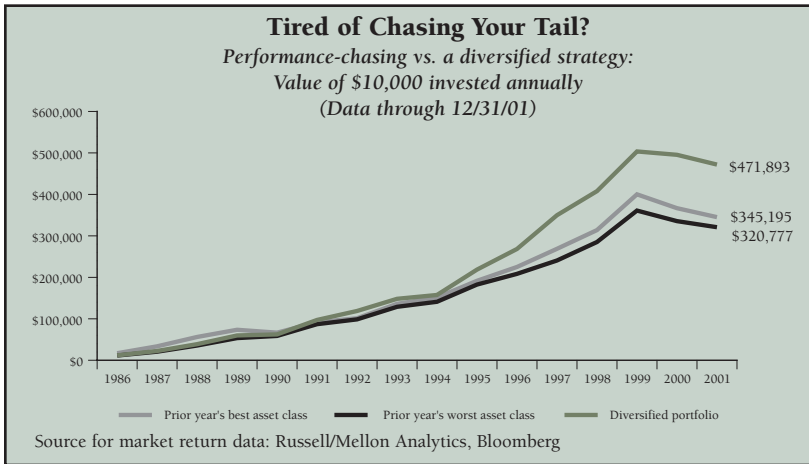


Why Diversify?

A dog that chases its tail usually ends up exhausted – and with little more to show for it than a mouth full of fur and a bad case of vertigo. Unfortunately, many investors mimic this less-than-rational behavior by chasing last year's hottest market sectors in an effort to maximize returns. Others take the opposite approach and load up on last year's laggards, hoping to get in ahead of a rebound. Both strategies are likely to create a portfolio that is not only potentially more volatile but may also provide *lower* annual returns over the long term than one that is diversified across a wide variety of asset classes.

In fact, an investor who chased performance by investing \$10,000 in the previous year's top-performing market segment each year for the last 15 years would have finished the period with a

portfolio worth a total of \$345,195. The contrarian investor, who would have invested \$10,000 in the prior year's *worst* performing market, would have earned \$320,777 for her trouble. But an investor who consistently spread that same investment evenly across a range of asset classes would have beaten them both, walking away with \$471,893 at the end of the period – a surprising 30% - 50% greater than his more restless counterparts*.



Performance by Asset Class

One year's best performer is often next year's biggest dog

Year	Worst Performing Asset Class	% Return	Best Performing Asset Class	% Return
1986	Small-Cap Growth	3.58	International Stocks	69.44
1987	Small-Cap Growth	(10.48)	International Stocks	24.63
1988	Bonds	7.89	Small-Cap Value	29.47
1989	International Stocks	10.54	Large-Cap Growth	36.40
1990	International Stocks	(23.45)	Bonds	8.96
1991	International Stocks	12.13	Small-Cap Growth	51.19
1992	International Stocks	(12.17)	Small-Cap Value	29.14
1993	Large-Cap Growth	1.68	International Stocks	32.56
1994	Bonds	(2.92)	International Stocks	7.78
1995	International Stocks	11.21	Large-Cap Growth	38.13
1996	Bonds	3.63	Large-Cap Growth	23.98
1997	International Stocks	1.78	Large-Cap Growth	36.38
1998	Small-Cap Value	(6.45)	Large-Cap Growth	42.15
1999	Small-Cap Value	(1.49)	Mid-Cap Growth	51.29
2000	Small-Cap Growth	(22.43)	Small-Cap Value	22.83
2001	International Stocks	(21.44)	Small-Cap Value	14.02

Source: Lipper, Inc.

*The "diversified portfolio" was constructed by allocating a \$10,000 annual investment evenly across the following eight asset classes, as represented by the following indices: Small-Cap Growth stocks (Russell 2000 Growth), Small-Cap Value stocks (Russell 2000 Value), Small-Cap stocks (Russell 2000), Mid-Cap Growth stocks (Russell Mid-Cap Growth), Mid-Cap Value Stocks (Russell Mid-Cap Value), Mid-Cap stocks (Russell Mid-Cap), Large-Cap stocks (S&P 500), International stocks (MSCI EAFE), Bonds (Lehman Bros. Aggregate), Large-Cap Growth stocks (S&P/Barra Growth) and Large-Cap Value stocks (S&P/Barra Value). Please be advised that a diversified investment strategy and a concentrated investment strategy each have unique risks and potential for rewards. A concentrated strategy typically carries a higher risk / reward potential than a diversified strategy. Please see an investment professional for details on these investment strategies, and to determine which investment style is most suitable for your investment objectives. For a prospectus containing more information, including charges and expenses, please call Janus at 800-525-1068 or download the file from janus.com. Read it carefully before you invest or send money. Past performance is no guarantee of future results and investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Total return includes reinvestment of dividends and capital gains. There is no assurance that the investment process will consistently lead to successful investing. Funds distributed by Janus Distributors, Inc. (2/02)



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