

2009 Semiannual Report

Janus Aspen Series

Janus Aspen Forty Portfolio

Look Inside. . .

- 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/info. Read it carefully before you invest or send money.

Useful Information About Your Portfolio Report

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 June 30, 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 Semiannual 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 January 1, 2009 to June 30, 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 Forty Portfolio (unaudited)

Portfolio Snapshot

This high conviction fund invests primarily in companies we believe have sustainable competitive positions with large and growing addressable markets.

Performance Overview

For the six-month period ended June 30, 2009, the Portfolio's Institutional Shares and Service Shares returned 21.03% and 20.88%, respectively, versus a return of 11.53% for the Portfolio's primary benchmark, the Russell 1000® Growth Index. The Portfolio's secondary benchmark, the S&P 500® Index, returned 3.16% for the period. This outperformance



Ron Sachs
portfolio manager

was generated by holdings across a variety of sectors. Leading the way, were our selections within information technology, consumer staples and financials. On a negative note, our healthcare names held back relative returns, as investors moved away from typically defensive names. Potential healthcare reform also weighed heavily on the sector.

Market Environment

Equity markets began 2009 sharply lower bringing some indices to multi-year lows before rebounding in April and May. The rally paused in June but not before many broad market indices moved into positive territory for the year. Mid-cap indices significantly outperformed small caps and large caps, which performed similarly. Growth-style indices posted strong gains, while value indices recorded losses for the period across the market capitalization spectrum. Commodities generally performed strongly led by copper and crude oil, although natural gas was sharply lower in the period.

Stocks that Contributed to Performance

Within technology, Research In Motion (RIM) was the top contributor despite losing ground late in the period. We think the company does a good job of integrating hardware and software in its mobile devices. We believe the smart phone market is only going to become a larger percentage of the overall handset market and that RIM is well positioned to benefit from that growing segment. Apple Inc. was another top performing name during the period. Apple remains an attractive holding to us because we think its elegant product line continues to demand a premium from consumers in the market place. We believe its integration of hardware and software will help Apple gain market share in all of its product offerings, from laptops and desktops to an array of mobile devices.

Anheuser-Busch InBev (ABI) was another top contributor. The world's largest beer company is the dominant brewer in the U.S. and Brazil, two of the most profitable beer markets. We think the beer industry is a great industry with consolidation and rational pricing. ABI is growing its market share and cutting costs in an attempt to improve its returns on capital.

Stocks that Detracted from Performance

Two biotechnology companies, Celgene Corp. and Gilead Sciences Inc., topped the list of detractors. Despite the poor stock performance during the period, we think Celgene will continue to benefit from its cancer fighting drug Revlimid, which is still early in its launch cycle. Given this, we like its growth profile and think it could maintain pricing power, even in an environment of more aggressive healthcare reform. We believe Gilead similarly 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. In addition, Truvada has a long treatment cycle and we like Gilead's growth prospects.

Wells Fargo was weak during the period amid concerns over its capital needs. We like Wells Fargo given our belief that it would be a survivor of the credit crisis. However, we decided to exit the position because of the potential for problems with parts of its loan portfolio and the possible need for additional capital. We felt there were better opportunities within the financials sector.

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

Outlook

Markets and economies have stabilized somewhat through the end of June in our opinion. Markets were no longer discounting a collapse in the financial system. While we are encouraged by this, we are not looking for a sharp economic recovery. Therefore, we are looking for stock specific results to drive performance. We are positioning the portfolio in companies that we think have taken advantage of the recent dislocation and that can improve their competitive positions.

Thank you for your investment in Janus Aspen Forty Portfolio.

(unaudited)

Janus Aspen Forty Portfolio At A Glance

5 Top Performers – Holdings		5 Bottom Performers – Holdings	
	Contribution		Contribution
Research in Motion, Ltd. (U.S. Shares)	5.42%	Gilead Sciences, Inc.	-0.82%
Apple, Inc.	4.22%	Celgene Corp.	-0.77%
Anheuser – Busch InBev N.V.	2.53%	Wells Fargo & Co.	-0.47%
Google, Inc. – Class A	1.47%	ACE, Ltd. (U.S. Shares)	-0.20%
Goldman Sachs Group, Inc.	1.22%	Roche Holding A.G.	-0.19%

5 Top Performers – Sectors*			
	Portfolio Contribution	Portfolio Weighting (Average % of Equity)	Russell 1000® Growth Index Weighting
Information Technology	13.76%	32.64%	30.44%
Consumer Staples	3.79%	15.60%	13.62%
Financials	1.97%	7.67%	3.55%
Materials	1.28%	5.96%	3.93%
Energy	0.67%	1.43%	8.42%

5 Bottom Performers – Sectors*			
	Portfolio Contribution	Portfolio Weighting (Average % of Equity)	Russell 1000® Growth Index Weighting
Utilities	0.00%	0.00%	1.88%
Consumer Discretionary	0.11%	2.06%	9.97%
Health Care	0.23%	24.68%	14.94%
Industrials	0.29%	7.49%	12.48%
Telecommunication Services	0.40%	2.48%	0.77%

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

Janus Aspen Forty Portfolio (unaudited)

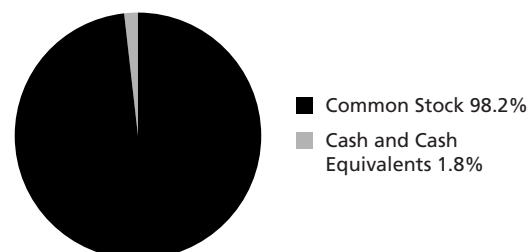
5 Largest Equity Holdings – (% of Net Assets)

As of June 30, 2009

Apple, Inc. Computers	8.6%
Research In Motion, Ltd. (U.S. Shares) Computers	8.5%
Gilead Sciences, Inc. Medical – Biomedical and Genetic	6.6%
CVS Caremark Corp. Retail – Drug Store	6.4%
Celgene Corp. Medical – Biomedical and Genetic	5.8%
	<u>35.9%</u>

Asset Allocation – (% of Net Assets)

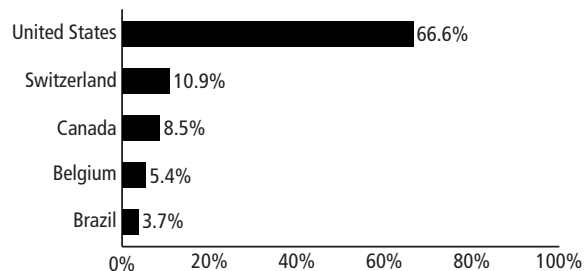
As of June 30, 2009



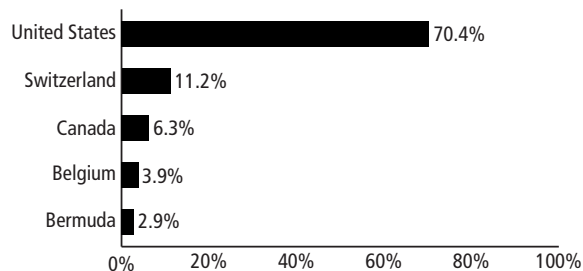
Emerging markets comprised 4.9% of total net assets.

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

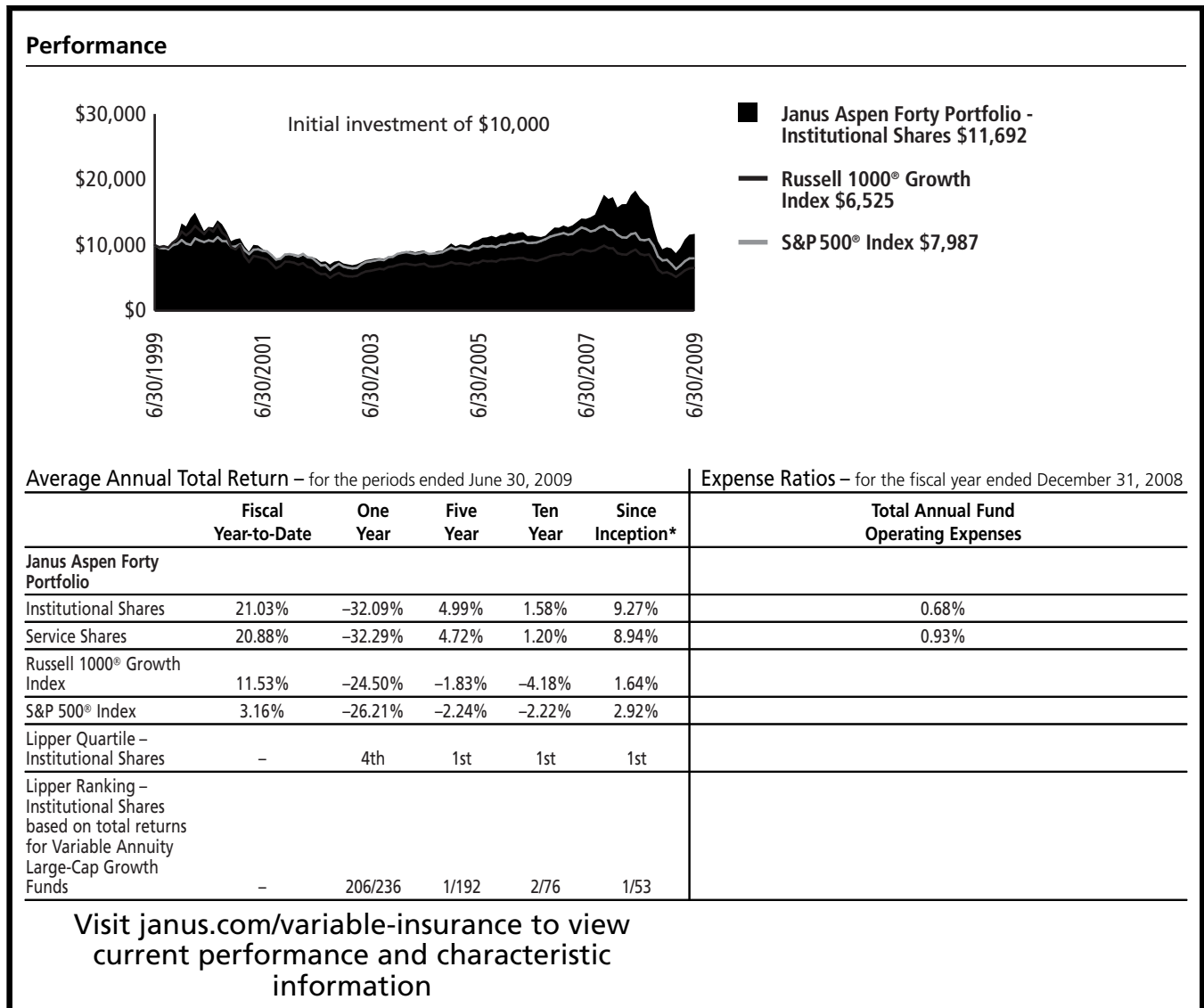
As of June 30, 2009



As of December 31, 2008



(unaudited)



Data presented reflects 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 Forty Portfolio (unaudited)

The Portfolio's performance may be affected by risks that include those associated with non-diversification and 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 those held by the underlying Portfolio assets. 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.

May 31, 1997 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.

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

*The Portfolio's inception date – May 1, 1997

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 (1/1/09)	Ending Account Value (6/30/09)	Expenses Paid During Period (1/1/09-6/30/09)†
Actual	\$1,000.00	\$1,210.30	\$3.73
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.42	\$3.41

Expense Example – Service Shares	Beginning Account Value (1/1/09)	Ending Account Value (6/30/09)	Expenses Paid During Period (1/1/09-6/30/09)†
Actual	\$1,000.00	\$1,208.30	\$5.09
Hypothetical (5% return before expenses)	\$1,000.00	\$1,020.18	\$4.66

†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 181/365 (to reflect the one-half year period).

Janus Aspen Forty Portfolio

Schedule of Investments (unaudited)

As of June 30, 2009

Shares or Principal Amount	Value	Shares or Principal Amount	Value
Common Stock – 98.2%		Networking Products – 4.0%	
Aerospace and Defense – 1.1%		2,095,750 Cisco Systems, Inc.*	\$ 39,064,780
1,852,635 BAE Systems PLC*	\$ 10,340,260	Oil Companies – Integrated – 1.8%	
Agricultural Chemicals – 3.4%		441,965 Petroleo Brasileiro S.A. (ADR)	18,111,726
260,995 Monsanto Co.	19,402,368	Optical Supplies – 2.1%	
60,334 Syngenta A.G.	14,013,648	178,561 Alcon, Inc. (U.S. Shares)	20,734,503
	33,416,016	Retail – Drug Store – 6.4%	
Agricultural Operations – 1.7%		1,983,630 CVS Caremark Corp.	63,218,288
275,507 Bunge, Ltd.	16,599,297	Retail – Regional Department Stores – 0.7%	
Brewery – 5.5%		162,570 Kohl's Corp.*	6,949,868
1,480,759 Anheuser-Busch InBev N.V.	53,601,591	Soap and Cleaning Preparations – 1.0%	
340,184 Anheuser-Busch InBev N.V. – VVPR Strip*	1,432	215,505 Reckitt Benckiser Group PLC	9,820,293
	53,603,023	Telecommunication Equipment – Fiber Optics – 1.2%	
Cellular Telecommunications – 0.7%		730,005 Corning, Inc.	11,723,880
174,520 America Movil S.A.B. de C.V. – Series L (ADR)	6,757,414	Transportation – Services – 1.3%	
Chemicals – Diversified – 0.5%		257,795 United Parcel Service, Inc. – Class B	12,887,172
496,580 Israel Chemicals, Ltd.	4,890,351	Web Portals/Internet Service Providers – 4.2%	
Computers – 17.0%		97,019 Google, Inc. – Class A*	40,902,240
591,180 Apple, Inc.*	84,201,768	Wireless Equipment – 1.4%	
1,178,140 Research In Motion, Ltd. (U.S. Shares)*	83,706,847	560,710 Crown Castle International Corp.*	13,468,254
	167,908,615	Total Common Stock (cost \$834,402,048)	965,319,848
Cosmetics and Toiletries – 1.0%		Money Market – 2.4%	
142,235 Colgate-Palmolive Co.	10,061,704	23,552,112 Janus Cash Liquidity Fund LLC, 0% (cost \$23,552,112)	23,552,112
Diversified Minerals – 1.8%		Total Investments (total cost \$857,954,160) – 100.6%	988,871,960
1,020,460 Cia Vale do Rio Doce (ADR)	17,990,710	Liabilities, net of Cash, Receivables and Other Assets – (0.6%)	(5,805,470)
Engineering – Research and Development Services – 4.4%		Net Assets – 100%	\$983,066,490
2,734,554 ABB, Ltd.	43,053,142		
Enterprise Software/Services – 5.1%			
2,341,715 Oracle Corp.	50,159,535		
Entertainment Software – 1.0%			
443,157 Electronic Arts, Inc.*	9,625,370		
Finance – Investment Bankers/Brokers – 5.3%			
156,295 Goldman Sachs Group, Inc.	23,044,135		
860,320 JPMorgan Chase & Co.	29,345,515		
	52,389,650		
Finance – Other Services – 2.3%			
73,720 CME Group, Inc.	22,935,029		
Medical – Biomedical and Genetic – 13.2%			
1,192,698 Celgene Corp.*	57,058,673		
1,385,185 Gilead Sciences, Inc.*	64,882,066		
210,075 Vertex Pharmaceuticals, Inc.*	7,487,073		
	129,427,812		
Medical – Drugs – 1.5%			
107,740 Roche Holding A.G.	14,661,266		
Medical – HMO – 1.4%			
562,325 UnitedHealth Group, Inc.	14,046,879		
Medical Instruments – 4.2%			
251,065 Intuitive Surgical, Inc.*	41,089,298		
Multi-Line Insurance – 1.6%			
354,975 ACE, Ltd. (U.S. Shares)	15,700,544		
Multimedia – 1.4%			
1,512,945 News Corp. – Class A	13,782,929		

Summary of Investments by Country – (Long Positions)

Country	Value	% of Investment Securities
Belgium	\$ 53,603,023	5.4%
Bermuda	16,599,297	1.7%
Brazil	36,102,436	3.7%
Canada	83,706,847	8.5%
Israel	4,890,352	0.5%
Mexico	6,757,414	0.7%
Switzerland	108,163,104	10.9%
United Kingdom	20,160,553	2.0%
United States††	658,888,934	66.6%
Total	\$988,871,960	100.0%

†† Includes Short-Term Securities (64.2% excluding Short-Term Securities).

See Notes to Schedule of Investments and Financial Statements.

Statement of Assets and Liabilities

<i>As of June 30, 2009 (unaudited)</i> <i>(all numbers in thousands except net asset value per share)</i>	<i>Janus Aspen Forty Portfolio</i>
Assets:	
Investments at cost	\$ 857,954
Unaffiliated investments at value	\$ 965,320
Affiliated money market investments	23,552
Cash	-
Receivables:	
Portfolio shares sold	394
Dividends	527
Non-interested Trustees' deferred compensation	24
Other assets	15
Total Assets	989,832
Liabilities:	
Payables:	
Portfolio shares repurchased	6,032
Advisory fees	521
Transfer agent fees and expenses	1
Distribution fees – Service Shares	104
Non-interested Trustees' fees and expenses	16
Non-interested Trustees' deferred compensation fees	24
Accrued expenses and other payables	68
Total Liabilities	6,766
Net Assets	\$ 983,066
Net Assets Consist of:	
Capital (par value and paid-in surplus)*	\$1,392,432
Undistributed net investment income/(loss)*	614
Undistributed net realized gain/(loss) from investments and foreign currency transactions*	(540,901)
Unrealized appreciation/(depreciation) of investments, foreign currency translations and non-interested Trustees' deferred compensation	130,921
Total Net Assets	\$ 983,066
Net Assets – Institutional Shares	\$ 482,412
Shares Outstanding, \$0.001 Par Value (unlimited shares authorized)	17,361
Net Asset Value Per Share	\$ 27.79
Net Assets – Service Shares	\$ 500,654
Shares Outstanding, \$0.001 Par Value (unlimited shares authorized)	18,230
Net Asset Value Per Share	\$ 27.46

*See Note 5 in Notes to Financial Statements.

See Notes to Financial Statements.

Statement of Operations

Janus Aspen
Forty
Portfolio

For the six-month period ended June 30, 2009 (unaudited)
(all numbers in thousands)

Investment Income:	
Interest	\$ -
Dividends	4,534
Dividends from affiliates	100
Foreign tax withheld	(295)
Total Investment Income	4,339
Expenses:	
Advisory fees	2,737
Audit fees	17
Transfer agent fees and expenses	5
Non-interested Trustees' fees and expenses	23
Distribution fees – Service Shares	554
Other expenses	127
Non-recurring costs (Note 4)	-
Costs assumed by Janus Capital Management LLC (Note 4)	-
Total Expenses	3,463
Expense and Fee Offset	-
Net Expenses	3,463
Net Investment Income/(Loss)	876
Net Realized and Unrealized Gain/(Loss) on Investments:	
Net realized gain/(loss) from investment transactions and foreign currency transactions	(25,331)
Net realized gain/(loss) from futures contracts	1,788
Change in unrealized net appreciation/(depreciation) of investments, foreign currency translations and non-interested Trustees' deferred compensation	191,582
Net Gain/(Loss) on Investments	168,039
Net Increase/(Decrease) in Net Assets Resulting from Operations	\$ 168,915

See Notes to Financial Statements.

Statements of Changes in Net Assets

For the six-month period ended June 30, 2009 (unaudited) and for the fiscal year ended December 31, 2008 (all numbers in thousands)	Janus Aspen Forty Portfolio	
	2009	2008
Operations:		
Net investment income/(loss)	\$ 876	\$ 310
Net realized gain/(loss) from investment and foreign currency transactions	(25,331)	(32,381)
Net realized gain/(loss) from futures contracts	1,788	(9,323)
Net realized gain/(loss) from options sales	-	98
Change in unrealized net appreciation/(depreciation) of investments, foreign currency translations and non-interested Trustees' deferred compensation	191,582	(632,681)
Net Increase/(Decrease) in Net Assets Resulting from Operations	168,915	(673,977)
Dividends and Distributions to Shareholders:		
Net investment income*		
Institutional Shares	(186)	(701)
Service Shares	(69)	(57)
Net realized gain/(loss) from investment transactions*		
Institutional Shares	-	-
Service Shares	-	-
Return of Capital		
Institutional Shares	N/A	(148)
Service Shares	N/A	(12)
Net Decrease from Dividends and Distributions	(255)	(918)
Capital Share Transactions:		
Shares sold		
Institutional Shares	42,343	292,704
Service Shares	49,629	260,280
Reinvested dividends and distributions		
Institutional Shares	186	849
Service Shares	64	61
Shares repurchased		
Institutional Shares	(41,156)	(139,686)
Service Shares	(63,856)	(202,119)
Net Increase/(Decrease) from Capital Share Transactions	(12,790)	212,089
Net Increase/(Decrease) in Net Assets	155,870	(462,806)
Net Assets:		
Beginning of period	827,196	1,290,002
End of period	\$ 983,066	\$ 827,196
Undistributed net investment income/(loss)*	\$ 614	\$ (7)

*See Note 5 in Notes to Financial Statements.

See Notes to Financial Statements.

Financial Highlights

Institutional Shares

For a share outstanding during the six-month period ended June 30, 2009 (unaudited) and through each fiscal year ended December 31

	2009	Janus Aspen Forty Portfolio				
	2009	2008	2007	2006	2005	2004
Net Asset Value, Beginning of Period	\$22.97	\$41.18	\$30.16	\$27.68	\$24.58	\$20.84
Income from Investment Operations:						
Net investment income/(loss)	.04	.04	.15	.13	.06	.06
Net gain/(loss) on investments (both realized and unrealized)	4.79	(18.20)	10.99	2.45	3.10	3.74
Total from Investment Operations	4.83	(18.16)	11.14	2.58	3.16	3.80
Less Distributions and Other:						
Dividends (from net investment income)*	(.01)	(.04)	(.12)	(.10)	(.06)	(.06)
Distributions (from capital gains)*	-	-	-	-	-	-
Return of Capital	N/A	(.01)	N/A	N/A	N/A	N/A
Total Distributions and Other	(.01)	(.05)	(.12)	(.10)	(.06)	(.06)
Net Asset Value, End of Period	\$27.79	\$22.97	\$41.18	\$30.16	\$27.68	\$24.58
Total Return**	21.03%	(44.15)%	36.99%	9.35%	12.85%	18.23%
Net Assets, End of Period (in thousands)	\$482,412	\$399,087	\$576,503	\$439,009	\$560,842	\$502,681
Average Net Assets for the Period (in thousands)	\$419,251	\$560,324	\$485,379	\$474,784	\$509,092	\$495,684
Ratio of Gross Expenses to Average Net Assets**(1)(2)	0.68%	0.67%	0.69%(3)	0.70%(3)	0.67%	0.67%
Ratio of Net Expenses to Average Net Assets**(2)	0.68%	0.67%	0.69%(3)	0.70%(3)	0.67%	0.67%
Ratio of Net Investment Income/(Loss) to Average Net Assets***	0.33%	0.16%	0.40%	0.37%	0.24%	0.24%
Portfolio Turnover Rate***	14%	61%	24%	44%	42%	16%

Service Shares

For a share outstanding during the six-month period ended June 30, 2009 (unaudited) and through each fiscal year ended December 31

	2009	Janus Aspen Forty Portfolio				
	2009	2008	2007	2006	2005	2004
Net Asset Value, Beginning of Period	\$22.73	\$40.80	\$29.91	\$27.45	\$24.39	\$20.68
Income from Investment Operations:						
Net investment income/(loss)	.01	(.03)	.06	.03	-	-
Net gain/(loss) on investments (both realized and unrealized)	4.72	(18.04)	10.89	2.47	3.06	3.72
Total from Investment Operations	4.73	(18.07)	10.95	2.50	3.06	3.72
Less Distributions and Other:						
Dividends (from net investment income)*	-	-	(.06)	(.04)	-	(.01)
Distributions (from capital gains)*	-	-	-	-	-	-
Return of Capital	N/A	-(4)	N/A	N/A	N/A	N/A
Total Distributions and Other	-	-	(.06)	(.04)	-	(.01)
Net Asset Value, End of Period	\$27.46	\$22.73	\$40.80	\$29.91	\$27.45	\$24.39
Total Return**	20.83%	(44.28)%	36.63%	9.12%	12.56%	17.97%
Net Assets, End of Period (in thousands)	\$500,654	\$428,109	\$713,499	\$446,909	\$465,001	\$437,777
Average Net Assets for the Period (in thousands)	\$446,887	\$653,396	\$557,041	\$439,970	\$441,936	\$423,061
Ratio of Gross Expenses to Average Net Assets**(1)(2)	0.93%	0.92%	0.94%(3)	0.95%(3)	0.92%	0.92%
Ratio of Net Expenses to Average Net Assets**(2)	0.93%	0.92%	0.94%(3)	0.95%(3)	0.92%	0.92%
Ratio of Net Investment Income/(Loss) to Average Net Assets***	0.08%	(0.09)%	0.15%	0.12%	(0.01)%	0%
Portfolio Turnover Rate***	14%	61%	24%	44%	42%	16%

*See Note 5 in Notes to Financial Statements

**Total return not annualized for periods of less than one full year.

***Annualized for periods of less than one full year.

(1) 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%.

(2) See "Explanations of Charts, Tables and Financial Statements."

(3) Ratio of Gross Expenses to Average Net Assets and Ratio of Net Expenses to Average Net Assets includes dividends on short positions. The ratio would have been 0.67% for Institutional Shares and 0.92% for Service Shares in 2007 and 0.70% for Institutional Shares and 0.95% for Service Shares in 2006 without the inclusion of dividends on short positions.

(4) Return of Capital aggregated less than \$.01 on a per share basis for the fiscal year ended December 31, 2008.

See Notes to Financial Statements.

Notes to Schedule of Investments (unaudited)

Lipper Variable Annuity Large-Cap Growth Funds	Funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. Large-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 500® Index.
Russell 1000® Growth Index	Measures the performance of those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values.
S&P 500® Index	The Standard & Poor's ("S&P") 500® Index is a commonly recognized, market-capitalization weighted index of 500 widely held equity securities, designed to measure broad U.S. Equity performance.
ADR	American Depositary Receipt
PLC	Public Limited Company
U.S. Shares	Securities of foreign companies trading on an American Stock Exchange.
VVPR Strip	The Voter Verified Paper Record (VVPR) strip is a coupon which, if presented along with the dividend coupon of the ordinary share, allows the benefit of a reduced withholding tax on the dividends paid by the company. This strip is quoted separately from the ordinary share and is freely negotiable.

* Non-income-producing security.

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 June 30, 2009. See Notes to Financial Statements for more information.

Valuation Inputs Summary (as of June 30, 2009)

	Level 1 – Quoted Prices	Level 2 – Other Significant Observable Inputs	Level 3 – Significant Unobservable Inputs
Investments in Securities:			
<i>Janus Aspen Forty Portfolio</i>			
<i>Common Stock</i>			
Engineering – Research and Development Services	\$ –	\$ 43,053,142	\$–
Brewery	–	53,603,023	–
Aerospace and Defense	–	10,340,260	–
Chemicals – Diversified	–	4,890,351	–
Medical – Drugs	–	14,661,266	–
Soap and Cleaning Preparations	–	9,820,293	–
Agricultural Chemicals	–	14,013,648	–
Cellular Telecommunications	–	6,757,414	–
Oil Companies – Integrated	–	18,111,726	–
Diversified Minerals	–	17,990,710	–
All Other	772,078,014	–	–
<i>Money Market</i>	–	23,552,112	–
Total Investments in Securities	\$772,078,014	\$216,793,946	\$–

Notes to Financial Statements (unaudited)

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.

I. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Janus Aspen Forty 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 equity securities. The Portfolio is classified as nondiversified, 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 consistently 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; and (iii) a non-significant event such as a market closing early or not opening, or a security trading halt. 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.

Notes to Financial Statements (unaudited) (continued)

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.

The Portfolio adopted the provisions of Financial Accounting Standards Board (“FASB”) Interpretation No. 48 (“FIN 48”), Accounting for Uncertainty in Income Taxes on June 29, 2007. FIN 48 requires an evaluation of tax positions taken (or

expected to be taken) in the course of preparing the Portfolio’s tax return 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 such as income tax expense on the Statement of Operations.

FIN 48 requires 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 six-month period ended June 30, 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 September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, “Fair Value Measurements” (“SFAS No. 157”), which defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and expands disclosure requirements regarding fair value measurements. SFAS No. 157 does not require new fair value measurements, but is applied to the extent that other accounting pronouncements require or permit fair value measurements. SFAS No. 157 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. SFAS No. 157 was effective for fiscal years beginning after November 15, 2007 and interim periods within the fiscal year. Various inputs are used in determining the value of the Portfolio’s investments defined pursuant to SFAS No. 157. 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 June 30, 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 FASB staff position No. 157-4, "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." ("FSP 157-4"). FSP 157-4 provides additional guidance for estimating fair value in accordance with SFAS No. 157, 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. The Portfolio adopted FSP 157-4 in the current reporting period.

2. DERIVATIVE INSTRUMENTS

The Portfolio may invest in various types of derivatives. 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, options contracts, swap contracts, forward contracts, 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.

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. OTC derivatives, 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. 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.

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

Notes to Financial Statements (unaudited) (continued)

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.

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 in 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 designated as collateral for market value on futures contracts are noted in the Schedule of Investments (if applicable). Such collateral is in the possession of the Portfolio’s custodian.

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 designated to cover outstanding written options are noted in 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.

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 are reported as an asset or liability on the Statement of Assets and Liabilities. Realized gains and losses 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, is the fair 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).

Notes to Financial Statements (unaudited) (continued)

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.

Disclosures for Derivative Instruments

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS No. 161"), which requires 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. The Portfolio adopted SFAS No. 161 in the current reporting period.

The Effect of Derivative Instruments on the Statement of Operations for the six-month period ended June 30, 2009 (unaudited)

<i>Amount of Realized Gain/(Loss) on Derivatives Recognized in Income</i>					
<i>Derivatives not accounted for as hedging instruments under Statement 133</i>	<i>Futures</i>	<i>Swaps</i>	<i>Options</i>	<i>Forward Currency Contracts</i>	<i>Total</i>
Equity Contracts	\$1,788,202	\$-	\$-	\$-	\$1,788,202
Total	\$1,788,202	\$-	\$-	\$-	\$1,788,202

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

The effect of derivatives on the Statement of Operations is 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 exposure to counterparty risk in respect to financial assets approximates their carrying value as recorded in 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 balances are invested in one or more money market funds, 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 ("ETN"), 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

Pursuant to an exemptive order received from the Securities and Exchange Commission ("SEC"), 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.

Dresdner Bank AG (the "Lending Agent") may also invest the cash collateral in the Allianz Dresdner Daily Asset Fund or 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.

Notes to Financial Statements (unaudited) (continued)

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 in 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 in 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.

When-Issued Securities

The Portfolio may purchase or sell securities on a when-issued or forward commitment basis. The price of the underlying securities and date when the securities will be delivered and paid for are fixed at the time the transaction is negotiated. Losses may arise due to changes in the market value of the securities or from the inability of counterparties to meet the terms of the contract. In connection with such purchases, the Portfolio may hold liquid assets as collateral with the Portfolio's custodian sufficient to cover the purchase price.

4. INVESTMENT ADVISORY AGREEMENTS AND OTHER TRANSACTIONS WITH AFFILIATES

The Portfolio pays a monthly advisory fee to Janus Capital based on average daily net assets and calculated at the annual rate of 0.64%.

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.

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 the adviser for a portion of the compensation paid to the Chief Compliance Officer and compliance staff of the Trust. Total compensation of \$34,156 was paid by the Trust during the six-month period ended June 30, 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 June 30, 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 six-month period ended June 30, 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 six-month period ended June 30, 2009.

For the six-month period ended June 30, 2009, Janus Capital assumed \$648 of legal, consulting and Trustee costs and fees incurred by the funds in Janus Investment Fund, Janus Aspen Series and Janus Adviser Series (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.

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.

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 Assets and Liabilities (if applicable). Custodian offsets received reduce "Custodian fees" on the Statement of Assets and Liabilities (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 Funds"). As adviser, Janus Capital has an inherent conflict of interest because of its fiduciary duties to the affiliated money market funds or cash management pooled investment vehicles and the Investing Funds.

During the six-month period ended June 30, 2009, the Portfolio recorded distributions from affiliated investment companies as affiliated dividend income, and had the following affiliated purchases and sales:

	<i>Purchases Shares/Cost</i>	<i>Sales Shares/Cost</i>	<i>Dividend Income</i>	<i>Value at 6/30/09</i>
<i>Janus Aspen Forty Portfolio</i>				
Janus Cash Liquidity Fund LLC	\$84,402,114	\$ 61,211,002	\$28,553	\$23,552,112
Janus Institutional Cash Management Fund – Institutional Shares	84,241	40,761,076	34,140	–
Janus Institutional Money Market Fund – Institutional Shares	64,951	35,618,921	37,038	–
	\$84,551,306	\$137,590,999	\$99,731	\$23,552,112

5. FEDERAL INCOME TAX

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.

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.

The aggregate cost of investments and the composition of unrealized appreciation and depreciation of investment

Notes to Financial Statements (unaudited) (continued)

securities for federal income tax purposes as of June 30, 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.

<i>Portfolio</i>	<i>Federal Tax Cost</i>	<i>Unrealized Appreciation</i>	<i>Unrealized (Depreciation)</i>	<i>Net Tax Appreciation</i>
Janus Aspen Forty Portfolio	\$863,270,335	\$191,920,268	\$(66,318,643)	\$125,601,625

Net capital loss carryovers as of December 31, 2008 are indicated in the table below. These losses 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, 2008

<i>Portfolio</i>	<i>December 31, 2009</i>	<i>December 31, 2010</i>	<i>December 31, 2011</i>	<i>Accumulated Capital Losses</i>
Janus Aspen Forty Portfolio ⁽¹⁾	\$(168,247,730)	\$(149,006,480)	\$(146,398,991)	\$(463,653,201)

(1) Capital loss carryover is subject to annual limitations.

During the year ended December 31, 2008, the following capital loss carryovers were utilized by the Portfolio as indicated in the table below.

<i>Portfolio</i>	<i>Capital Loss Carryover Utilized</i>
Janus Aspen Forty Portfolio	\$8,541,501

6. CAPITAL SHARE TRANSACTIONS

For the six-month period ended June 30, 2009 (unaudited) and the fiscal year ended December 31, 2008 (all numbers in thousands)

	<i>Janus Aspen Forty Portfolio 2009</i>	<i>Janus Aspen Forty Portfolio 2008</i>
<i>Transactions in Portfolio Shares – Institutional Shares</i>		
Shares sold	1,726	7,498
Reinvested dividends and distributions	7	23
Shares repurchased	(1,744)	(4,148)
Net Increase/(Decrease) in Portfolio Shares	(11)	3,373
Shares Outstanding, Beginning of Period	17,372	13,999
Shares Outstanding, End of Period	17,361	17,372
<i>Transactions in Portfolio Shares – Service Shares</i>		
Shares sold	2,100	7,478
Reinvested dividends and distributions	2	1
Shares repurchased	(2,707)	(6,133)
Net Increase/(Decrease) in Portfolio Shares	(605)	1,346
Shares Outstanding, Beginning of Period	18,835	17,489
Shares Outstanding, End of Period	18,230	18,835

7. PURCHASES AND SALES OF INVESTMENT SECURITIES

For the six-month period ended June 30, 2009, the aggregate cost of purchases and proceeds from sales of investment

securities (excluding short-term securities and options contracts) was as follows:

<i>Portfolio</i>	<i>Purchases of Securities</i>	<i>Proceeds from Sales of Securities</i>	<i>Purchases of Long-Term U.S. Government Obligations</i>	<i>Proceeds from Sales of Long-Term U.S. Government Obligations</i>
Janus Aspen Forty Portfolio	\$107,105,252	\$56,230,750	\$-	\$-

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, four of which still remain: (i) claims by a putative class of investors in certain Janus funds asserting claims on behalf of the investor class (Marini, et al. v. Janus Investment Fund, et al., U.S. District Court, District of Maryland, Case No. 04-CV-00497); (ii) derivative claims by investors in certain Janus funds ostensibly on behalf of such funds (Steinberg et al. v. Janus Capital Management, LLC et al., U.S. District Court, District of Maryland, Case No. 04-CV-00518); (iii) claims on behalf of participants in the Janus 401(k) plan (Wangberger v. Janus Capital Group Inc., 401(k) Advisory Committee, et al., U.S. District Court, District of Maryland, Case No. JFM-05-2711); and (iv) claims by a putative class of shareholders of Janus Capital Group Inc. (“JCGI”) asserting claims on behalf of the shareholders (Wiggins, et al. v. Janus Capital Group, Inc., et al., U.S. District Court, District of Maryland, Case No. 04-CV-00818). Each of the complaints initially named JCGI and/or Janus Capital as a defendant. In addition, the following were also named as defendants in one or more of the actions: Janus Investment Fund (“JIF”), Janus Aspen Series (“JAS”), Janus Adviser Series (“JAD”), Janus Distributors LLC, INTECH Investment Management LLC (“INTECH”) (formerly named Enhanced Investment Technologies, LLC), Bay Isle Financial LLC (“Bay Isle”), Perkins Investment Management LLC (“Perkins”) (formerly named Perkins, Wolf, McDonnell and

Company, LLC), the Advisory Committee of the Janus 401(k) plan, and the current or former directors of JCGI.

On August 25, 2005, the Court entered orders dismissing most of the claims asserted against Janus Capital and its affiliates by fund investors in the Marini and Steinberg cases (actions (i) and (ii) above) except certain claims under Section 10(b) of the Securities Exchange Act of 1934 and under Section 36(b) of the Investment Company Act of 1940, as amended (the “1940 Act”). On December 30, 2008, the Court granted partial summary judgment in Janus Capital’s favor with respect to Plaintiffs’ damage demand as it relates to what was categorized as “approved” market timing based on the Court’s finding that there was no evidence that investors suffered damages that exceed the \$50 million they are entitled to receive under the regulatory settlement. The Court did not grant summary judgment on the remaining causes of action and requested the parties to submit additional briefing with respect to what was categorized as “unapproved” market timing. After the parties completed the supplemental briefing in the Marini case, on June 12, 2009, the Court granted judgment in Janus’ favor on the remaining claims. On August 15, 2006, the Wangberger complaint in the 401(k) plan class action (action (iii) above) was dismissed by the Court with prejudice. The plaintiff appealed that dismissal to the United States Court of Appeals for the Fourth Circuit, which reversed the order of dismissal and remanded the case back to the Court for further proceedings. However, in July 2009, a Stipulation of Dismissal was filed, which dismissed the case with prejudice. Finally, a Motion to Dismiss the Wiggins suit (action (iv) above) was 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 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

Notes to Financial Statements (unaudited) (continued)

proceedings as well as a Motion to Discharge Order to Show Cause. This action is pending.

During 2007, two lawsuits were filed against Janus Management Holdings Corporation (“Janus Holdings”), an affiliate of JCGI, by former Janus portfolio managers, alleging that Janus Holdings unilaterally implemented certain changes to compensation in violation of prior agreements (Edward Keely v. Janus Holdings, Denver District Court, Case No. 2007CV7366; Tom Malley v. Janus Holdings, Denver District Court, Case No. 2007CV10719). These complaints allege some or all of the following claims in addition to other allegations: (1) breach of contract; (2) willful and wanton breach of contract; (3) breach of good faith and fair dealing; and (4) estoppel. Janus Holdings filed Answers to these complaints denying any liability for these claims. On May 8, 2009, after a four-day trial in the Keely matter, the jury found in favor of Plaintiff. The Court entered judgment in Keely’s favor for approximately \$4.8 million in damages plus pre- and post- judgment interest, attorneys’ fees, and damage enhancement under the Colorado Wage Act. Upon receipt of the parties’ notice of satisfaction of judgment, in July 2009, the Court ordered the matter dismissed with prejudice. Trial in the Malley matter was scheduled to commence in April 2009 but was subsequently continued at the request of Plaintiff. On August 4, 2009, a Stipulated Motion for Dismissal was filed, which resulted in the Court ordering the matter dismissed with prejudice.

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.

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: (i) without charge, upon request, by calling 1-877-335-2687 (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 1-877-335-2687 (toll free).

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 June 30, 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 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

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

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.

Notes

Janus provides access to a wide range of investment disciplines.

Growth

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

Core

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

Risk-Managed

Our risk-managed portfolios 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 portfolios use a mathematical process in an attempt to build a more “efficient” portfolio than the index.

Value

Janus value portfolios 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.

International & Global

Janus international and global portfolios 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.

Bond

Janus bond portfolios attempt to provide less risk relative to equities while seeking to deliver a competitive total return through high current income and appreciation.

For more information about our funds, go to janus.com/info.

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/info. Read it carefully before you invest or send money.



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