return before expenses)	$1,000.00	$1,021.78	$3.47

Expense Example – Service Shares	Beginning Account Value (7/1/09)	Ending Account Value (12/31/09)	Expenses Paid During Period (7/1/09-12/31/09)†
Actual	$1,000.00	$1,265.30	$5.31
Hypothetical (5% return before expenses)	$1,000.00	$1,020.52	$4.74

† Expenses are equal to the annualized expense ratio of 0.68% for Institutional Shares and 0.93% for Service Shares, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

Janus Aspen Enterprise Portfolio

Schedule of Investments

As of December 31, 2009

Shares		*Value*
Common Stock – 98.7%		
Advertising Sales – 1.6%		
297,721	Lamar Advertising Co. – Class A*	$ 9,256,146
Aerospace and Defense – 1.4%		
199,080	Empresa Brasileira de Aeronautica S.A. (ADR)	4,401,659
87,560	TransDigm Group, Inc.*	4,158,224
		8,559,883
Aerospace and Defense – Equipment – 1.0%		
67,205	Alliant Techsystems, Inc.*	5,932,185
Agricultural Chemicals – 1.6%		
84,945	Potash Corporation of Saskatchewan, Inc. (U.S. Shares)	9,216,533
Agricultural Operations – 0.6%		
3,496,880	Chaoda Modern Agriculture Holdings, Ltd.	3,710,461
Airlines – 1.4%		
302,723	Ryanair Holdings PLC (ADR)*,**	8,119,031
Apparel Manufacturers – 0.4%		
249,505	Burberry Group PLC	2,391,275
Applications Software – 0.4%		
64,535	Citrix Systems, Inc.*	2,685,301
Auction House – Art Dealer – 1.0%		
265,725	Ritchie Bros. Auctioneers, Inc. (U.S. Shares)	5,960,212
Batteries and Battery Systems – 0.9%		
84,395	Energizer Holdings, Inc.*	5,171,726
Casino Hotels – 1.0%		
853,008	Crown, Ltd.**	6,112,936
Commercial Services – 0.5%		
77,695	CoStar Group, Inc.*	3,245,320
Commercial Services – Finance – 2.3%		
142,455	Global Payments, Inc.	7,672,626
102,433	Interactive Data Corp.	2,591,555
102,065	Paychex, Inc.	3,127,272
		13,391,453
Computer Aided Design – 0.4%		
49,825	ANSYS, Inc.*	2,165,395
Computer Services – 1.5%		
159,016	IHS, Inc. – Class A*	8,715,667
Computers – 1.2%		
35,013	Apple, Inc.*	7,382,841
Consulting Services – 0.6%		
199,749	Gartner, Inc.*	3,603,472
Containers – Metal and Glass – 2.6%		
144,151	Ball Corp.	7,452,607
249,942	Owens-Illinois, Inc.*	8,215,593
		15,668,200
Decision Support Software – 1.9%		
348,265	MSCI, Inc.*	11,074,827
Distribution/Wholesale – 3.2%		
146,745	Fastenal Co.	6,110,462
3,077,860	Li & Fung, Ltd.	12,666,215
		18,776,677
Electric Products – Miscellaneous – 0.8%		
129,655	AMETEK, Inc.	4,958,007
Electronic Components – Miscellaneous – 1.4%		
335,675	Tyco Electronics, Ltd. (U.S. Shares)	$ 8,240,821
Electronic Components – Semiconductors – 0.9%		
1,917,161	ARM Holdings PLC	5,480,050
Electronic Connectors – 2.4%		
305,045	Amphenol Corp. – Class A	14,086,978
Electronic Measuring Instruments – 1.8%		
429,499	Trimble Navigation, Ltd.*	10,823,375
Enterprise Software/Services – 0.8%		
202,645	CA, Inc.	4,551,407
Entertainment Software – 0.4%		
134,685	Electronic Arts, Inc.*	2,390,659
Fiduciary Banks – 0.7%		
78,398	Northern Trust Corp.	4,108,055
Finance – Other Services – 0.9%		
15,643	CME Group, Inc.	5,255,266
Instruments – Controls – 0.7%		
37,695	Mettler-Toledo International, Inc.*	3,957,598
Instruments – Scientific – 1.7%		
206,046	Thermo Fisher Scientific, Inc.*	9,826,334
Internet Security – 1.8%		
604,915	Symantec Corp.*	10,821,929
Investment Management and Advisory Services – 2.0%		
83,324	Eaton Vance Corp.	2,533,883
380,880	National Financial Partners Corp.*	3,081,319
119,086	T. Rowe Price Group, Inc.	6,341,330
		11,956,532
Machinery – General Industrial – 1.7%		
196,600	Roper Industries, Inc.	10,295,942
Medical – Biomedical and Genetic – 6.4%		
334,945	Celgene Corp.*,**	18,649,737
52,105	Genzyme Corp.*	2,553,666
135,642	Gilead Sciences, Inc.*	5,870,585
70,980	Millipore Corp.*	5,135,403
130,920	Myriad Genetics, Inc.*	3,417,012
60,500	Vertex Pharmaceuticals, Inc.*	2,592,425
		38,218,828
Medical – Drugs – 0.7%		
70,220	Shire PLC (ADR)	4,121,914
Medical Information Systems – 0.4%		
52,255	Athenahealth, Inc.*	2,364,016
Medical Instruments – 2.7%		
317,830	St. Jude Medical, Inc.*	11,689,787
59,060	Techne Corp.	4,049,154
		15,738,941
Medical Products – 4.7%		
245,980	Covidien PLC (U.S. Shares)**	11,779,981
101,810	Henry Schein, Inc.*	5,355,206
229,820	Varian Medical Systems, Inc.*	10,767,067
		27,902,254
Metal Processors and Fabricators – 1.7%		
90,260	Precision Castparts Corp.	9,960,191
Networking Products – 1.0%		
224,050	Juniper Networks, Inc.*	5,975,414

See Notes to Schedule of Investments and Financial Statements.

Janus Aspen Enterprise Portfolio

Schedule of Investments

As of December 31, 2009

Shares		Value
Oil Companies – Exploration and Production – 3.1%		
72,184	EOG Resources, Inc.	$ 7,023,503
228,595	Ultra Petroleum Corp. (U.S. Shares)*	11,397,747
		18,421,250
Oil Companies – Integrated – 1.0%		
101,015	Hess Corp.	6,111,408
Oil Field Machinery and Equipment – 0.9%		
164,770	Dresser-Rand Group, Inc.*	5,208,380
Physical Practice Management – 0.3%		
27,341	Mednax, Inc.*	1,643,468
Pipelines – 1.7%		
186,872	Kinder Morgan Management LLC*	10,210,686
Printing – Commercial – 1.4%		
146,548	VistaPrint NV (U.S. Shares)**	8,303,410
Real Estate Management/Services – 1.4%		
134,117	Jones Lang LaSalle, Inc.	8,100,667
Reinsurance – 1.6%		
2,807	Berkshire Hathaway, Inc. – Class B*	9,223,802
Retail – Apparel and Shoe – 0.7%		
244,500	American Eagle Outfitters, Inc.	4,151,610
Retail – Automobile – 0.7%		
119,585	Copart, Inc.*	4,380,399
Retail – Office Supplies – 0.8%		
198,140	Staples, Inc.	4,872,263
Retail – Regional Department Stores – 0.8%		
82,830	Kohl's Corp.*	4,467,022
Semiconductor Components/Integrated Circuits – 2.2%		
2,870,825	Atmel Corp.*	13,234,503
Semiconductor Equipment – 2.0%		
323,242	KLA-Tencor Corp.	11,688,431
Telecommunication Equipment – 0.8%		
178,460	CommScope, Inc.*	4,734,544
Telecommunication Equipment – Fiber Optics – 0.7%		
227,140	Corning, Inc.	4,386,073
Telecommunication Services – 4.3%		
389,037	Amdocs, Ltd. (U.S. Shares)	11,099,225
279,301	SAVVIS, Inc.*	3,924,179
627,945	tw telecom, inc.*	10,762,977
		25,786,381
Toys – 1.3%		
393,581	Mattel, Inc.	7,863,748
Transactional Software – 1.4%		
233,880	Solera Holdings, Inc.	8,422,019
Transportation – Railroad – 1.3%		
140,875	Canadian National Railway Co. (U.S. Shares)	7,657,965
Transportation – Services – 2.0%		
108,015	C.H. Robinson Worldwide, Inc.	6,343,721
153,322	Expeditors International of Washington, Inc.	5,324,873
		11,668,594
Transportation – Truck – 1.0%		
151,560	Landstar System, Inc.	5,875,981
Vitamins and Nutrition Products – 0.7%		
93,910	Mead Johnson Nutrition Co. – Class A	4,103,867
Web Hosting/Design – 1.5%		
81,618	Equinix, Inc.*	$ 8,663,751
Wireless Equipment – 4.0%		
604,100	Crown Castle International Corp.*	23,584,063
Total Common Stock (cost $456,164,150)		584,938,337
Money Market – 1.6%		
9,590,021	Janus Cash Liquidity Fund LLC, 0% (cost $9,590,021)	9,590,021
Total Investments (total cost $465,754,171) – 100.3%		594,528,358
Liabilities, net of Cash, Receivables and Other Assets – (0.3)%		(1,612,597)
Net Assets – 100%		$592,915,761

Summary of Investments by Country – (Long Positions)

Country	Value	% of Investment Securities
Australia	$ 6,112,936	1.0%
Bermuda	12,666,215	2.1%
Brazil	4,401,659	0.7%
Canada	34,232,456	5.8%
Cayman Islands	3,710,461	0.6%
Guernsey	11,099,225	1.9%
Ireland	19,899,013	3.4%
Jersey	4,121,914	0.7%
Netherlands	8,303,410	1.4%
Switzerland	8,240,821	1.4%
United Kingdom	7,871,325	1.3%
United States††	473,868,923	79.7%
Total	$594,528,358	100.0%

†† Includes Cash Equivalents (78.1% excluding Cash Equivalents).

Forward Currency Contracts, Open

Currency Sold and Settlement Date	Currency Units Sold	Currency Value in U.S. $	Unrealized Gain/(Loss)
Australian Dollar 1/14/10	1,320,000	$ 1,185,560	$ 20,656
Australian Dollar 1/21/10	2,400,000	2,153,789	79,723
Australian Dollar 2/4/10	2,665,000	2,387,759	21,161
Euro 1/14/10	100,000	143,458	5,548
Euro 1/21/10	2,881,387	4,133,523	182,276
Euro 2/4/10	1,450,000	2,080,060	59,038
Total		$12,084,149	$368,402

See Notes to Schedule of Investments and Financial Statements.

Statement of Assets and Liabilities

As of December 31, 2009 (all numbers in thousands except net asset value per share)	Janus Aspen Enterprise Portfolio(1)
Assets:	
Investments at cost	$ 465,754
Unaffiliated investments at value	$ 584,938
Affiliated money market investments	9,590
Cash	–
Receivables:	
Investments sold	389
Portfolio shares sold	74
Dividends	278
Non-interested Trustees' deferred compensation	15
Other assets	10
Forward currency contracts	368
Total Assets	595,662
Liabilities:	
Payables:	
Investments purchased	1,208
Portfolio shares repurchased	1,080
Advisory fees	318
Transfer agent fees and expenses	1
Distribution fees and shareholder servicing fees – Service Shares	46
Non-interested Trustees' fees and expenses	2
Non-interested Trustees' deferred compensation fees	15
Accrued expenses and other payables	76
Total Liabilities	2,746
Net Assets	$ 592,916
Net Assets Consist of:	
Capital (par value and paid-in surplus)*	$ 656,987
Undistributed net investment income/(loss)*	224
Undistributed net realized gain/(loss) from investments and foreign currency transactions*	(193,436)
Unrealized appreciation/(depreciation) of investments, foreign currency translations and non-interested Trustees' deferred compensation	129,141
Total Net Assets	$ 592,916
Net Assets – Institutional Shares	$ 371,092
Shares Outstanding, $0.001 Par Value (unlimited shares authorized)	12,052
Net Asset Value Per Share	$ 30.79
Net Assets – Service Shares	$ 221,824
Shares Outstanding, $0.001 Par Value (unlimited shares authorized)	7,419
Net Asset Value Per Share	$ 29.90

* See Note 5 in the Notes to the Financial Statements.
(1) Formerly named Janus Aspen Mid Cap Growth Portfolio.

See Notes to Financial Statements.

Statement of Operations

For the fiscal year ended December 31, 2009 *(all numbers in thousands)*	*Janus Aspen Enterprise Portfolio(1)*
Investment Income:	
Interest	$ 19
Dividends	3,623
Dividends from affiliates	12
Foreign tax withheld	(44)
Total Investment Income	3,610
Expenses:	
Advisory fees	3,254
Transfer agent fees and expenses	5
Registration fees	36
Audit fees	45
Custodian fees	29
Non-interested Trustees' fees and expenses	17
Distribution fees and shareholder servicing fees – Service Shares	492
Other expenses	162
Non-recurring costs (Note 4)	–
Costs assumed by Janus Capital Management LLC (Note 4)	–
Total Expenses	4,040
Expense and Fee Offset	–
Net Expenses	4,040
Net Investment Income/(Loss)	(430)
Net Realized and Unrealized Gain/(Loss) on Investments:	
Net realized gain/(loss) from investment and foreign currency transactions	(82,369)
Change in unrealized net appreciation/(depreciation) of investments, foreign currency translations and non-interested Trustees' deferred compensation	273,818
Net Gain/(Loss) on Investments	191,449
Net Increase/(Decrease) in Net Assets Resulting from Operations	$191,019

(1) Formerly named Janus Aspen Mid Cap Growth Portfolio.

See Notes to Financial Statements.

Statements of Changes in Net Assets

For the fiscal year ended December 31, 2009 *(all numbers in thousands)*	*Janus Aspen Enterprise Portfolio(1)* *2009*	*2008*
Operations:		
Net investment income/(loss)	$ (430)	$ 1,677
Net realized gain/(loss) from investment and foreign currency transactions	(82,369)	57,135
Change in unrealized net appreciation/(depreciation) of investments, foreign currency translations and non-interested Trustees' deferred compensation	273,818	(446,761)
Net Increase/(Decrease) in Net Assets Resulting from Operations	191,019	(387,949)
Dividends and Distributions to Shareholders:		
Net investment income*		
Institutional Shares	–	(1,113)
Service Shares	–	(189)
Net realized gain/(loss) from investment transactions*		
Institutional Shares	–	(26,158)
Service Shares	–	(17,656)
Net Decrease from Dividends and Distributions	–	(45,116)
Capital Share Transactions:		
Shares sold		
Institutional Shares	29,154	45,996
Service Shares	29,876	82,855
Reinvested dividends and distributions		
Institutional Shares	–	27,271
Service Shares	–	16,957
Shares repurchased		
Institutional Shares	(54,964)	(101,908)
Service Shares	(67,362)	(107,899)
Net Increase/(Decrease) from Capital Share Transactions	(63,296)	(36,728)
Net Increase/(Decrease) in Net Assets	127,723	(469,793)
Net Assets:		
Beginning of period	465,193	934,986
End of period	$592,916	$ 465,193
Undistributed net investment income/(loss)*	$ 224	$ 241

* See Note 5 in Notes to Financial Statements
(1) Formerly named Janus Aspen Mid Cap Growth Portfolio.

See Notes to Financial Statements.

Financial Highlights

Institutional Shares

For a share outstanding each fiscal year ended December 31

	Janus Aspen Enterprise Portfolio[1]				
	2009	*2008*	*2007*	*2006*	*2005*
Net Asset Value, Beginning of Period	$21.26	$39.96	$32.97	$29.02	$25.84
Income from Investment Operations:					
Net investment income/(loss)	.05	.13	.12	.03	.08
Net gain/(loss) on investments (both realized and unrealized)	9.48	(16.82)	7.15	3.92	3.10
Total from Investment Operations	9.53	(16.69)	7.27	3.95	3.18
Less Distributions:					
Dividends (from net investment income)*	–	(.08)	(.08)	–	–
Distributions (from capital gains)*	–	(1.93)	(.20)	–	–
Total Distributions	–	(2.01)	(.28)	–	–
Net Asset Value, End of Period	$30.79	$21.26	$39.96	$32.97	$29.02
Total Return	44.83%	(43.75)%	22.10%	13.61%	12.31%
Net Assets, End of Period (in thousands)	$371,092	$279,088	$565,996	$523,173	$532,085
Average Net Assets for the Period (in thousands)	$311,752	$453,662	$550,938	$525,467	$706,963
Ratio of Gross Expenses to Average Net Assets[2][3]	0.70%	0.67%	0.68%	0.69%	0.67%
Ratio of Net Expenses to Average Net Assets[3]	0.70%	0.67%	0.68%	0.69%	0.67%
Ratio of Net Investment Income/(Loss) to Average Net Assets	0.02%	0.32%	0.27%	(0.03)%	(0.01)%
Portfolio Turnover Rate	36%	60%	45%	41%	32%

Service Shares

For a share outstanding each fiscal year ended December 31

	Janus Aspen Enterprise Portfolio[1]				
	2009	*2008*	*2007*	*2006*	*2005*
Net Asset Value, Beginning of Period	$20.70	$38.97	$32.19	$28.41	$25.36
Income from Investment Operations:					
Net investment income/(loss)	(.09)	.02	.04	(.09)	(.05)
Net gain/(loss) on investments (both realized and unrealized)	9.29	(16.34)	6.96	3.87	3.10
Total from Investment Operations	9.20	(16.32)	7.00	3.78	3.05
Less Distributions:					
Dividends (from net investment income)*	–	(.02)	(.02)	–	–
Distributions (from capital gains)*	–	(1.93)	(.20)	–	–
Total Distributions	–	(1.95)	(.22)	–	–
Net Asset Value, End of Period	$29.90	$20.70	$38.97	$32.19	$28.41
Total Return	44.44%	(43.88)%	21.80%	13.31%	12.03%
Net Assets, End of Period (in thousands)	$221,824	$186,105	$368,990	$254,484	$256,225
Average Net Assets for the Period (in thousands)	$196,683	$300,898	$300,362	$253,611	$244,487
Ratio of Gross Expenses to Average Net Assets[2][3]	0.95%	0.92%	0.93%	0.94%	0.92%
Ratio of Net Expenses to Average Net Assets[3]	0.95%	0.92%	0.93%	0.94%	0.92%
Ratio of Net Investment Income/(Loss) to Average Net Assets	(0.25)%	0.07%	0.01%	(0.28)%	(0.23)%
Portfolio Turnover Rate	36%	60%	45%	41%	32%

* See Note 5 in Notes to Financial Statements.
(1) Formerly named Janus Aspen Mid Cap Growth Portfolio.
(2) The effect of non-recurring costs assumed by Janus Capital (Note 4) is included in the ratio of gross expenses to average net assets and was less than 0.01%.
(3) See "Explanations of Charts, Tables and Financial Statements."

See Notes to Financial Statements.

Notes to Schedule of Investments

Lipper Variable Annuity Multi-Cap Growth Funds	Funds that, by portfolio practice, invest in a variety of market capitalization ranges without concentrating more than 75% of their equity assets in any one market capitalization range over an extended period of time. Multi-cap funds typically have between 25% to 75% of their assets invested in companies with market capitalizations (on a three-year weighted basis) above 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. Multi-cap growth funds typically have an above-average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SuperComposite 1500 Index.
Russell Midcap® Growth Index	Measures the performance of those Russell Midcap® Index companies with higher price-to-book ratios and higher forecasted growth values.
S&P MidCap 400 Index	An unmanaged group of 400 domestic stocks chosen for their market size, liquidity and industry group representation.
ADR	American Depositary Receipt
PLC	Public Limited Company
U.S. Shares	Securities of foreign companies trading on an American Stock Exchange.

* Non-income producing security.

** A portion of this security has been segregated by the custodian to cover margin or segregation requirements on open futures contracts, forward currency contracts, options contracts, short sales, swap agreements and/or securities with extended settlement dates.

The following is a summary of the inputs that were used to value the Portfolio's investments in securities and other financial instruments as of December 31, 2009. See Notes to Financial Statements for more information.

Valuation Inputs Summary (as of December 31, 2009)

	Level 1 – Quoted Prices	*Level 2 – Other Significant Observable Inputs*	*Level 3 – Significant Unobservable Inputs*
Investments in Securities:			
Janus Aspen Enterprise Portfolio*			
Common Stock			
Aerospace and Defense	$ 4,158,224	$ 4,401,659	$–
Agricultural Operations	–	3,710,461	–
Airlines	–	8,119,031	–
Apparel Manufacturers	–	2,391,275	–
Casino Hotels	–	6,112,936	–
Distribution/Wholesale	6,110,462	12,666,215	–
Electronic Components – Semiconductors	–	5,480,050	–
Medical – Drugs	–	4,121,914	–
All Other	527,666,110	–	–
Money Market	–	9,590,021	–
Total Investments in Securities	$537,934,796	$56,593,562	$–
Other Financial Instruments(a):			
Foreign Currency Contracts, Open	$ –	$ 368,402	$–

* Formerly named Janus Aspen Mid Cap Growth Portfolio.

(a) Other financial instruments include futures, forward currency, written option, and swap contracts. Forward currency contracts and swap contracts are reported at their unrealized appreciation/(depreciation) at measurement date, which represents the change in the contract's value from trade date. Futures are reported at their variation margin at measurement date, which represents the amount due to/from the Portfolio at that date. Options are reported at their market value at measurement date.

Aggregate collateral segregated to cover margin or segregation requirements on open futures contracts, forward currency contracts, option contracts, short sales, swap agreements, and/or securities with extended settlement dates as of December 31, 2009 is noted below.

Portfolio	*Aggregate Value*
Janus Aspen Enterprise Portfolio(1)	$39,326,558

(1) Formerly named Janus Aspen Mid Cap Growth Portfolio.

Notes to Financial Statements

The following section describes the organization and significant accounting policies and provides more detailed information about the schedules and tables that appear throughout this report. In addition, the Notes to Financial Statements explain the methods used in preparing and presenting this report.

1. Organization and Significant Accounting Policies

Janus Aspen Enterprise Portfolio (formerly named Janus Aspen Mid Cap Growth Portfolio) (the "Portfolio") is a series fund. The Portfolio is part of Janus Aspen Series (the "Trust"), which is organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end management investment company. The Trust includes fourteen Portfolios which include multiple series of shares, with differing investment objectives and policies. The Portfolio invests primarily in common stocks. The Portfolio is classified as diversified, as defined in the 1940 Act. The Portfolio is a no-load investment.

The Portfolio currently offers two classes of shares: Institutional Shares and Service Shares. Institutional Shares are offered only in connection with investment in and payments under variable insurance contracts and to qualified retirement plans. Service Shares are offered only in connection with investment in and payments under variable insurance contracts and to qualified retirement plans that require a fee from Portfolio assets to procure distribution and administrative services to contract owners and plan participants.

The following accounting policies have been followed by the Portfolio and are in conformity with accounting principles generally accepted in the United States of America within the investment management industry.

Investment Valuation

Securities are valued at the last sales price or the official closing price for securities traded on a principal securities exchange (U.S. or foreign) and on the NASDAQ National Market. Securities traded on over-the-counter markets and listed securities for which no sales are reported are valued at the latest bid price (or yield equivalent thereof) obtained from one or more dealers transacting in a market for such securities or by a pricing service approved by the Portfolio's Trustees. Short-term securities with maturities of 60 days or less may be valued at amortized cost, which approximates market value. Debt securities with a remaining maturity of greater than 60 days are valued in accordance with the evaluated bid price supplied by the pricing service. The evaluated bid price supplied by the pricing service is an evaluation that reflects such factors as security prices, yields, maturities and ratings. Short positions shall be valued in accordance with the same methodologies, except that in the event that a last sale price is not available, the latest ask price shall be used instead of a bid price. Foreign securities and currencies are converted to U.S. dollars using the applicable exchange rate in effect as of the daily close of the New York Stock Exchange ("NYSE"). When market quotations are not readily available or deemed unreliable, or events or circumstances that may affect the value of portfolio securities held by the Portfolio are identified between the closing of their principal markets and the time the net asset value ("NAV") is determined, securities may be valued at fair value as determined in good faith under procedures established by and under the supervision of the Portfolio's Trustees. Circumstances in which fair value pricing may be utilized include, but are not limited to: (i) a significant event that may affect the securities of a single issuer, such as a merger, bankruptcy, or significant issuer-specific development; (ii) an event that may affect an entire market, such as a natural disaster or significant governmental action; (iii) a non-significant event such as a market closing early or not opening, or a security trading halt; and (iv) pricing of a non-valued security and a restricted or non-public security. The Portfolio may use a systematic fair valuation model provided by an independent pricing service to value foreign equity securities in order to adjust for stale pricing, which may occur between the close of certain foreign exchanges and the NYSE. Restricted and illiquid securities are valued in accordance with procedures established by the Portfolio's Trustees.

Investment Transactions and Investment Income

Investment transactions are accounted for as of the date purchased or sold (trade date). Dividend income is recorded on the ex-dividend date. Certain dividends from foreign securities will be recorded as soon as the Trust is informed of the dividend, if such information is obtained subsequent to the ex-dividend date. Dividends from foreign securities may be subject to withholding taxes in foreign jurisdictions. Interest income is recorded on the accrual basis and includes amortization of premiums and accretion of discounts. Gains and losses are determined on the identified cost basis, which is the same basis used for federal income tax purposes. Income, as well as gains and losses, both realized and unrealized, are allocated daily to each class of shares based upon the ratio of net assets represented by each class as a percentage of total net assets.

Expenses

The Portfolio bears expenses incurred specifically on its behalf, as well as a portion of general expenses, which may be allocated pro rata to the Portfolio. Each class of shares bears expenses incurred specifically on its behalf and, in addition, each class bears a portion of general expenses, which are allocated daily to each class of shares based upon the ratio of net assets represented by each class as a percentage of total net assets. Expenses directly attributable to a specific class of shares are charged against the operations of such class.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Foreign Currency Translations

The Portfolio does not isolate that portion of the results of operations resulting from the effect of changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held at the date of the financial statements. Net unrealized appreciation or depreciation of investments and foreign currency translations arise from changes in the value of assets and liabilities, including investments in securities held at the date of the financial statements, resulting from changes in the exchange rates and changes in market prices of securities held.

Currency gains and losses are also calculated on payables and receivables that are denominated in foreign currencies. The payables and receivables are generally related to foreign security transactions and income.

Foreign currency-denominated assets and forward currency contracts may involve more risks than domestic transactions, including currency risk, political and economic risk, regulatory risk and market risk. Risks may arise from the potential inability of a counterparty to meet the terms of a contract and from unanticipated movements in the value of foreign currencies relative to the U.S. dollar.

Dividend Distributions

The Portfolio may make semiannual distributions of substantially all of its investment income and an annual distribution of its net realized capital gains (if any). Dividends and net realized capital gains distributions from the Portfolio may be automatically reinvested into additional shares of the Portfolio, based on the discretion of the shareholder.

Federal Income Taxes

No provision for income taxes is included in the accompanying financial statements, as the Portfolio intends to distribute to shareholders all taxable investment income and realized gains and otherwise comply with Subchapter M of the Internal Revenue Code applicable to regulated investment companies.

In accordance with the Financial Accounting Standards Board ("FASB") guidance, the Portfolio adopted the provisions of "Income Taxes". These provisions require an evaluation of tax positions taken (or expected to be taken) in the course of preparing the Portfolio's tax returns to determine whether these positions meet a "more-likely-than-not" standard that, based on the technical merits, have a more than fifty percent likelihood of being sustained by a taxing authority upon examination. A tax position that meets the "more-likely-than-not" recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The Portfolio recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense on the Statement of Operations.

These provisions require management of the Portfolio to analyze all open tax years, as defined by the Statute of Limitations, for all major jurisdictions, including federal tax authorities and certain state tax authorities. As of and during the fiscal year ended December 31, 2009, the Portfolio did not have a liability for any unrecognized tax benefits. The Portfolio has no examinations in progress and is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

Valuation Inputs Summary

In accordance with FASB guidance, the Portfolio utilizes the "Fair Value Measurements and Disclosures" to define fair value, establish a framework for measuring fair value, and expand disclosure requirements regarding fair value measurements. The Fair Value Measurement Standard does not require new fair value measurements, but is applied to the extent that other accounting pronouncements require or permit fair value measurements. This standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. Various inputs are used in determining the value of the Portfolio's investments defined pursuant to this standard. These inputs are summarized into three broad levels:

Level 1 – Quoted prices in active markets for identical securities.

Level 2 – Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others.

Level 3 – Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used as of December 31, 2009 to value the Portfolio's investments in securities and other financial instruments is included in the "Valuation Inputs Summary" and "Level 3 Valuation Reconciliation of Assets" (if applicable) in the Notes to Schedule of Investments.

In April 2009, FASB issued "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly," which provides additional guidance for estimating fair value in accordance with Fair Value Measurements when the volume and level of activity for the asset or liability have significantly decreased as well as guidance on identifying circumstances that indicate a transaction is not orderly. Additionally, it amends the Fair Value Measurement Standard by expanding disclosure requirements for reporting entities surrounding the major categories of assets and liabilities carried at fair value. The required disclosures have been incorporated into the "Valuation Inputs Summary" on the Notes to Schedule of Investments. Management believes applying this guidance does not have a material impact on the financial statements.

2. Derivative Instruments

The Portfolio may invest in various types of derivatives which may at times result in significant derivative exposure. A derivative is a financial instrument whose performance is derived from the performance of another asset. The Portfolio may invest in derivative instruments including, but not limited to: futures contracts, put options, call options, options on future contracts, options on foreign currencies, swaps, forward contracts, structured investments, and other equity-linked derivatives.

The Portfolio may use derivative instruments for hedging (to offset risks associated with an investment, currency exposure, or market conditions) or for speculative (to seek to enhance returns) purposes. When the Portfolio invests in a derivative for speculative purposes, the Portfolio will be fully exposed to the risks of loss of that derivative, which may sometimes be greater than the cost of the derivative. The Portfolio may not use any derivative to gain exposure to an asset or class of assets prohibited by its investment restrictions from purchasing directly. The Portfolio's ability to use derivative instruments may also be limited by tax considerations.

Investments in derivatives are generally subject to market risks that may cause their prices to fluctuate over time. Investments in derivatives may not directly correlate with the price movements of the underlying instrument. As a result, the use of derivatives may expose the Portfolio to additional risks that it would not be subject to if it invested directly in the securities underlying those derivatives. The use of derivatives may result in larger losses or smaller gains than otherwise would be the case. Derivatives can be volatile and may involve significant risks, including credit risk, currency risk, leverage risk, liquidity risk, and index risk.

Derivatives may generally be traded over-the-counter ("OTC") or on an exchange. Exchange-traded derivatives, such as futures contracts, are regulated and the terms of the options are standardized. Derivatives traded OTC, such as swap contracts, are agreements that are individually negotiated between parties and can be tailored to meet a purchaser's needs. OTC derivatives are not guaranteed by a clearing agency and may be subject to increased counterparty credit risk.

In an effort to mitigate credit risk associated with derivatives traded OTC, the Portfolio may enter into collateral agreements with certain counterparties whereby, subject to certain minimum exposure requirements, the Portfolio may require the counterparty to post collateral if the Portfolio has a net aggregate unrealized gain on all OTC derivative contracts with a particular counterparty. There is no guarantee that counterparty exposure is reduced and these arrangements are dependent on Janus Capital's ability to establish and maintain appropriate systems and trading.

Equity-Linked Structured Notes

The Portfolio may invest in equity-linked structured notes. Equity-linked structured notes are derivative securities which are specially designed to combine the characteristics of one or more underlying securities and their equity derivatives in a single note form. The return and/or yield or income component may be based on the performance of the underlying equity securities, an equity index, and/or option positions. Equity-linked structured notes are typically offered in limited transactions by financial institutions in either registered or non-registered form. An investment in equity-linked structured notes creates exposure to the credit risk of the issuing financial institution, as well as to the market risk of the underlying securities. There is no guaranteed return of principal with these securities and the appreciation potential of these securities may be limited by a maximum payment or call right. In certain cases, equity-linked structured notes may be more volatile and less liquid than less complex securities or other types of fixed-income securities. Such securities may exhibit price behavior that does not correlate with other fixed-income securities.

Forward Foreign Currency Exchange Contracts

A forward foreign currency exchange contract ("forward currency contract") is a commitment to purchase or sell a foreign currency at a future date at a negotiated rate. The Portfolio may enter into forward currency contracts for hedging purposes, including, but not limited to, reducing exposure to changes in foreign currency exchange rates on foreign portfolio holdings and locking in the U.S. dollar cost of firm purchase and sale commitments for securities denominated in or exposed to foreign currencies. The Portfolio may also invest in forward currency contracts for nonhedging purposes such as seeking to enhance returns. The Portfolio is subject to foreign currency risk in the normal course of pursuing its investment objective through its investments in forward currency contracts.

Unrealized appreciation/(depreciation) on open forward currency contracts is recorded as an asset or a liability on the Statement of Assets and Liabilities (if applicable). The gain or loss arising from the difference between the U.S. dollar cost of the original contract and the value of the foreign currency in U.S. dollars upon closing a contract is included in "Net realized gain/(loss) from investment and foreign currency transactions" on the Statement of Operations (if applicable).

Forward currency contracts held by the Portfolio are fully collateralized by other securities, which are denoted on the accompanying Schedule of Investments (if applicable). The collateral is evaluated daily to ensure its market value equals or exceeds the current market value of the corresponding forward currency contracts. Such collateral is in the possession of the Portfolio's custodian.

Futures Contracts

A futures contract is an exchange-traded agreement to take or make delivery of an underlying asset at a specific time in the future for a specific predetermined negotiated price. The Portfolio may enter into futures contracts to gain exposure to the stock market pending investment of cash balances or to meet liquidity needs. The Portfolio is subject to interest rate risk, market risk, and currency risk in the normal course of pursuing its investment objective through its investments in futures contracts. The Portfolio may also use such derivative instruments to hedge or protect from adverse movements in securities prices, currency rates or interest rates. The use of futures contracts may involve risks such as the possibility of illiquid markets or imperfect correlation between the values of the contracts and the underlying securities, or that the counterparty will fail to perform its obligations.

Futures contracts are marked-to-market daily, and the daily variation margin is recorded as a receivable or payable on the Statement of Assets and Liabilities (if applicable). When a contract is closed, a realized gain or loss is recorded as "Net realized gain/(loss) from futures contracts" on the Statement of Operations (if applicable), equal to the difference between the opening and closing value of the contract. Generally, futures contracts are marked-to-market (i.e., treated as realized and subject to distribution) for federal income tax purposes at fiscal year-end. Securities held by the Portfolio that are designated as collateral for market value on futures contracts are noted on the Schedule of Investments (if applicable). Such collateral is in the possession of the Portfolio's custodian or with the counterparty broker.

With futures, there is minimal counterparty credit risk to the Portfolio since futures are exchange-traded and the exchange's clearinghouse, as counterparty to all exchange-traded futures, guarantees the futures against default.

Options Contracts

An options contract provides the purchaser with the right, but not the obligation to buy (call option) or sell (put option) a financial instrument at an agreed upon price. The Portfolio may purchase or write covered and uncovered put and call options on futures contracts and on portfolio securities for hedging purposes or as a substitute for an investment. The Portfolio is subject to interest rate risk, liquidity risk, market risk, and currency risk in the normal course of pursuing its investment objective through its investments in options contracts. The Portfolio may use option contracts to hedge against changes in interest rates, the values of equities, or foreign currencies. The Portfolio may utilize American-style and European-style options. An American-style option is an option contract that can be exercised at any time between the time of purchase and the option's expiration date. A European-style option is an option contract that can only be exercised on the option's expiration date. The Portfolio may also purchase or write put and call options on foreign currencies in a manner similar to that in which futures or forward contracts on foreign currencies will be utilized. The Portfolio may also invest in long-term equity anticipation securities, which are long-term option contracts that can be maintained for a period of up to three years. The Portfolio generally invests in options to hedge against adverse movements in the value of portfolio holdings.

When an option is written, the Portfolio receives a premium and becomes obligated to sell or purchase the underlying security at a fixed price, upon exercise of the option. In writing an option, the Portfolio bears the market risk of an unfavorable change in the price of the security underlying the written option. Exercise of an option written by the Portfolio could result in the Portfolio buying or selling a security at a price different from the current market value.

When an option is exercised, the proceeds on sales for a written call option, the purchase cost for a written put option, or the cost of the security for a purchased put or call option are adjusted by the amount of premium received or paid.

The Portfolio may also purchase and write exchange-listed and over-the-counter put and call options on domestic securities indices, and on foreign securities indices listed on domestic and foreign securities exchanges. Options on securities indices are similar to options on securities except that (1) the expiration cycles of securities index options are monthly, while those of securities options are currently quarterly, and (2) the delivery requirements are different. Instead of giving the right to take or make delivery of securities at a specified price, an option on a securities index gives the holder the right to receive a cash "exercise settlement amount" equal to (a) the amount, if any, by which the fixed exercise price of the option exceeds (in the case of a put) or is less than (in the case of a call) the closing value of the underlying index on the date of exercise, multiplied by (b) a fixed "index multiplier." Receipt of this cash amount will depend upon the closing level of the securities index upon which the option is based being greater than, in the case of a call, or less than, in the case of a put, the exercise price of the index and the exercise price of the option times a specified multiple. The writer of the option is obligated, in return for the premium received, to make delivery of this amount.

Options traded on an exchange are regulated and the terms of the options are standardized. Options traded over-the-counter expose the Portfolio to counterparty risk in the event that the counterparty does not perform. This risk is mitigated by having a netting arrangement between the Portfolio and the counterparty and by having the counterparty post collateral to cover the Portfolio's exposure to the counterparty.

Holdings of the Portfolio designated to cover outstanding written options are noted on the Schedule of Investments (if applicable). Options written are reported as a liability on the Statement of Assets and Liabilities as "Options written at value" (if applicable).

Realized gains and losses are reported as "Net realized gain/(loss) from options contracts" on the Statement of Operations (if applicable).

The risk in writing call options is that the Portfolio gives up the opportunity for profit if the market price of the security increases and the options are exercised. The risk in writing put options is that the Portfolio may incur a loss if the market price of the security decreases and the options are exercised. The risk in buying options is that the Portfolio pays a premium whether or not the options are exercised. The use of such instruments may involve certain additional risks as a result of unanticipated movements in the market. A lack of correlation between the value of an instrument underlying an option and the asset being hedged, or unexpected adverse price movements, could render the Portfolio's hedging strategy unsuccessful. In addition, there can be no assurance that a liquid secondary market will exist for any option purchased or sold. There is no limit to the loss the Portfolio may recognize due to written call options.

Other Options

In addition to the option strategies described above, the Portfolio may purchase and sell a variety of options with non-standard payout structures or other features ("exotic options"). Exotic options are traded OTC and typically have price movements that can vary markedly from simple put or call options. The risks associated with exotic options are that they cannot be as easily priced and may be subject to liquidity risk. While some exotic options have fairly active markets others are mostly thinly traded instruments. Some options are pure two-party transactions and may have no liquidity. The Portfolio may treat such instruments as illiquid and will limit its investments in such instruments to no more than 15% of the Portfolio's net assets, when combined with all other illiquid investments of the Portfolio. A Portfolio may use exotic options to the extent that they are consistent with the Portfolio's investment objective and investment policies, and applicable regulations.

The Portfolio may purchase and sell exotic options that have values which are determined by the correlation of two or more underlying assets. These types of options include but are not limited to outperformance options, yield curve options or other spread options.

Swaps

A swap is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset. The Portfolio may utilize swap agreements as a means to gain exposure to certain common stocks and/or to "hedge" or protect its portfolio from adverse movements in securities prices or interest rates. The Portfolio is subject to market risk and interest rate risk in the normal course of pursuing its investment objective through investments in swap contracts. Swap agreements entail the risk that a party will default on its payment obligation to the Portfolio. If the other party to a swap defaults, the Portfolio would risk the loss of the net amount of the payments that it contractually is entitled to receive. If the Portfolio utilizes a swap at the wrong time or judges market conditions incorrectly, the swap may result in a loss to the Portfolio and reduce the Portfolio's total return. Swap contracts of the Portfolio are reported as an asset or liability on the Statement of Assets and Liabilities (if applicable). Realized gains and losses of the Portfolio are reported in "Net realized gain/(loss) from swap contracts" on the Statement of Operations (if applicable).

Various types of swaps such as credit default (funded and unfunded), equity, interest rate, and total return swaps are described below.

Credit default swaps are a specific kind of counterparty agreement that allows the transfer of third-party credit risk from one party to the other. The Portfolio is subject to credit risk in the normal course of pursuing its investment objective through its investments in credit default swap contracts. The Portfolio may enter into credit default swaps to manage its exposure to the market or certain sectors of the market, to reduce its risk exposure to defaults of corporate and sovereign issuers, or to create exposure to corporate or sovereign issuers to which it is not otherwise exposed. With a credit default swap, one party in the swap is a lender and faces credit risk from a third party, and the counterparty in the credit default swap agrees to insure this risk in exchange for regular periodic payments. The Portfolio's maximum risk of loss from counterparty risk, either as a protection seller or as a protection buyer (undiscounted), is the notional value of the contract. The risk is mitigated by having a netting arrangement between the Portfolio and the counterparty and by posting of collateral by the counterparty to the Portfolio to cover the Portfolio's exposure to the counterparty.

Funded (notional value of contract paid up front) or unfunded (notional value only paid in case of default) credit default swaps are based on an index of credit default swaps ("CDXs") or other similarly structured products. CDXs are designed to track segments of the credit default swap market and provide investors with exposure to specific reference baskets of issuers of bonds or loans. These instruments have the potential to allow an investor to obtain the same investment exposure as an investor who invests in an individual credit default swap, but with the potential added benefit of diversification. The CDX reference baskets are normally priced daily and rebalanced every six months in conjunction with leading market makers in the credit industry. The liquidity of the market for CDXs is normally subject to liquidity in the secured loan and credit derivatives markets. A Portfolio investing in CDXs is normally only permitted to take long positions in these instruments.

Equity swaps involve the exchange by two parties of future cash flow (e.g., one cash flow based on a referenced interest rate and the other based on the performance of stock or a stock index).

Interest rate swaps involve the exchange by two parties of their respective commitments to pay or receive interest (e.g., an exchange of floating rate payments for fixed rate payments).

Total return swaps involve an exchange by two parties in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains over the payment period.

The Portfolio's maximum risk of loss for equity swaps, interest rate swaps and total return swaps from counterparty risk or credit risk is the discounted value of the payments to be received from/paid to the counterparty over the contract's remaining life, to the extent that the amount is positive. The risk is mitigated by having a netting arrangement between the Portfolio and the counterparty and by the posting of collateral to the Portfolio to cover the Portfolio's exposure to the counterparty.

In accordance with FASB guidance, the Portfolio adopted the provisions for "Derivatives and Hedging", which require

Notes to Financial Statements (continued)

qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements.

Fair Value of Derivative Instruments as of December 31, 2009

Derivatives not accounted for as hedging instruments	*Asset Derivatives*		*Liability Derivatives*	
	Statement of Assets and Liabilities Location	*Fair Value*	*Statement of Assets and Liabilities Location*	*Fair Value*
Foreign Exchange Contracts	Forward currency contracts	$368,402	Forward currency contracts	$–
Total		$368,402		$–

The effect of Derivative Instruments on the Statement of Operations for the fiscal year ended December 31, 2009

Amount of Realized Gain/(Loss) on Derivatives Recognized in Income

Derivatives not accounted for as hedging instruments	*Futures*	*Swaps*	*Options*	*Forward Currency Contracts*	*Total*
Foreign Exchange Contracts	$–	$–	$–	$(2,581,152)	$(2,581,152)
Total	$–	$–	$–	$(2,581,152)	$(2,581,152)

Change in Unrealized Appreciation/(Depreciation) on Derivatives Recognized in Income

Derivatives not accounted for as hedging instruments	*Futures*	*Swaps*	*Options*	*Forward Currency Contracts*	*Total*
Foreign Exchange Contracts	$–	$–	$–	$1,158,642	$1,158,642
Total	$–	$–	$–	$1,158,642	$1,158,642

Please see the Portfolio's Statement of Operations for the Portfolio's "Net Realized and Unrealized Gain/(Loss) on Investments."

The value of derivative instruments at period end and the effect of derivatives on the Statement of Operations are indicative of the Portfolio's volume throughout the period.

3. Other Investments and Strategies

Additional Investment Risk

Unforeseen events in the equity and fixed-income markets may at times result in an unusually high degree of volatility in the markets, both domestic and international. These events and the resulting market upheavals may have an adverse effect on the Portfolio such as a decline in the value and liquidity of many securities held by the Portfolio, unusually high and unanticipated levels of redemptions, an increase in portfolio turnover, a decrease in net asset value, and an increase in Portfolio expenses. Such unforeseen events may make it unusually difficult to identify both investment risks and opportunities and could limit or preclude the Portfolio's ability to achieve its investment objective. The market's behavior may at times be unpredictable. Therefore, it is important to understand that the value of your investment may fall, sometimes sharply, and you could lose money.

Counterparties

Portfolio transactions involving a counterparty are subject to the risk that the counterparty or a third party will not fulfill its obligation to the Portfolio ("counterparty risk"). Counterparty risk may arise because of the counterparty's financial condition (i.e., financial difficulties, bankruptcy, or insolvency), market activities and developments, or other reasons, whether foreseen or not. A counterparty's inability to fulfill its obligation may result in significant financial loss to the Portfolio. The Portfolio may be unable to recover its investment from the counterparty or may obtain a limited recovery, and/or recovery may be delayed. The extent of the Portfolio's exposure to counterparty risk in respect to financial assets approximates their carrying value as recorded on the Portfolio's Statement of Assets and Liabilities.

The Portfolio may be exposed to counterparty risk through participation in various programs including, but not limited to, lending its securities to third parties, cash sweep arrangements whereby the Portfolio's cash balance is invested in one or more types of cash management vehicles, as well as investments in, but not limited to, repurchase agreements, debt securities, and derivatives, including various types of swaps, futures and options. The Portfolio intends to enter into financial transactions with counterparties that Janus Capital Management LLC ("Janus Capital") believes to be creditworthy at the time of the transaction. There is always the risk that Janus Capital's analysis of a counterparty's creditworthiness is incorrect or may change due to market conditions. To the extent that the Portfolio focuses its transactions with a limited number of counterparties, it will have greater exposure to the risks associated with one or more counterparties.

Exchange-Traded Funds

The Portfolio may invest in exchange-traded funds, which generally are index-based investment companies that hold substantially all of their assets in securities representing their specific index. As a shareholder of another investment company, the Portfolio would bear its pro rata portion of the other investment company's expenses, including advisory fees, in addition to the expenses the Portfolio bears directly in connection with its own operations.

Exchange-Traded Notes

The Portfolio may invest directly in exchange-traded notes ("ETNs"), which are senior, unsecured, unsubordinated debt securities whose returns are linked to a particular index and provide exposure to the total returns of various market indices, including indices linked to stocks, bonds, commodities and currencies. This type of debt security differs from other types of bonds and notes. ETN returns are based upon the performance of a market index minus applicable fees; no periodic coupon payments are distributed and no principal protections exist. ETNs do not pay cash distributions. Instead, the value of dividends, interest, and investment gains are captured in the Portfolio's total return. The Portfolio will invest in these securities when desiring exposure to debt securities or commodities. When evaluating ETNs for investment, Janus Capital will consider the potential risks involved, expected tax efficiency, rate of return, and credit risk. When the Portfolio invests in ETNs, it will bear its proportionate share of any fees and expenses borne by the ETN. There may be restrictions on the Portfolio's right to redeem its investment in an ETN, which is meant to be held until maturity. The Portfolio's decision to sell its ETN holdings may be limited by the availability of a secondary market.

Initial Public Offerings

The Portfolio may invest in initial public offerings ("IPOs"). IPOs and other investment techniques may have a magnified performance impact on a portfolio with a small asset base. The Portfolio may not experience similar performance as its assets grow.

Interfund Lending

As permitted by the Securities and Exchange Commission ("SEC") or the 1940 Act and rules promulgated thereunder, the Portfolio may be party to interfund lending agreements between the Portfolio and other Janus Capital sponsored mutual funds and certain pooled investment vehicles, which permit them to borrow or lend cash at a rate beneficial to both the borrowing and lending funds. Outstanding borrowings from all sources totaling 10% or more of the borrowing Portfolio's total assets must be collateralized at 102% of the outstanding principal value of the loan; loans of less than 10% may be unsecured.

Restricted Security Transactions

Restricted securities held by the Portfolio may not be sold except in exempt transactions or in a public offering registered under the Securities Act of 1933, as amended. The risk of investing in such securities is generally greater than the risk of investing in the securities of widely held, publicly traded companies. Lack of a secondary market and resale restrictions may result in the inability of the Portfolio to sell a security at a fair price and may substantially delay the sale of the security. In addition, these securities may exhibit greater price volatility than securities for which secondary markets exist.

Securities Lending

Under procedures adopted by the Trustees, the Portfolio may seek to earn additional income by lending securities to qualified parties (typically brokers or other financial institutions) who need to borrow securities in order to complete certain transactions such as covering short sales, avoiding failures to deliver securities or completing arbitrage activities. There is the risk of delay in recovering a loaned security or the risk of loss in collateral rights if the borrower fails financially. Janus Capital makes efforts to balance the benefits and risks from granting such loans.

The Portfolio does not have the right to vote on securities while they are being lent; however, the Portfolio may attempt to call back the loan and vote the proxy if time permits. All loans will be continuously secured by collateral which may consist of cash, U.S. Government securities, domestic and foreign short-term debt instruments, letters of credit, time deposits, repurchase agreements, money market mutual funds or other money market accounts, or such other collateral permitted by the SEC. Cash collateral may be invested as permitted by the 1940 Act and rules promulgated thereunder.

Deutsche Bank AG (the "Lending Agent") may also invest the cash collateral in investments in non-affiliated money market funds or accounts, mutually agreed to by the Portfolio and the Lending Agent, that comply with Rule 2a-7 of the 1940 Act relating to money market funds.

The value of the collateral must be at least 102% of the market value of the loaned securities that are denominated in U.S. dollars and 105% of the market value of the loaned securities that are not denominated in U.S. dollars. Loaned securities and related collateral are marked-to-market each business day based upon the market value of the loaned securities at the close of business, employing the most recent available pricing information. Collateral levels are then adjusted based upon this mark-to-market evaluation.

The borrower pays fees at the Portfolio's direction to the Lending Agent. The Lending Agent may retain a portion of the interest earned on the cash collateral invested. The cash collateral invested by the Lending Agent is disclosed on the Schedule of Investments (if applicable). The lending fees and the Portfolio's portion of the interest income earned on cash collateral are included on the Statement of Operations (if applicable).

The Securities Lending Program was suspended and effective November 19, 2008, the Portfolio no longer had any securities on loan. Management continues to review the program and may resume securities lending.

Short Sales

The Portfolio may engage in "short sales against the box." Short sales against the box involve either selling short a security that the Portfolio owns, or selling short a security that the Portfolio has the right to obtain, for delivery at a specified date in the future. The Portfolio may enter into short sales against the box to hedge against anticipated declines in the market price of portfolio securities. The Portfolio does not deliver from its portfolio the securities sold short and does not immediately receive the proceeds of the short sale. The Portfolio borrows the securities sold short and receives proceeds from the short sale only when it delivers the securities to the lender. If the value of the securities sold short increases prior to the scheduled delivery date, the Portfolio loses the opportunity to participate in the gain.

The Portfolio may also engage in other short sales. The Portfolio may engage in short sales when the portfolio manager anticipates that a security's market purchase price will be less than its borrowing price. To complete the transaction, the Portfolio must borrow the security to deliver it to the purchaser and buy that same security in the market to return it to the lender. No more than 10% of the Portfolio's net assets may be invested in short sales of stocks, futures, swaps, structured notes, and uncovered written calls. The Portfolio may engage in short sales "against the box" and options for hedging purposes that are not subject to this 10% limit. Although the potential for gain as a result of a short sale is limited to the price at which the Portfolio sold the security short less the cost of borrowing the security, the potential for loss is theoretically unlimited because there is no limit to the cost of replacing the borrowed security. There is no assurance the Portfolio will be able to close out a short position at a particular time or at an acceptable price. A gain or a loss will be recognized upon termination of a short sale. Short sales held by the Portfolio are fully collateralized by other securities, which are denoted on the accompanying Schedule of Investments (if applicable). The Portfolio is also required to pay the lender of the security any dividends or interest that accrues on a borrowed security during the period of the loan. Depending on the arrangements made with the broker or custodian, the Portfolio may or may not receive any payments (including interest) on collateral it has deposited with the broker. The Portfolio pays stock loan fees on assets borrowed from the security broker.

The Portfolio may also enter into short positions through derivative instruments such as option contracts, futures contracts, and swap agreements, which may expose the Portfolio to similar risks. To the extent that the Portfolio enters into short derivative positions, the Portfolio may be exposed to risks similar to those associated with short sales, including the risk that the Portfolio's losses are theoretically unlimited.

4. Investment Advisory Agreements and Other Transactions with Affiliates

The Portfolio pays Janus Capital an investment advisory fee which is calculated daily and paid monthly. The following table reflects the Portfolio's contractual investment advisory fee rate (expressed as an annual rate).

Portfolio	*Average Daily Net Assets of the Portfolio*	*Contractual Investment Advisory Fee (%) (annual rate)*
Janus Aspen Enterprise Portfolio(1)	All Asset Levels	0.64

(1) Formerly named Janus Aspen Mid Cap Growth Portfolio

Janus Services LLC ("Janus Services"), a wholly-owned subsidiary of Janus Capital, is the Portfolio's transfer agent and receives certain out-of-pocket expenses for transfer agent services.

Janus Distributors LLC, a wholly-owned subsidiary of Janus Capital, is a distributor of the Portfolio. Service Shares have adopted a Distribution and Shareholder Servicing Plan (the "Plan") pursuant to Rule 12b-1 under the 1940 Act. The Plan authorizes payments by the Portfolio in connection with the distribution of Service Shares at an annual rate of up to 0.25% of Service Shares' average daily net assets. Payments under the Plan are not tied exclusively to actual distribution and shareholder service expenses, and the payments may exceed distribution and shareholder service expenses actually incurred by the Portfolio. If any of a Portfolio's actual distribution and shareholder service expenses incurred during a calendar year is less than the payments made during a calendar year, the Portfolio will be reimbursed for the difference.

Certain officers of the Portfolio may also be officers and/or directors of Janus Capital. Such officers receive no compensation from the Portfolio, except for the Portfolio's Chief Compliance Officer. Effective January 1, 2006, the Portfolio began reimbursing Janus Capital for a portion of the compensation paid to the Chief Compliance Officer and certain compliance staff of the Trust. Total compensation of $84,699 was paid by the Trust during the fiscal year ended December 31, 2009. The Portfolio's portion is reported as part of "Other Expenses" on the Statement of Operations.

The Board of Trustees has adopted a deferred compensation plan (the "Deferred Plan") for independent Trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from the Portfolio. All deferred fees are credited to an account established in the name of the Trustees. The amounts credited to the account then increase or decrease, as the case may be, in accordance with the performance of one or more of the Janus funds that are selected by the Trustees. The account balance continues to fluctuate in accordance with the performance of the selected fund or funds until final payment of all amounts are credited to the account. The fluctuation of the account balance is recorded by the Portfolio as unrealized appreciation/(depreciation) and is shown as of December 31, 2009 on the Statement of Assets and Liabilities as an asset, "Non-interested Trustees' deferred compensation," and a liability, "Non-interested Trustees' deferred compensation fees." Additionally, the recorded unrealized appreciation/(depreciation) is included in "Unrealized net appreciation/(depreciation) of investments, foreign currency translations and non-interested Trustees' deferred compensation" on the Statement of Assets and Liabilities. Deferred compensation expenses for the fiscal year ended December 31, 2009 are included in "Non-interested Trustees' fees and expenses" on the Statement of Operations. Trustees are allowed to change their designation of mutual funds from time to time. Amounts will be deferred until distributed in accordance with the Deferred Plan. No deferred fees were distributed to any Trustee under the Deferred Plan during the fiscal year ended December 31, 2009.

For the fiscal year ended December 31, 2009, Janus Capital assumed $7,572 of legal, consulting and Trustee costs and fees incurred by the portfolios in the Trust and Janus Investment Fund together with the Trust (the "Funds") in connection with the regulatory and civil litigation matters discussed in Note 8. These non-recurring costs were allocated to all Funds based on the Funds' respective net assets as of July 31, 2004. Additionally, all future non-recurring costs will be allocated to the Funds based on the Funds' respective net assets on July 31, 2004. These "Non-recurring costs" and "Costs assumed by Janus Capital" are shown on the Statement of Operations.

The Portfolio's expenses may be reduced by expense offsets from an unaffiliated custodian and/or transfer agent. Such credits or offsets are included in "Expense and Fee Offset" on the Statement of Operations (if applicable). The transfer agent fee offsets received during the period reduce "Transfer agent fees and expenses" on the Statement of Operations (if applicable). Custodian offsets received reduce "Custodian fees" on the Statement of Operations (if applicable). The Portfolio could have employed the assets used by the custodian and/or transfer agent to produce income if it had not entered into an expense offset arrangement.

Pursuant to the terms and conditions of an SEC exemptive order and the provisions of the 1940 Act, the Portfolio may participate in an affiliated or non-affiliated cash sweep program. In the cash sweep program, uninvested cash balances of the Portfolio may be used to purchase shares of affiliated or non-affiliated money market funds or cash management pooled investment vehicles. The Portfolio is eligible to participate in the cash sweep program (the "Investing Fund"). Janus Cash Liquidity Fund LLC is an affiliated unregistered cash management pooled investment vehicle that invests primarily in highly-rated short-term fixed-income securities. Janus Cash Liquidity Fund LLC maintains a NAV of $1.00 per share and distributes income daily in a manner consistent with a registered 2a-7 product. There are no restrictions on the Portfolio's ability to withdraw investments from Janus Cash Liquidity Fund LLC at will, and there are no unfunded capital commitments due from the Portfolio to Janus Cash Liquidity Fund LLC. As adviser, Janus Capital has an inherent conflict of interest because of its fiduciary duties to the affiliated cash management pooled investment vehicles and the Investing Fund.

During the fiscal year ended December 31, 2009, the Portfolio recorded distributions from affiliated investment companies as affiliated dividend income, and had the following affiliated purchases and sales:

	Purchases Shares/Cost	Sales Shares/Cost	Dividend Income	Value at 12/31/09
Janus Aspen Enterprise Portfolio(1)				
Janus Cash Liquidity Fund LLC	$100,650,607	$91,091,586	$12,221	$9,590,021

(1) Formerly named Janus Aspen Mid Cap Growth Portfolio.

5. Federal Income Tax

The tax components of capital shown in the table below represent: (1) distribution requirements the Portfolio must satisfy under the income tax regulations; (2) losses or deductions the Portfolio may be able to offset against income and gains realized in future years; and (3) unrealized appreciation or depreciation of investments for federal income tax purposes.

In 2009, the Portfolio incurred "Post-October" losses during the period from November 1, 2009 through December 31, 2009. These losses will be deferred for tax purposes and recognized in 2010.

Other book to tax differences may consist of deferred compensation, derivatives and foreign currency contract adjustments. The Portfolio has elected to treat gains and losses on forward foreign currency contracts as capital gains and losses. Other foreign currency gains and losses on debt instruments are treated as ordinary income for federal income tax purposes pursuant to Section 988 of the Internal Revenue Code.

Portfolio	*Undistributed Ordinary Income*	*Undistributed Long-Term Gains*	*Accumulated Capital Losses*	*Post-October Deferral*	*Other Book to Tax Differences*	*Net Tax Appreciation/ (Depreciation)*
Janus Aspen Enterprise Portfolio(1)(2)	$239,096	$–	$(191,472,679)	$(8)	$(15,931)	$127,178,850

(1) Formerly named Janus Aspen Mid Cap Growth Portfolio.
(2) Capital loss carryover is subject to annual limitations.

Accumulated capital losses noted below represent net capital loss carryovers, as of December 31, 2009, that may be available to offset future realized capital gains and thereby reduce future taxable gains distributions. The following table shows the expiration dates of the carryovers.

Capital Loss Carryover Expiration Schedule
For the year ended December 31, 2009

Portfolio	*December 31, 2010*	*December 31, 2011*	*December 31, 2017*	*Accumulated Capital Losses*
Janus Aspen Enterprise Portfolio(1)(2)	$(53,089,575)	$(24,166,141)	$(114,216,963)	$(191,472,679)

(1) Formerly named Janus Aspen Mid Cap Growth Portfolio.
(2) Capital loss carryover is subject to annual limitations.

During the fiscal year ended December 31, 2009, the following capital loss carryover expired as indicated in the table:

Portfolio	*Capital Loss Carryover Expired*
Janus Aspen Enterprise Portfolio(1)	$136,017,201

(1) Formerly named Janus Aspen Mid Cap Growth Portfolio.

The aggregate cost of investments and the composition of unrealized appreciation and depreciation of investment securities for federal income tax purposes as of December 31, 2009 are noted below.

Unrealized appreciation and unrealized depreciation in the table below exclude appreciation/depreciation on foreign currency translations. The primary difference between book and tax appreciation or depreciation of investments is wash sale loss deferrals.

Portfolio	Federal Tax Cost	Unrealized Appreciation	Unrealized (Depreciation)
Janus Aspen Enterprise Portfolio(1)	$467,349,508	$166,438,359	$(39,259,509)

(1) Formerly named Janus Aspen Mid Cap Growth Portfolio.

Income and capital gains distributions are determined in accordance with income tax regulations that may differ from accounting principles generally accepted in the United States of America. These differences are due to differing treatments for items such as net short-term gains, deferral of wash sale losses, foreign currency transactions, net investment losses and capital loss carryovers. Certain permanent differences such as tax returns of capital and net investment losses noted below have been reclassified to paid-in capital.

For the fiscal year ended December 31, 2009

	Distributions			
Portfolio	From Ordinary Income	From Long-Term Capital Gains	Tax Return of Capital	Net Investment Loss
Janus Aspen Enterprise Portfolio(1)	$–	$–	$–	$–

(1) Formerly named Janus Aspen Mid Cap Growth Portfolio.

For the fiscal year ended December 31, 2008

	Distributions			
Portfolio	From Ordinary Income	From Long-Term Capital Gains	Tax Return of Capital	Net Investment Loss
Janus Aspen Enterprise Portfolio(1)	$1,302,371	$43,814,507	$–	$–

(1) Formerly named Janus Aspen Mid Cap Growth Portfolio.

6. Capital Share Transactions

For each fiscal year ended December 31 (all numbers in thousands)	Janus Aspen Perkins Enterprise Portfolio(1) 2009	2008
Transactions in Portfolio Shares – Institutional Shares		
Shares sold	1,200	1,323
Reinvested dividends and distributions	–	773
Shares repurchased	(2,275)	(3,133)
Net Increase/(Decrease) in Portfolio Shares	(1,075)	(1,037)
Shares Outstanding, Beginning of Period	13,127	14,164
Shares Outstanding, End of Period	12,052	13,127
Transactions in Portfolio Shares – Service Shares		
Shares sold	1,248	2,525
Reinvested dividends and distributions	–	490
Shares repurchased	(2,821)	(3,492)
Net Increase/(Decrease) in Portfolio Shares	(1,573)	(477)
Shares Outstanding, Beginning of Period	8,992	9,469
Shares Outstanding, End of Period	7,419	8,992

(1) Formerly named Janus Aspen Mid Cap Growth Portfolio.

7. Purchases and Sales of Investment Securities

For the fiscal year ended December 31, 2009, the aggregate cost of purchases and proceeds from sales of investment securities (excluding short-term securities and options contracts) was as follows:

Notes to Financial Statements (continued)

Portfolio	Purchases of Securities	Proceeds from Sales of Securities	Purchases of Long-Term U.S. Government Obligations	Proceeds from Sales of Long-Term U.S. Government Obligations
Janus Aspen Enterprise Portfolio(1)	$179,027,691	$249,488,107	$–	$–

(1) Formerly named Janus Aspen Mid Cap Growth Portfolio.

8. Pending Legal Matters

In the fall of 2003, the Securities and Exchange Commission ("SEC"), the Office of the New York State Attorney General ("NYAG"), the Colorado Attorney General ("COAG"), and the Colorado Division of Securities ("CDS") announced that they were investigating alleged frequent trading practices in the mutual fund industry. On August 18, 2004, Janus Capital announced that it had reached final settlements with the SEC, the NYAG, the COAG, and the CDS related to such regulators' investigations into Janus Capital's frequent trading arrangements.

A number of civil lawsuits were brought against Janus Capital and certain of its affiliates, the Janus funds, and related entities and individuals based on allegations similar to those announced by the above regulators and were filed in several state and federal jurisdictions. Such lawsuits alleged a variety of theories for recovery including, but not limited to, the federal securities laws, other federal statutes (including ERISA), and various common law doctrines. The Judicial Panel on Multidistrict Litigation transferred these actions to the U.S. District Court for the District of Maryland (the "Court") for coordinated proceedings. On September 29, 2004, five consolidated amended complaints were filed with the Court, one of which still remains, and which was brought by a putative class of shareholders of Janus Capital Group Inc. ("JCGI") asserting claims on behalf of the shareholders against JCGI and Janus Capital (First Derivative Traders et al. v. Janus Capital Group Inc. et al., U.S. District Court, District of Maryland, MDL 1586, formerly referred to as Wiggins, et al. v. Janus Capital Group, Inc., et al., U.S. District Court, District of Maryland, Case No. 04-CV-00818).

In the Wiggins case, a Motion to Dismiss was previously granted and the matter was dismissed in May 2007. Plaintiffs appealed that dismissal to the United States Court of Appeals for the Fourth Circuit. In May 2009, the Fourth Circuit reversed the order of dismissal and remanded the case back to the Court for further proceedings. In October 2009, Janus filed a petition for a writ of certiorari with the United States Supreme Court to review the judgment of the United States Court of Appeals for the Fourth Circuit. On January 11, 2010, the Supreme Court asked the United States Solicitor General to file a brief on the question of whether Janus' petition should be granted. As a result of these developments at the Supreme Court, the Court has stayed all further proceedings until the Supreme Court rules on Janus' petition for a writ of certiorari. In addition to the Wiggins case, on January 20, 2010, the Court entered orders dismissing the remaining claims asserted against Janus Capital and its affiliates by fund investors in Steinberg et al. v. Janus Capital Management, LLC et al., U.S. District Court, District of Maryland, Case No. 04-CV-00518 (a derivative claim involving alleged frequent trading practices).

In addition to the lawsuits described above, the Auditor of the State of West Virginia ("Auditor"), in his capacity as securities commissioner, initiated administrative proceedings against many of the defendants in the market timing cases (including JCGI and Janus Capital) and, as a part of its relief, is seeking disgorgement and other monetary relief based on similar market timing allegations (In the Matter of Janus Capital Group Inc. et al., Before the Securities Commissioner, State of West Virginia, Summary Order No. 05-1320). In September 2006, JCGI and Janus Capital filed their answer to the Auditor's summary order instituting proceedings as well as a Motion to Discharge Order to Show Cause. On July 31, 2009, Janus filed a "Notice that Matter is Deemed Concluded." At this time, no further proceedings are scheduled in this matter.

Additional lawsuits may be filed against certain of the Janus funds, Janus Capital, and related parties in the future. Janus Capital does not currently believe that these pending actions will materially affect its ability to continue providing services it has agreed to provide to the Janus funds.

9. Subsequent Event

In May 2009, in accordance with the FASB guidance, the Portfolio adopted the provision of "Subsequent Events," which provides guidance to establish general standards of accounting for and disclosures of events that occur subsequent to the balance sheet date but before financial statements are issued or are available to be issued. The guidance also requires entities to disclose the date through which subsequent events were evaluated as well as the basis for that date. Management has evaluated whether any events or transactions occurred subsequent to December 31, 2009 through February 16, 2010, the date of issuance of the Portfolio's financial statements, and determined that there were no material events or transactions that would require recognition or disclosure in the Portfolio's financial statements.

Report of Independent Registered Public Accounting Firm

To the Trustees and Shareholders
of Janus Aspen Enterprise Portfolio:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Janus Aspen Enterprise Portfolio (formerly Janus Aspen Mid Cap Growth Portfolio) (one of the portfolios constituting Janus Aspen Series, hereafter referred to as the "Portfolio") at December 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Portfolio's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2009 by correspondence with the custodian, transfer agent and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Denver, Colorado

February 16, 2010

Additional Information (unaudited)

Proxy Voting Policies and Voting Record

A description of the policies and procedures that the Portfolio uses to determine how to vote proxies relating to its portfolio securities is available without charge: (i) upon request, by calling 1-800-525-0020 (toll free); (ii) on the Portfolio's website at janus.com/proxyvoting; and (iii) on the SEC's website at http://www.sec.gov. Additionally, information regarding the Portfolio's proxy voting record for the most recent twelve-month period ended June 30 is also available, free of charge, through janus.com/proxyvoting and from the SEC's website at http://www.sec.gov.

Quarterly Portfolio Holdings

The Portfolio files its complete portfolio holdings (schedule of investments) with the SEC for the first and third quarters of each fiscal year on Form N-Q within 60 days of the end of such fiscal quarter. The Portfolio's Form N-Q: (i) is available on the SEC's website at http://www.sec.gov; (ii) may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. (information on the Public Reference Room may be obtained by calling 1-800-SEC-0330); and (iii) is available without charge, upon request, by calling Janus at 1-800-525-0020 (toll free).

Approval of Advisory Agreements During The Period

The Trustees of Janus Aspen Series, none of whom has ever been affiliated with Janus Capital ("Independent Trustees"), oversee the management of each Portfolio and, as required by law, determine annually whether to continue the investment advisory agreement for each Portfolio and the subadvisory agreements for the two Portfolios that utilize subadvisers.

In connection with their most recent consideration of those agreements for each Portfolio, the Trustees received and reviewed a substantial amount of information provided by Janus Capital and the respective subadvisers in response to requests of the Independent Trustees and their independent legal counsel. They also received and reviewed a considerable amount of information and analysis provided by their independent fee consultant. Throughout their consideration of the agreements, the Independent Trustees were advised by their independent legal counsel. The Independent Trustees met with management to consider the agreements, and also met separately in executive session with their independent legal counsel and their independent fee consultant.

At a meeting held on December 11, 2009, based on the Trustees' evaluation of the information provided by Janus Capital, the subadvisers and the independent fee consultant, as well as other information, the Trustees determined that the overall arrangements between each Portfolio and Janus Capital and each subadviser, as applicable, were fair and reasonable in light of the nature, extent and quality of the services provided by Janus Capital, its affiliates and the subadvisers, the fees charged for those services, and other matters that the Trustees considered relevant in the exercise of their business judgment. At that meeting the Trustees unanimously approved the continuation of the investment advisory agreement for each Portfolio, and the subadvisory agreement for each subadvised Portfolio, for the period from February 1, 2010 through February 1, 2011, subject to earlier termination as provided for in each agreement.

In considering the continuation of those agreements, the Trustees reviewed and analyzed various factors that they determined were relevant, including the factors described below, none of which by itself was considered dispositive. However, the material factors and conclusions that formed the basis for the Trustees' determination to approve the continuation of the agreements are discussed separately below.

Nature, Extent and Quality of Services

The Trustees reviewed the nature, extent and quality of the services provided by Janus Capital and the subadvisers to the Portfolios, taking into account the investment objective and strategy of each Portfolio and the knowledge the Trustees gained from their regular meetings with management on at least a quarterly basis and their ongoing review of information related to the Portfolios. In addition, the Trustees reviewed the resources and key personnel of Janus Capital and each subadviser, particularly noting those employees who provide investment management services to the Portfolios. The Trustees also considered other services provided to the Portfolios by Janus Capital or the subadvisers, such as managing the execution of portfolio transactions and the selection of broker-dealers for those transactions, serving as the Portfolios' administrator, monitoring adherence to the Portfolios' investment restrictions, producing shareholder reports, providing support services for the Trustees and Trustee committees, communicating with shareholders and overseeing the activities of other service providers, including monitoring compliance with various policies and procedures of the Portfolios and with applicable securities laws and regulations.

The Trustees concluded that the nature, extent and quality of the services provided by Janus Capital or the subadviser to each Portfolio were appropriate and consistent with the terms of the respective advisory and subadvisory agreements, and that, taking into account steps taken to address those Portfolios whose performance lagged that of their peers for certain periods, the quality of those services had been consistent with or superior to quality norms in the industry and the Portfolios were likely to benefit from the continued provision of those services. They also concluded that Janus Capital and each subadviser had sufficient personnel, with the appropriate education and experience, to serve the Portfolios effectively and had demonstrated its continuing ability to attract well-qualified personnel.

Performance of the Portfolios

The Trustees considered the performance results of each Portfolio over various time periods. They reviewed information comparing each Portfolio's performance with the performance of comparable funds and peer groups identified by Lipper, and with the Portfolio's benchmark index. They concluded that the performance of many Portfolios was good to very good under current market conditions. Although the performance of some Portfolios lagged that of their peers for certain periods, the Trustees also concluded that Janus Capital had taken or was taking appropriate steps to address those instances of under-performance.

Costs of Services Provided

The Trustees examined information regarding the fees and expenses of each Portfolio in comparison to similar information for other comparable funds as provided by Lipper. They also reviewed an analysis of that information provided by their independent fee consultant and noted that the rate of management (investment advisory and administrative) fees for most of the Portfolios, after applicable contractual expense limitations, was below the mean management fee rate of the respective peer group of funds selected by Lipper.

The Trustees considered the methodology used by Janus Capital and each subadviser in determining compensation payable to portfolio managers, the competitive environment for investment management talent and the competitive market for mutual funds in different distribution channels. They concluded that the compensation methodology provided a good alignment of the interests of the portfolio managers with the interests of Portfolio shareholders.

The Trustees also reviewed management fees charged by Janus Capital to its separate account clients and to non-affiliated funds subadvised by Janus Capital (for which Janus Capital provides only portfolio management services). Although in most instances subadvisory and separate account fee rates for various investment strategies were lower than management fee rates for Portfolios having a similar strategy, the Trustees noted that, under the terms of the management agreements with the Portfolios, Janus Capital performs significant additional services for the Portfolios that it does not provide to those other clients, including administrative services, oversight of the Portfolios' other service providers, trustee support, regulatory compliance and numerous other services, and that, in serving the Portfolios, Janus Capital assumes many legal risks that it does not assume in servicing its other clients. Moreover, they noted that the spread between the average fee rates charged to the Portfolios and the fee rates that Janus Capital charged to its separate account clients was significantly smaller than the average spread for such fee rates of other advisers, based on publicly available data and research conducted by the Trustees' independent fee consultant.

The Trustees reviewed information on the profitability to Janus Capital and its affiliates of their relationships with each Portfolio, as well as an explanation of the methodology utilized in allocating various expenses of Janus Capital and its affiliates among the Portfolios and other clients. The Trustees also reviewed the financial statements and corporate structure of Janus Capital's parent company. In their review, the Trustees considered whether Janus Capital and each subadviser receive adequate incentives to manage the Portfolios effectively. The Trustees recognized that profitability comparisons among fund managers are difficult because very little comparative information is publicly available and the profitability of any fund manager is affected by numerous factors, including the organizational structure of the particular fund manager, the types of funds and other accounts it manages, possible other lines of business, the methodology for allocating expenses and the fund manager's capital structure and cost of capital. However, taking into account those factors and the analysis provided by the Trustees' independent fee consultant, and based on the information available, the Trustees concluded that Janus Capital's profitability with respect to each Portfolio in relation to the services rendered was not unreasonable.

The Trustees concluded that the management fees and other compensation payable by each Portfolio to Janus Capital and its affiliates, as well as the fees paid by Janus Capital to the subadvisers of subadvised Portfolios, were reasonable in relation to the nature, extent and quality of the services provided, taking into account the fees charged by other advisers for managing comparable mutual funds with similar strategies and the fees Janus Capital and the subadvisers charge to other clients. The Trustees also concluded that the overall expense ratio of each Portfolio was reasonable, taking into account the size of the Fund, the quality of services provided by Janus Capital and any subadviser, the investment performance of the Fund and any expense limitations agreed to by Janus Capital.

Economies of Scale

The Trustees considered information about the potential for Janus Capital to realize economies of scale as the assets of the Portfolios increase. They noted that, although most Portfolios pay advisory fees at a fixed rate as a percentage of net assets, without any breakpoints, the management fee rate paid by each Portfolio, after any contractual expense limitations, was below the mean management fee rate of the Portfolio's peer group identified by Lipper; and, for those Portfolios whose expenses are being reduced by the contractual expense limitations of Janus Capital, Janus Capital is subsidizing the Portfolios because they have not reached adequate scale. Moreover, as the assets of many of the Portfolios have declined in the past few years, the Portfolios have benefited from having advisory fee rates that have remained constant rather than increasing as assets declined. In addition, performance fee structures have been implemented for several Portfolios that have caused or will cause the effective rate of advisory fees payable by such a Portfolio to vary depending on the investment performance of the Portfolio relative to its benchmark index over the measurement period; and a few Portfolios have fee schedules with breakpoints and reduced fee rates above certain asset levels. The Trustees also noted that the Portfolios share directly in economies of scale through the lower charges of third-party service providers that are based in part on the combined scale of all of the Portfolios. Based on all of the information they reviewed, the Trustees concluded that the current fee structure of each Portfolio was reasonable and that the current rates of fees do reflect a sharing between Janus Capital and the Portfolio of economies of scale at the current asset level of the Portfolio.

Other Benefits to Janus Capital

The Trustees also considered benefits that accrue to Janus Capital and its affiliates from their relationships with the Portfolios. They recognized that two affiliates of Janus Capital separately serve the Portfolios as transfer agent and distributor, respectively, and the transfer agent receives compensation directly from the non-money market funds for services provided. The Trustees also considered Janus Capital's past and proposed use of commissions paid by the Portfolios on their portfolio brokerage transactions to obtain proprietary and third-party research products and services benefiting the Portfolio and/or other clients of Janus Capital. The Trustees concluded that Janus Capital's use of these types of client commission arrangements to obtain proprietary and third-party research products and services was consistent with regulatory requirements and guidelines and was likely to benefit each Portfolio. The Trustees also concluded that, other than the services provided by Janus Capital and its affiliates pursuant to the agreements and the fees to be paid by each Portfolio therefor, the Portfolio and Janus Capital may potentially benefit from their relationship with each other in other ways. They concluded that Janus Capital benefits from the receipt of research products and services acquired through commissions paid on portfolio transactions of the Portfolios and that the Portfolios benefit from Janus Capital's receipt of those products and services as well as research products and services acquired through commissions paid by other clients of Janus Capital. They further concluded that success of any Fund could attract other business to Janus Capital or other Janus funds, and that the success of Janus Capital could enhance Janus Capital's ability to serve the Portfolios.

After full consideration of the above factors, as well as other factors, the Trustees, each of whom is an Independent Trustee, concluded at their December 11, 2009 meeting that the proposed continuation of the investment advisory agreement and, if applicable, the subadvisory agreement for each Portfolio for another year was in the best interest of the respective Portfolios and their shareholders.

Explanations of Charts, Tables and Financial Statements (unaudited)

1. Performance Overviews

Performance overview graphs compare the performance of a hypothetical $10,000 investment in the Portfolio (from inception) with one or more widely used market indices. The hypothetical example does not represent the returns of any particular investment.

When comparing the performance of the Portfolio with an index, keep in mind that market indices do not include brokerage commissions that would be incurred if you purchased the individual securities in the index. They also do not include taxes payable on dividends and interest or operating expenses incurred if you maintained the Portfolio invested in the index.

Average annual total returns are also quoted for the Portfolio. Average annual total return is calculated by taking the growth or decline in value of an investment over a period of time, including reinvestment of dividends and distributions, then calculating the annual compounded percentage rate that would have produced the same result had the rate of growth been constant throughout the period. Average annual total return does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions or redemptions of Portfolio shares.

Pursuant to federal securities rules, expense ratios shown in the performance chart reflect subsidized and unsubsidized ratios for the past fiscal year. The total annual fund operating expenses ratio is gross of any fee waivers, reflecting the Portfolio's unsubsidized expense ratio. The net annual fund operating expenses ratio (if applicable) includes contractual waivers of Janus Capital and/or Janus Services and reflects the Portfolio's subsidized expense ratio. Both the total annual fund operating expenses ratio and net annual fund operating expenses ratio are based on average net assets as of the six-month period ended December 31, 2009. The ratios also include expenses indirectly incurred by the Portfolio as a result of investing in other investment companies or pooled investments, which are not reflected in the "Financial Highlights" of this report. As a result, these ratios may be higher or lower than those shown in the "Financial Highlights" in this report. All expenses are shown without the effect of expense offset arrangements. Pursuant to such arrangements, credits realized as a result of uninvested cash balances are used to reduce custodian and transfer agent expenses.

2. Schedule of Investments

Following the performance overview section is the Portfolio's Schedule of Investments. This schedule reports the industry concentrations and types of securities held in the Portfolio on the last day of the reporting period. Securities are usually listed by type (common stock, corporate bonds, U.S. Government obligations, etc.) and by industry classification (banking, communications, insurance, etc.). Holdings are subject to change without notice.

The value of each security is quoted as of the last day of the reporting period. The value of securities denominated in foreign currencies is converted into U.S. dollars.

If the Portfolio invests in foreign securities, it will also provide a summary of investments by country. This summary reports the Portfolio's exposure to different countries by providing the percentage of securities invested in each country. The country of each security represents the country in which the company is incorporated. The Portfolio's Schedule of Investments relies upon the industry group and country classifications published by Bloomberg L.P.

2a. Forward Currency Contracts

A table listing forward currency contracts follows the Portfolio's Schedule of Investments (if applicable). Forward currency contracts are agreements to deliver or receive a preset amount of currency at a future date. Forward currency contracts are used to hedge against foreign currency risk in the Portfolio's long-term holdings.

The table provides the name of the foreign currency, the settlement date of the contract, the amount of the contract, the value of the currency in U.S. dollars and the amount of unrealized gain or loss. The amount of unrealized gain or loss reflects the change in currency exchange rates from the time the contract was opened to the last day of the reporting period.

2b. Futures

A table listing futures contracts follows the Portfolio's Schedule of Investments (if applicable). Futures contracts are contracts that obligate the buyer to receive and the seller to deliver an instrument or money at a specified price on a specified date. Futures are used to hedge against adverse movements in securities prices, currency risk or interest rates.

The table provides the name of the contract, number of contracts held, the expiration date, the principal amount, value and the amount of unrealized gain or loss. The amount of unrealized gain or loss reflects the marked-to-market amount for the last day of the reporting period.

2c. Options

A table listing written options contracts follows the Portfolio's Schedule of Investments (if applicable). Written options contracts are contracts that obligate a Portfolio to sell or purchase an underlying security at a fixed price, upon exercise of the option. Options are used to hedge against adverse movements in securities prices, currency risk or interest rates.

The table provides the name of the contract, number of contracts held, the expiration date, exercise price, value and premiums received.

3. Statement of Assets and Liabilities

This statement is often referred to as the "balance sheet." It lists the assets and liabilities of the Portfolio on the last day of the reporting period.

The Portfolio's assets are calculated by adding the value of the securities owned, the receivable for securities sold but not yet settled, the receivable for dividends declared but not yet received on stocks owned and the receivable for Portfolio shares sold to investors but not yet settled. The Portfolio's liabilities include payables for securities purchased but not yet settled, Portfolio shares redeemed but not yet paid and expenses owed but not yet paid. Additionally, there may be other assets and liabilities such as unrealized gain or loss on forward currency contracts.

The section entitled "Net Assets Consist of" breaks down the components of the Portfolio's net assets. Because the Portfolio must distribute substantially all earnings, you will notice that a significant portion of net assets is shareholder capital.

The last section of this statement reports the net asset value ("NAV") per share on the last day of the reporting period. The NAV is calculated by dividing the Portfolio's net assets (assets minus liabilities) by the number of shares outstanding.

4. Statement of Operations

This statement details the Portfolio's income, expenses, gains and losses on securities and currency transactions, and appreciation or depreciation of current Portfolio holdings.

The first section in this statement, entitled "Investment Income," reports the dividends earned from stocks and interest earned from interest-bearing securities in the Portfolio.

The next section reports the expenses incurred by the Portfolio, including the advisory fee paid to the investment adviser, transfer agent fees and expenses, and printing and postage for mailing statements, financial reports and prospectuses. Expense offsets and expense reimbursements, if any, are also shown.

The last section lists the increase or decrease in the value of securities held in the Portfolio. The Portfolio will realize a gain (or loss) when it sells its position in a particular security. An unrealized gain (or loss) refers to the change in net appreciation or depreciation of the Portfolio during the reporting period. "Net Realized and Unrealized Gain/(Loss) on Investments" is affected both by changes in the market value of Portfolio holdings and by gains (or losses) realized during the reporting period.

5. Statements of Changes in Net Assets

These statements report the increase or decrease in the Portfolio's net assets during the reporting period. Changes in the Portfolio's net assets are attributable to investment operations, dividends, distributions and capital share transactions. This is important to investors because it shows exactly what caused the Portfolio's net asset size to change during the period.

The first section summarizes the information from the Statement of Operations regarding changes in net assets due to the Portfolio's investment performance. The Portfolio's net assets may also change as a result of dividend and capital gains distributions to investors. If investors receive their dividends in cash, money is taken out of the Portfolio to pay the distribution. If investors reinvest their dividends, the Portfolio's net assets will not be affected. If you compare the Portfolio's "Net Decrease from Dividends and Distributions" to the "Reinvested dividends and distributions," you will notice that dividend distributions had little effect on the Portfolio's net assets. This is because the majority of Janus investors reinvest their distributions.

The reinvestment of dividends is included under "Capital Share Transactions." "Capital Shares" refers to the money investors contribute to the Portfolio through purchases or withdrawals via redemptions. The Portfolio's net assets will increase and decrease in value as investors purchase and redeem shares from the Portfolio.

6. Financial Highlights

This schedule provides a per-share breakdown of the components that affect the Portfolio's NAV for current and past reporting periods. Not only does this table provide you with total return, it also reports total distributions, asset size, expense ratios and portfolio turnover rate.

The first line in the table reflects the NAV per share at the beginning of the reporting period. The next line reports the net investment income per share, which comprises dividends and interest income earned on securities held by the Portfolio. Following is the total of gains/(losses), realized and unrealized. Dividends and distributions are then subtracted to arrive at the NAV per share at the end of the period. The next line reflects the average annual

Explanations of Charts, Tables and Financial Statements (unaudited) (continued)

total return reported the last day of the period. The total return may include adjustments in accordance with generally accepted accounting principles. As a result, the total return may differ from the total return reflected for shareholder transactions.

Also included are the expense ratios, or the percentage of average net assets that were used to cover operating expenses during the period. Expense ratios vary across Portfolios within the Trust for a number of reasons, including the differences in management fees, the frequency of dividend payments and the extent of foreign investments, which entail greater transaction costs.

The Portfolio's expenses may be reduced through expense-reduction arrangements. These arrangements may include the use of balance credits or transfer agent fee offsets. The Statement of Operations reflects total expenses before any such offset, the amount of the offset and the net expenses. The expense ratios listed in the Financial Highlights reflect total expenses prior to any expense offset (gross expense ratio) and after the expense offsets (net expense ratio). Both expense ratios reflect expenses after waivers (reimbursements), if applicable.

The ratio of net investment income/(loss) summarizes the income earned less expenses, divided by the average net assets of the Portfolio during the reporting period. Don't confuse this ratio with the Portfolio's yield. The net investment income ratio is not a true measure of a Portfolio's yield because it doesn't take into account the dividends distributed to the Portfolio's investors.

The next figure is the portfolio turnover rate, which measures the buying and selling activity in the Portfolio. Portfolio turnover is affected by market conditions, changes in the asset size of the Portfolio, the nature of the Portfolio's investments and the investment style of the portfolio manager. A 100% rate implies that an amount equal to the value of the entire portfolio is turned over in a year; a 50% rate means that an amount equal to the value of half the portfolio is traded in a year; and a 200% rate means that an amount equal to the value of the portfolio is traded every six months.

Trustees and Officers (unaudited)

The Portfolio's Statement of Additional Information includes additional information about the Trustees and officers and is available, without charge, by calling 1-877-335-2687.

The following are the Trustees and officers of the Trust, together with a brief description of their principal occupations during the last five years (principal occupations for certain Trustees may include periods over five years).

Each Trustee has served in that capacity since he or she was originally elected or appointed. The Trustees do not serve a specified term of office. Each Trustee will hold office until the termination of the Trust or his or her earlier death, resignation, retirement, incapacity, or removal. The retirement age for Trustees is 72. The Trust's Nominating and Governance Committee will consider nominees for the position of Trustee recommended by shareholders. Shareholders may submit the name of a candidate for consideration by the Committee by submitting their recommendations to the Trust's Secretary. Each Trustee is currently a Trustee of one other registered investment company advised by Janus Capital: Janus Investment Fund. Collectively, these two registered investment companies consist of 52 series or funds.

The Trust's officers are elected annually by the Trustees for a one-year term. Certain officers also serve as officers of Janus Investment Fund. Certain officers of the Portfolio may also be officers and/or directors of Janus Capital. Portfolio officers receive no compensation from the Portfolio, except for the Portfolio's Chief Compliance Officer, as authorized by the Trustees.

TRUSTEES

Name, Address, and Age	Positions Held with the Trust	Length of Time Served	Principal Occupations During the Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
Independent Trustees					
William F. McCalpin 151 Detroit Street Denver, CO 80206 DOB: 1957	Chairman Trustee	1/08-Present 6/02-Present	Managing Director, Holos Consulting LLC. Formerly, Executive Vice President and Chief Operating Officer of The Rockefeller Brothers Fund (a private family foundation) (1998-2006).	52	Chairman of the Board and Director of The Investment Fund for Foundations Investment Program (TIP) (consisting of 4 funds); and Director of the F.B. Heron Foundation (a private grantmaking foundation).
Jerome S. Contro 151 Detroit Street Denver, CO 80206 DOB: 1956	Trustee	11/05-Present	General partner of Crosslink Capital, a private investment firm (since 2008). Formerly, partner of Tango Group, a private investment firm (1999-2008).	52	None
John W. McCarter, Jr. 151 Detroit Street Denver, CO 80206 DOB: 1938	Trustee	6/02-Present	President, Trustee Emeritus, and Chief Executive Officer of The Field Museum of Natural History (Chicago, IL) (since 1996).	52	Chairman of the Board and Director of Divergence Inc. (biotechnology firm); Director of W.W. Grainger, Inc. (industrial distributor); Trustee of WTTW (Chicago public television station) and the University of Chicago; Regent, Smithsonian Institution; and Member Board of Governors, Argonne National Laboratory.
Dennis B. Mullen 151 Detroit Street Denver, CO 80206 DOB: 1943	Trustee	9/93-Present	Chief Executive Officer of Red Robin Gourmet Burgers, Inc. (since 2005). Formerly, private investor.	52*	Chairman of the Board (since 2005) and Director of Red Robin Gourmet Burgers, Inc.; and Director of Janus Capital Funds Plc (Dublin-based, non-U.S. funds).

* Mr. Mullen also serves as director of Janus Capital Funds Plc, consisting of 17 funds. Including Janus Capital Funds Plc and the 52 funds comprising the Janus funds, Mr. Mullen oversees 69 funds.

Trustees and Officers (unaudited) (continued)

TRUSTEES (continued)

Name, Address, and Age	Positions Held with the Trust	Length of Time Served	Principal Occupations During the Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
James T. Rothe 151 Detroit Street Denver, CO 80206 DOB: 1943	Trustee	1/97-Present	Co-founder and Managing Director of Roaring Fork Capital SBIC, LP (SBA SBIC Fund focusing on investment in public equity firms); and Professor Emeritus of Business of the University of Colorado, Colorado Springs, CO (since 2004). Formerly, Professor of Business of the University of Colorado (2002-2004); and Distinguished Visiting Professor of Business (2001-2002) of Thunderbird (American Graduate School of International Management), Glendale, AZ.	52	Director of Red Robin Gourmet Burgers, Inc.
William D. Stewart 151 Detroit Street Denver, CO 80206 DOB: 1944	Trustee	9/93-Present	Corporate Vice President and General Manager of MKS Instruments - HPS Products, Boulder, CO (a manufacturer of vacuum fittings and valves) and PMFC Division, Andover, MA (manufacturing pressure measurement and flow products).	52	None
Martin H. Waldinger 151 Detroit Street Denver, CO 80206 DOB: 1938	Trustee	9/93-Present	Private investor and Consultant to California Planned Unit Developments (since 1994). Formerly, CEO and President of Marwal, Inc. (homeowner association management company).	52	None
Linda S. Wolf 151 Detroit Street Denver, CO 80206 DOB: 1947	Trustee	12/05-Present	Retired. Formerly, Chairman and Chief Executive Officer of Leo Burnett (Worldwide) (advertising agency) (2001-2005).	52	Director of Wal-Mart, The Field Museum of Natural History (Chicago, IL), Children's Memorial Hospital (Chicago, IL), Chicago Council on Global Affairs, and InnerWorkings (U.S. provider of print procurement solutions).

OFFICERS

Name, Address, and Age	Positions Held with the Trust	Term of Office* and Length of Time Served	Principal Occupations During the Past Five Years
Brian Demain 151 Detroit Street Denver, CO 80206 DOB 1977	Executive Vice President and Portfolio Manager Janus Aspen Enterprise Portfolio	11/07-Present	Vice President of Janus Capital. Formerly, Assistant Portfolio Manager (2004-2007) for Enterprise Portfolio and Analyst (1999-2007) for Janus Capital.
Robin C. Beery 151 Detroit Street Denver, CO 80206 DOB: 1967	President and Chief Executive Officer	4/08-Present	Executive Vice President, Chief Marketing Officer, and Head of Intermediary Distribution, Global Marketing and Product of Janus Capital Group Inc. and Janus Capital; Executive Vice President and Head of Intermediary Distribution, Global Marketing and Product of Janus Distributors LLC and Janus Services LLC; Director of Perkins Investment Management LLC; and Working Director of INTECH Investment Management LLC. Formerly, President (2002-2007) and Director (2000-2007) of The Janus Foundation; President (2004-2006) and Vice President and Chief Marketing Officer (2003-2004) of Janus Services LLC; and Senior Vice President (2003-2005) of Janus Capital Group Inc. and Janus Capital.
Stephanie Grauerholz-Lofton 151 Detroit Street Denver, CO 80206 DOB: 1970	Chief Legal Counsel and Secretary Vice President	1/06-Present 3/06-Present	Vice President and Assistant General Counsel of Janus Capital, and Vice President and Assistant Secretary of Janus Distributors LLC. Formerly, Assistant Vice President of Janus Capital and Janus Distributors LLC (2006).
David R. Kowalski 151 Detroit Street Denver, CO 80206 DOB: 1957	Vice President, Chief Compliance Officer, and Anti-Money Laundering Officer	6/02-Present	Senior Vice President and Chief Compliance Officer of Janus Capital, Janus Distributors LLC, and Janus Services LLC; and Vice President of INTECH Investment Management LLC and Perkins Investment Management LLC. Formerly, Chief Compliance Officer of Bay Isle Financial LLC (2003-2008) and INTECH Investment Management LLC (2003-2005); Vice President of Janus Capital (2000-2005) and Janus Services LLC (2004-2005); and Assistant Vice President of Janus Services LLC (2000-2004).
Jesper Nergaard 151 Detroit Street Denver, CO 80206 DOB: 1962	Chief Financial Officer Vice President, Treasurer, and Principal Accounting Officer	3/05-Present 2/05-Present	Vice President of Janus Capital. Formerly, Director of Financial Reporting for OppenheimerFunds, Inc. (2004-2005).

*Officers are elected at least annually by the Trustees for a one-year term and may also be elected from time to time by the Trustees for an interim period.

Janus provides access to a wide range of investment disciplines.

Alternative
Janus alternative funds seek to deliver strong risk-adjusted returns over a full market cycle with lower correlation to equity markets than traditional investments.

Asset Allocation
Janus' asset allocation funds utilize our fundamental, bottom-up research to balance risk over the long term. From fund options that meet investors' risk tolerance and objectives to a method that incorporates non-traditional investment choices to seek non-correlated sources of risk and return, Janus' asset allocation funds aim to allocate risk more effectively.

Core
Janus core funds seek investments in more stable and predictable companies. These funds look for a strategic combination of steady growth and for certain funds, some degree of income.

Fixed Income
Janus bond funds attempt to provide less risk relative to equities while seeking to deliver a competitive total return through high current income and appreciation. Janus money market funds seek capital preservation and liquidity with current income as a secondary objective.

Global & International
Janus global and international funds seek to leverage Janus' research capabilities by taking advantage of inefficiencies in foreign markets, where accurate information and analytical insight are often at a premium.

Growth
Janus growth funds focus on companies believed to be the leaders in their respective industries, with solid management teams, expanding market share, margins and efficiencies.

Risk-Managed
Our risk-managed funds seek to outperform their respective indices while maintaining a risk profile equal to or lower than the index itself. Managed by INTECH (a Janus subsidiary), these funds use a mathematical process in an attempt to build a more "efficient" portfolio than the index.

Value
Janus value funds invest in companies they believe are poised for a turnaround or are trading at a significant discount to fair value. The goal is to gain unique insight into a company's true value and identify and evaluate potential catalysts that may unlock shareholder value.

For more information about our funds, contact your investment professional or go to janus.com/variable-insurance.

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Please consider the charges, risks, expenses and investment objectives carefully before investing or recommending to clients for investment. For a prospectus containing this and other information, please call Janus at 1-877-335-2687 or download the file from janus.com/variable-insurance. Read it carefully before you invest or send money.

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2009 Management Fee Evaluation

To be accompanied with the Janus Aspen Series 2009 Annual Report

JANUS

During November and December of 2009, the Boards of Trustees (Trustees) of Janus Investment Fund (JIF) and Janus Aspen Series (JAS) reviewed significant information in connection with considering the continuation of existing investment advisory agreements in effect between Janus Capital Management LLC (JCM) and certain series of JIF and JAS (together, the Janus Funds).[1] In connection with their review, the Trustees engaged an independent fee consultant to assist them in the evaluation of the following fee-related issues:

- the nature, extent, and quality of JCM's services provided to the Janus Funds, including fund performance;
- management fees[2] (and components thereof) charged by other mutual fund advisers for similar services, including a comparison of total expenses;[3]
- management fees (and components thereof) charged to JCM's institutional and other clients for similar services;
- costs to JCM and its affiliates of providing services pursuant to the investment advisory agreements;
- profit margins of JCM and its affiliates from providing those services;
- possible economies of scale as a fund grows larger; and
- continued use of performance fees on certain Janus Funds.

On December 11, 2009, the Trustees approved the continuation of the existing investment advisory agreements and related administration agreements for each of the Janus Funds, having determined, in consultation with their independent fee consultant, that the management fees charged by JCM to each of the Janus Funds, in relation to the services provided by JCM, were reasonable.

The following summarizes the findings of the independent fee consultant retained by the Trustees as provided to the Trustees on December 11, 2009.

Summary Findings

JCM delivers strong levels of performance and service to the Janus Funds at management fees that are significantly lower than the mean management fees charged by the advisers of comparable mutual funds. For the 36 months ended April 30, 2009, approximately 71% of the Janus Funds were in the top quartile of performance when compared to their respective peer groups established by Lipper, Inc. ("Lipper") based on total returns, and approximately 91% were in the top two quartiles. For the 12 months ended April 30, 2009, approximately 43% of the Janus Funds were in the top quartile of performance, and approximately 71% were in the top two quartiles. Sixty-three percent of the Janus Funds had a four- or five-star overall rating from Morningstar as of July 31, 2009. Please click on the following links for more recent performance information for JIF Funds and JAS Portfolios.

For the 12 months ended April 30, 2009, the total expenses of the Janus Funds were, on average, 12% below the mean total expenses of each fund's respective Lipper Expense Group and 23% below the mean total expenses for the respective Lipper Expense Universe.

For the 12 months ended April 30, 2009, the management fees for the Janus Funds were, on average, 7% below the mean management fees for each fund's respective Lipper Expense Group and 12% below the mean for the respective Lipper Expense Universe.

Within those larger averages, the management fees and total expenses of individual Janus Funds and share classes are reasonable.

The management fees JCM charges to the Janus Funds are also reasonable in relation to the management fees it charges to its other institutional accounts. Those other accounts have different service and infrastructure needs. Moreover, the average spread between management fees charged to the Janus Funds and those charged to other accounts is less than the average spread between such management fees charged by other advisers according to recent industry surveys.

The level of profit earned by JCM from managing the Janus Funds appears to be reasonable.

Analysis completed by the independent consultant cannot demonstrate or confirm overall economies of scale in the Janus complex. As a manager of a large fund complex, JCM may have certain economies of scale that can provide benefits as assets grow.

The indices and methodologies used in the calculation of performance fees are appropriate, including for continued use. The use of performance fee adjustments has not had a negative impact on the management or risk profile of the Janus Funds that have performance fees.

Findings Related to Specific Factors

The following information contains certain conclusions of the independent fee consultant with respect to each of the factors described above:

I. Nature and Quality of Services Provided

JCM provides a number of different services for the Janus Funds and their shareholders ranging from investment management service to various other servicing functions. JCM is a capable provider of those services. JCM has developed a number of institutional competitive advantages that should enable it to provide superior investment and service performance for its clients over the long term. These include:

- **Leading Edge Research** – JCM has a research staff that provides a steady stream of proprietary ideas and analytical rigor to the Janus fund managers. It is noteworthy that during periods of declining Janus assets and revenues, Janus continued to add new and more experienced analysts to its research staff.
- **Breadth of Research Coverage** – JCM has specifically invested in growing its research talent. This expanded breadth assists Janus fund managers by offering a more diversified investment base and more opportunities to find undervalued stocks.
- **Performance-Focused Culture** – JCM has a performance-driven culture combining both strong competitive instincts and collegial cooperation. JCM's Denver location, away from the major financial centers, can be a positive element in building a strong team and culture.

- **Customer Service Driven Culture** – In their customer service and transfer agency operations, JCM and its affiliates have maintained a strong commitment to service and to measurements tracking service performance. JCM has made continual improvements to its website, providing strong web-based service capabilities. As the market has evolved towards advice-driven channels, JCM has evolved its distribution organization and services to support these new channels.
- **Efficient Cost Structure and Associated Low Total Expenses** – JCM has developed an ability to leverage its investment management personnel across larger pools of assets than many other complexes. To the extent lower operating costs at JCM allow lower management fees or additional investments in investment management, these lower costs can enhance performance of the Janus Funds.
- **Financial Discipline** – JCM has shown strong financial discipline in recent years by aggressively managing its costs in the face of declines in revenues. Throughout this process, JCM has continued to invest in its research staff to maintain its core competence in investment management. Janus has also preserved core capabilities while cutting costs and restructuring its capital structure on a more conservative basis.
- **Quality Trading Infrastructure** – JCM maintains trading operations in Denver, London, and Singapore. Trading personnel are competent, qualified professionals supported by strong systems and market linkages. In particular it was noted that JCM traders are a significant source of advantage for JCM in obtaining best execution on trades.

II. Total Expenses Paid by the Janus Funds vs. Those Paid by Other Mutual Funds

All Janus Funds: As of April 2009, the total expenses of each of the Janus Funds were 12% to 23% below the mean total expenses of comparable funds within a fund's respective Lipper peer group. In most cases, Janus was below peer expenses for expense components of individual fund segments. There were four areas where a certain component of Janus average expenses for a given fund segment were above peer expenses.

These four areas were (a) JIF Money Market management fees, (b) JIF transfer agent expenses, (c) JIF equity and fixed income nonmanagement expenses, and (d) JIF/JAS 12b-1 and servicing fees. Each of these areas received deeper analysis. The independent fee consultant concluded that, in those areas where a JCM expense component was above peer expenses for a given fund segment, such variances were reasonable.

Please visit janus.com/info or call Janus at 877.33JANUS for information on Janus Funds' expenses or to obtain a prospectus that includes a description of such expenses.

Individual Janus Funds (consisting of 175 individual share classes): As of April 30, 2009, 115 of the Janus Funds' share classes had a level of performance versus peers significantly better than the relative level of their expenses versus peers.[4] Another 25 of the Janus Funds' share classes were found to have expense ratios that appeared balanced in relation to their performance.[5] Within this group, individual classes whose expense ratios were above peer means were found to have experienced performance above the peer means; and individual classes whose performance was below the peer means were found to have expense ratios below the peer means. Twelve classes were launched so recently that there was limited data for evaluation and such classes were evaluated separately on a fund by fund basis.[6] Analysis of 23 share classes found that trend lines by fund, recent and planned corrective action, assets under management (AUM) levels, average account size and other factors found expenses on these classes to be reasonable.[7]

III. Management Fees Paid by Janus Funds vs. Those Paid by Other Mutual Funds

All Janus Funds: The asset-weighted mean management fee paid by the Janus Funds for the year ended April 30, 2009 was 7% below the 0.68% mean management fees of the respective Lipper Expense Group and 12% below the 0.71% mean management fees of the respective Lipper Expense Universe.

Individual Janus Funds (consisting of 175 individual share classes): As of April 30, 2009, 103 of the Janus Funds' share classes had a level of performance versus peers significantly better than the relative level of their management fees versus peers.[8] Twenty-five classes were found to have management fees that appeared balanced in relation to their performance.[9] Within the latter group, individual classes whose management fees were above peer means were found to have experienced performance above the peer means, and individual classes whose performance was below the peer means were found to have management fees below the peer means. Twelve share classes were launched so recently that they had limited data for evaluation; their expense data was subject to the normal aberrations of uneven startup expenses with small asset bases, and were evaluated separately on a fund by fund basis.[10] Twenty-three share classes were in full management fee waiver typically associated with new and smaller funds.[11] Twelve share classes received more detailed review. The detailed review of these classes found that trend lines and/or planned corrective actions were likely to result in reasonable fee and service combinations for investors.[12]

IV. Management Fees Paid by Janus Funds vs. Those Paid by Other Janus Clients

In addition to managing mutual funds, JCM also provides investment management and administrative services to other types of clients, including institutional/private accounts (also called separate accounts) and sub-advised mutual funds. Similar to other asset managers, JCM's services for these different account types have significant differences, as shown below.

<u>Mutual Funds</u>	<u>Institutional Accounts</u>
- Serve a large base of investors	- Serve a few investors
- Continuous public offering	- Fixed client base
- Distributed mostly by intermediaries	- Distributed directly
- Small shareholder account balances	- Large account balances
- Standardized pricing/fees	- Customized pricing/fees
- Standardized reporting	- Customized reporting
- Offer daily liquidity	- Offer limited liquidity
- Subject to 1940 Act regulation	- Not subject to 1940 Act regulation
- Extensive regulatory reporting	- Limited regulatory reporting
- Board oversight	- No Board oversight
- Class action suits filed	- No class action suits filed

Within the industry, pricing for different account types reflects those differences. The independent fee consultant reviewed industry analyses of the differential in management fees at different asset levels between mutual funds, separate accounts and sub-advised accounts. The independent fee consultant believes that the differential between management fees charged to the Janus Funds by JCM and management fees charged to institutional and sub-advised funds by JCM are reasonable in light of the different levels of services provided. In addition, JCM's differential between its institutional and mutual fund fees is significantly less than the mean differential seen between institutional and mutual fund advisory fees in the industry.

V. JCM Costs and Profitability

JCM generated profit margins that are in line with other large public advisers. In the opinion of the independent fee consultant, healthy profitability should help investors by ensuring JCM has both a continued ability to attract top investment management talent, and a continuing ability to invest in those resources and activities that produce superior performance.

VI. Possible Economies of Scale

As a manager of a large fund complex, JCM and the Janus Funds may have economies of scale in certain cost elements that can provide benefits as assets grow. Some areas which may have such benefits are:

- **Out of Pocket Expenses** – The Janus Funds may share directly in any expense reductions negotiated with third-party service providers.
- **Brokerage Commissions** – The Janus Funds share directly in the economies of scale through JCM's negotiation of favorable brokerage commission rates for portfolio transactions. Although brokerage is not accounted for as an operating expense, those savings show up in enhanced investment performance.
- **Other** - The Janus Funds can also benefit indirectly from economies of scale through the enhanced levels of resources such economies provide to JCM in its pursuit of performance. One example of this is the addition of research staff as assets grow.
- **Other Fund Nonmanagement Expenses** - The Janus Funds may also benefit from a reduction in certain nonmanagement expenses that tend to decline as a fund's assets grow larger.

There may be diseconomies of scale in certain costs that can work against economies found in other cost elements. Some areas which may have such diseconomies are:

- large complex legal and regulatory costs; and
- concentrated fund trading costs.

The independent fee consultant considered various analytical approaches in viewing economies or diseconomies of scale.

VII. Continued Use of Performance Fees on Janus Funds

In assessing whether the continued use of performance fees on certain Janus Funds is appropriate, the independent fee consultant considered (a) the appropriateness of benchmarks used, (b) the appropriateness of performance calculation methodology, (c) the appropriateness of the continued use of performance based adjustment structure set out in the advisory agreements, and (d) whether any performance based adjustment had any adverse effect on the management or risk profile of the Janus Funds that have performance fees. Following this review, the independent fee consultant determined that the continued use of performance fees is appropriate for Janus Funds that charge a performance fee and is in the interests of fund shareholders.

Conclusions

The independent fee consultant concluded that the services provided by JCM and expenses incurred by the Janus Funds over the prior year were reasonable and provide adequate justification for continuation of the Janus Funds' existing advisory agreements.

Please consider the charges, risks, expenses and investment objectives carefully before investing. For a prospectus containing this and other information, please call Janus at 877.335.2687 (or 800.525.3713 if you hold shares directly with Janus) or download the file from janus.com/info (or janus.com/reports if you hold shares directly with Janus). Read it carefully before you invest or send money.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the Fund.

[1]The Trustees considered information related to all share classes of each fund within JIF and JAS in existence as of April 30, 2009.

[2]"Management fees" refers to the actual annual rate of advisory and administrative fees, net of any waivers, paid by a fund as a percentage of the fund's average net assets.

[3]"Total expenses" refers to the total annual expenses, net of any fee waivers, paid by a fund as a percentage of the fund's average net assets.

[4]The 115 Janus Funds' share classes are: Janus Balanced Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class R Shares, Class S Shares), Janus Contrarian Fund (Class J Shares), Janus Enterprise Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class R Shares, Class S Shares), Janus Flexible Bond Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class R Shares, Class S Shares), Janus Forty Fund (Class A Shares, Class C Shares, Class I Shares, Class R Shares, Class S Shares), Janus Global Life Sciences Fund (Class J Shares), Janus Global Real Estate Fund (Class A Shares, Class C Shares, Class I Shares, Class S Shares), Janus Global Research Fund (Class J Shares), Janus Global Technology Fund (Class J Shares), Janus Government Money Market Fund (Class J Shares), Janus High-Yield Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class R Shares, Class S Shares), INTECH Risk-Managed Core Fund (Class A Shares, Class I Shares), INTECH Risk-Managed International Fund (Class A Shares, Class C Shares, Class I Shares), INTECH Risk-Managed Value Fund (Class A Shares, Class I Shares, Class S Shares), Janus International Equity Fund (Class A Shares, Class C Shares, Class I Shares, Class R Shares, Class S Shares), Janus Fund (Class A Shares, Class I Shares, Class J Shares, Class S Shares), Janus Orion Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class R Shares, Class S Shares), Janus Overseas Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class R Shares, Class S Shares), Perkins Mid Cap Value Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class L Shares, Class R Shares, Class S Shares), Perkins Small Cap Value Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class L Shares, Class S Shares), Janus Research Fund (Class J Shares), Janus Short-Term Bond Fund (Class J Shares), Janus Smart Portfolio – Conservative (Class J Shares), Janus Smart Portfolio – Growth (Class J Shares), Janus Smart Portfolio – Moderate (Class J Shares), Janus Triton Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class R Shares,

Class S Shares), Janus Twenty Fund (Class J Shares), Janus Venture Fund (Class J Shares), Janus Worldwide Fund (Class A Shares, Class I Shares, Class J Shares, Class S Shares), Janus Aspen Balanced Portfolio (Institutional Shares, Service Shares), Janus Aspen Enterprise Portfolio (Institutional Shares, Service Shares), Janus Aspen Flexible Bond Portfolio (Institutional Shares, Service Shares), Janus Aspen Forty Portfolio (Institutional Shares, Service Shares), Janus Aspen Global Technology Portfolio (Institutional Shares, Service Shares, Service II Shares), Janus Aspen Janus Portfolio (Institutional Shares, Service Shares), Janus Aspen Overseas Portfolio (Institutional Shares, Service Shares, Service II Shares), and Janus Aspen Perkins Mid Cap Value Portfolio (Institutional Shares, Service Shares).

[5]The 25 Janus Funds' share classes are: Janus Contrarian Fund (Class A Shares, Class I Shares, Class S Shares), Janus Global Opportunities Fund (Class J Shares), INTECH Risk-Managed Core Fund (Class C Shares, Class J Shares, Class S Shares), INTECH Risk-Managed Growth Fund (Class A Shares, Class C Shares, Class I Shares, Class S Shares), INTECH Risk-Managed International Fund (Class S Shares), INTECH Risk-Managed Value Fund (Class C Shares), Janus Fund (Class C Shares, Class R Shares), Janus Money Market Fund (Class J Shares), Perkins Small Cap Value Fund (Class R Shares), Janus Research Core Fund (Class I Shares), Janus Worldwide Fund (Class C Shares, Class R Shares), Janus Aspen Growth and Income Portfolio (Institutional Shares, Service Shares), and Janus Aspen Worldwide Portfolio (Institutional Shares, Service Shares, Service II Shares).

[6]The 12 Janus Funds' share classes are: Janus International Forty Fund (Class A Shares, Class C Shares, Class I Shares, Class S Shares), Janus Modular Portfolio Construction Fund (Class A Shares, Class C Shares, Class I Shares, Class S Shares), and Perkins Large Cap Value Fund (Class A Shares, Class C Shares, Class I Shares, Class S Shares).

[7]The 23 Janus Funds' share classes are: Janus Contrarian Fund (Class C Shares, Class R Shares), Janus Growth and Income Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class R Shares, Class S Shares), Janus Long/Short Fund (Class A Shares, Class C Shares, Class I Shares, Class R Shares, Class S Shares), Janus Research Core Fund (Class A Shares, Class C Shares, Class J Shares, Class R Shares, Class S Shares), Janus Aspen Global Life Sciences Portfolio (Institutional Shares, Service Shares), Janus Aspen INTECH Risk-Managed Core Portfolio (Service Shares), and Janus Aspen Research Core Portfolio (Institutional Shares, Service Shares).

[8]The 103 Janus Funds' share classes are: Janus Balanced Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class R Shares, Class S Shares), Janus Contrarian Fund (Class J Shares), Janus Enterprise Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class R Shares, Class S Shares), Janus Flexible Bond Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class R Shares, Class S Shares), Janus Forty Fund (Class A Shares, Class C Shares, Class I Shares, Class R Shares, Class S Shares) Janus Global Life Sciences Fund (Class J Shares), Janus Global Research Fund (Class J Shares), Janus Global Technology Fund (Class J Shares), Janus High-Yield Fund (Class J Shares), INTECH Risk-Managed Core Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class S Shares), INTECH Risk-Managed Value Fund (Class A Shares, Class C Shares, Class I Shares, Class S Shares), Janus International Equity Fund (Class A Shares, Class C Shares, Class I Shares, Class R Shares, Class S Shares), Janus Fund (Class A Shares, Class C Shares, Class I Shares, Class R Shares, Class S Shares), Janus Orion Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class R Shares, Class S Shares), Janus Overseas Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class R Shares, Class S Shares), Perkins Mid Cap Value Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class L Shares, Class R Shares, Class S Shares), Perkins Small Cap Value Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class L Shares, Class R Shares, Class S Shares), Janus Research Fund (Class J Shares), Janus Short-Term Bond Fund (Class J Shares), Janus Triton Fund (Class J Shares), Janus Twenty Fund (Class J Shares), Janus Venture Fund (Class J Shares), Janus Worldwide Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class R Shares, Class S Shares), Janus Aspen Balanced Portfolio (Institutional Shares, Service Shares), Janus Aspen Enterprise Portfolio (Institutional Shares, Service Shares), Janus Aspen Flexible Bond Portfolio (Institutional Shares, Service Shares), Janus Aspen Forty Portfolio (Institutional Shares, Service Shares), Janus Aspen Global Technology Portfolio (Institutional Shares, Service Shares, Service II Shares), Janus Aspen INTECH Risk-Managed Core Portfolio (Service Shares), Janus Aspen Janus Portfolio (Institutional Shares, Service Shares), Janus Aspen Overseas Portfolio (Institutional Shares, Service Shares, Service II Shares), and Janus Aspen Perkins Mid Cap Value Portfolio (Institutional Shares, Service Shares).

[9]The 25 Janus Funds' share classes are: Janus Contrarian Fund (Class A Shares, Class I Shares, Class S Shares), Janus Global Opportunities Fund (Class J Shares), INTECH Risk-Managed Growth Fund (Class A Shares, Class C Shares, Class I Shares, Class S Shares), Janus Fund (Class J Shares), Janus Long/Short Fund (Class A Shares, Class C Shares, Class I Shares, Class S Shares), Janus Research Core Fund (Class A Shares, Class C Shares, Class I Shares, Class R Shares, Class S Shares), Janus Aspen Global Life Sciences Portfolio (Institutional Shares, Service Shares), Janus Aspen Growth and Income Portfolio (Institutional Shares, Service Shares), and Janus Aspen Worldwide Portfolio (Institutional Shares, Service Shares, Service II Shares).

[10]The 12 Janus Funds' share classes are: Janus International Forty Fund (Class A Shares, Class C Shares, Class I Shares, Class S Shares), Janus Modular Portfolio Construction Fund (Class A Shares, Class C Shares, Class I Shares, Class S Shares), and Perkins Large Cap Value Fund (Class A Shares, Class C Shares, Class I Shares, Class S Shares).

[11]The 23 Janus Funds' share classes are: Janus Global Real Estate Fund (Class A Shares, Class C Shares, Class I Shares, Class S Shares), Janus High-Yield Fund (Class A Shares, Class C Shares, Class I Shares, Class R Shares, Class S Shares), INTECH Risk-Managed International Fund (Class A Shares, Class C Shares, Class I Shares, Class S Shares), Janus Smart Portfolio – Conservative (Class J Shares), Janus Smart Portfolio – Growth (Class J Shares), Janus Smart Portfolio – Moderate (Class J Shares), Janus Triton Fund (Class A Shares, Class C Shares, Class I Shares, Class R Shares, Class S Shares), and Janus Aspen Research Core Portfolio (Institutional Shares, Service Shares).

[12]The 12 Janus Funds' share classes are: Janus Contrarian Fund (Class C Shares, Class R Shares), Janus Government Money Market Fund (Class J Shares), Janus Growth and Income Fund (Class A Shares, Class C Shares, Class I Shares, Class J Shares, Class R Shares, Class S Shares), Janus Long/Short Fund (Class R Shares), Janus Money Market Fund (Class J Shares), and Janus Research Core Fund (Class J Shares).

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