

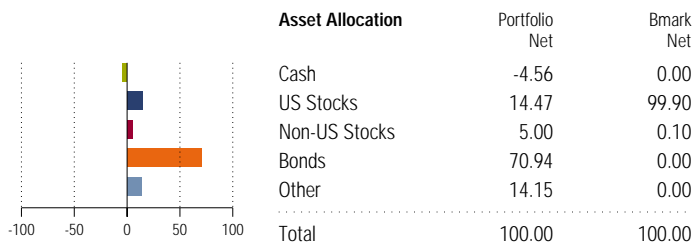
Retirement Direct Portfolios: Conservative

Portfolio Snapshot

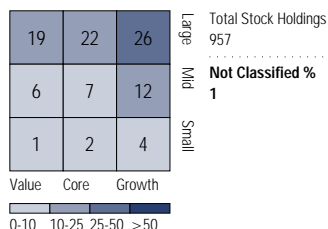
Portfolio Value
\$100,000.00

Benchmark
S&P 500 TR

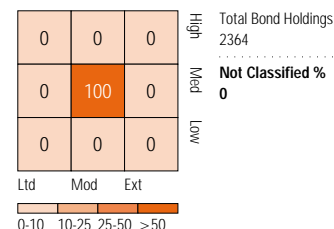
Analysis 02-29-2012



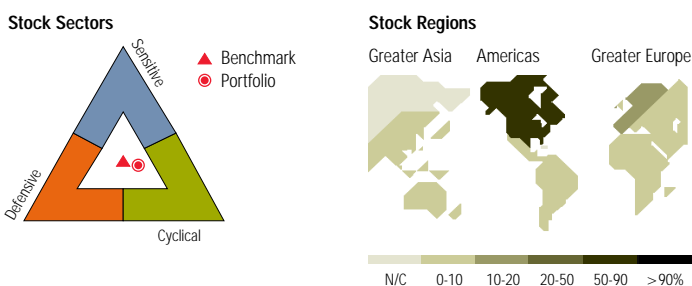
Morningstar Equity Style Box %



Morningstar Fixed Income Style Box %

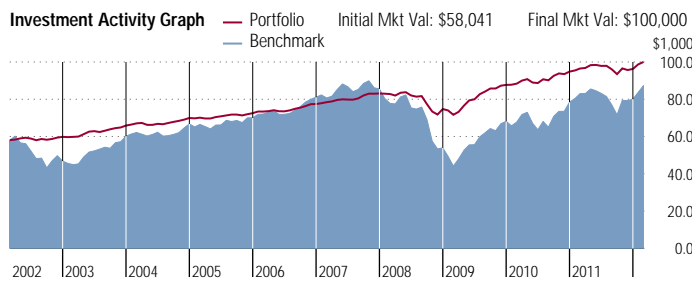


Stock Analysis 02-29-2012



% of Stocks	Portfolio %	Bmark %	% of Stocks	Portfolio %	Bmark %
Cyclical	36.57	27.60	Americas	76.65	99.90
Basic Mats	4.81	3.20	North America	75.57	99.90
Consumer Cycl	16.10	9.50	Central/Latin	1.09	0.00
Financial Svs	14.78	13.10	Greater Europe	17.09	0.10
Real Estate	0.89	1.80	United Kingdom	5.31	0.00
Sensitive	42.51	46.50	Europe-Developed	10.25	0.10
Commun Svs	4.06	4.10	Europe-Emerging	0.25	0.00
Energy	9.52	12.00	Africa/Middle East	1.28	0.00
Industrials	14.64	11.70	Greater Asia	6.21	0.00
Technology	14.30	18.60	Japan	3.16	0.00
Defensive	20.92	25.90	Australasia	0.45	0.00
Consumer Def	5.78	11.40	Asia-Developed	1.02	0.00
Healthcare	12.30	11.10	Asia-Emerging	1.58	0.00
Utilities	2.84	3.40	Not Classified	0.04	0.00
Not Classified	0.00	0.00			

Performance 02-29-2012



Trailing Returns	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr
Pre-Tax Portfolio Return %	4.51	3.62	11.75	4.98	5.59
Benchmark Return %	10.11	5.12	25.56	1.58	4.17
+/- Benchmark Return %	-5.60	-1.50	-13.81	3.40	1.42

Time Period Return	Best %	Worst %
3 Months	10.79 (Mar 09-May 09)	-12.11 (Sep 08-Nov 08)
1 Year	23.34 (Mar 09-Feb 10)	-13.47 (Mar 08-Feb 09)
3 Years	11.75 (Mar 09-Feb 12)	-0.79 (Mar 06-Feb 09)

Portfolio Yield	Yield %
Trailing 12 Month	2.72

Performance Disclosure

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See Disclosure Page for Standardized Returns.

Holdings 02-29-2012

Top 10 Holdings out of 11

Holdings	Ticker	Type	Holding Value \$	% Assets
PIMCO Low Duration Instl	PTLDX	MF	38,000.00	38.00
Dodge & Cox Income	DODIX	MF	37,000.00	37.00
Cash: Money Market - Taxable	—	PY	5,000.00	5.00
Marsico Growth	MGRIX	MF	4,000.00	4.00
Goldman Sachs Large Cap Value Inst	GSLIX	MF	3,000.00	3.00
Dodge & Cox Stock	DODGX	MF	3,000.00	3.00
Rainier Small/Mid Cap Equity Instl	RAISX	MF	2,000.00	2.00
Fidelity Diversified International	FDIVX	MF	2,000.00	2.00
Dodge & Cox International Stock	DODFX	MF	2,000.00	2.00
Neuberger Berman Genesis Inv	NBGNX	MF	2,000.00	2.00

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Retirement Direct Portfolios: Conservative

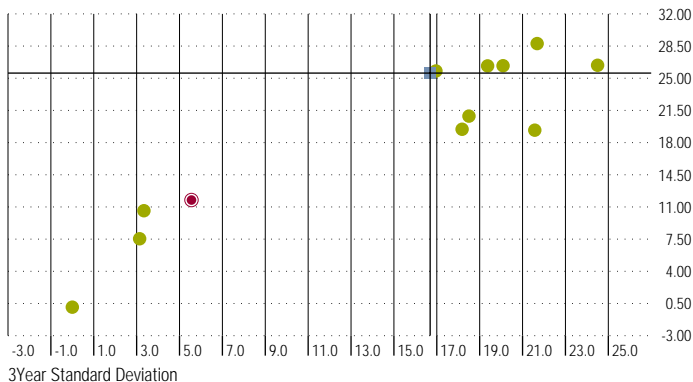
Portfolio Snapshot

Portfolio Value
\$100,000.00

Benchmark
S&P 500 TR

Risk Analysis 02-29-2012

Risk/Reward Scatterplot ● Portfolio ● Holding ■ Bmark 3 Year Mean



Performance History Graph ■ Portfolio Quarterly returns +/- Benchmark in %

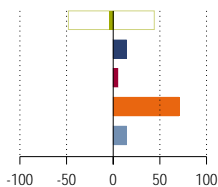


Risk and Return Statistics	3 Year		5 Year		10 Year	
	Portfolio	Bmark	Portfolio	Bmark	Portfolio	Bmark
Standard Deviation	5.56	16.69	6.68	19.08	5.07	16.01
Mean	11.75	25.56	4.98	1.58	5.59	4.17
Sharpe Ratio	2.02	1.45	0.59	0.12	0.73	0.22

MPT Statistics	3Yr Portfolio	5Yr Portfolio	10Yr Portfolio
Alpha	3.81	3.25	2.80
Beta	0.31	0.31	0.26
R-squared	84	80	68

Fundamental Analysis 02-29-2012

Asset Allocation



	Portfolio % Net	Portfolio % Long	Portfolio % Short
Cash	-4.56	44.33	48.89
US Stocks	14.47	14.47	0.00
Non-US Stocks	5.00	5.00	0.00
Bonds	70.94	70.95	0.01
Other	14.15	14.24	0.09
Total	100.00	149.00	49.00

Market Maturity

	Portfolio	Bmark
% of Stocks		
Developed Markets	96.27	100.00
Emerging Markets	3.73	0.00
Not Available	0.00	0.00

Geometric Avg Capitalization (\$Mil)

Portfolio	18,857.10
Benchmark	53,341.00

Valuation Multiples

	Portfolio	Bmark
Price/Earnings	15.31	14.99
Price/Book	2.10	2.19
Price/Sales	1.39	1.31
Price/Cash Flow	9.51	9.13

Credit Quality

	% of Bonds
AAA	25.92
AA	2.82
A	9.06
BBB	12.96
BB	4.68
B	2.88
Below B	0.00
NR/NA	41.69

Profitability

	Portfolio 2011	Bmark 2011
% of US Stocks		
Net Margin	12.93	13.56
ROE	19.43	22.78
ROA	8.65	9.30
Debt/Capital	31.42	35.69

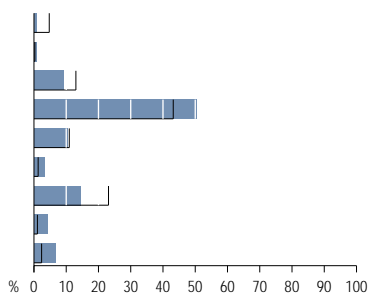
Interest Rate Risk

	Portfolio
Maturity	5.72
Duration (total portfolio)	3.50
Avg Credit Quality	—

Type Weightings

% of US Stocks ■ Portfolio □ Bmark

High Yield	0.82	4.74
Distressed	0.76	0.28
Hard Asset	9.19	13.00
Cyclical	50.26	43.18
Slow Growth	10.48	10.95
Classic Growth	3.22	1.30
Aggressive Growth	14.37	23.11
Speculative Growth	4.34	1.07
Not Available	6.57	2.37



Fund Statistics

Potential Cap Gains Exposure	3.25
Avg Net Expense Ratio	0.51
Avg Gross Expense Ratio	0.51

Retirement Direct Portfolios: Conservative

Portfolio Snapshot

Portfolio Value
\$100,000.00

Benchmark
S&P 500 TR

Disclosure for Standardized and Tax Adjusted Returns

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An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. The current yield quotation more closely reflects the current earnings of the money market fund than the total return quotation. Although money markets seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

Standardized Returns assume reinvestment of dividends and capital gains. It depicts performance without adjusting for the effects of taxation, but are adjusted to reflect sales charges and ongoing fund expenses. If adjusted for

taxation, the performance quoted would be significantly reduced. For variable annuities, additional expenses will be taken in account, including M&E risk charges, fund-level expenses such as management fees and operating fees, and policy-level administration fees, charges such as surrender, contract and sales charges.

After-tax returns are calculated using the highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Actual after tax returns depend on the investor's tax situation and may differ from those shown. The after tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or an IRA. After-tax returns exclude the effects of either the alternative minimum tax or phase-out of certain tax credits. Any taxes due are as of the time the distributions are made, and the taxable amount and tax character of each distribution is as specified by the fund on the dividend declaration date. Due to foreign tax credits or realized capital losses, after-tax returns may be greater than before tax returns. After-tax returns for exchange-traded funds are based on net asset value.

Annualized returns 12-31-2011

Standardized Returns (%)	7-day Yield	1Yr	5Yr	10Yr	Since Inception	Inception Date	Max Front Load %	Max Back Load %	Net Exp Ratio %	Gross Exp Ratio %
PIMCO Low Duration Instl	--	1.72	5.22	4.43	6.42	05-11-87	NA	NA	0.46	0.46
Dodge & Cox Income	--	4.76	6.34	5.92	7.58	01-03-89	NA	NA	0.43	0.43
Marsico Growth	--	-0.94	-0.04	3.61	5.45	12-31-97	NA	NA	1.33	1.33
Goldman Sachs Large Cap Value Inst	--	-7.45	-3.11	3.58	3.38	12-15-99	NA	NA	0.77	0.77
Dodge & Cox Stock	--	-4.08	-4.10	4.03	10.51	01-04-65	NA	NA	0.52	0.52
Rainier Small/Mid Cap Equity Instl	--	-2.27	-0.10	--	6.50	05-02-02	NA	NA	0.99	0.99
Fidelity Diversified International	--	-13.78	-4.55	5.80	7.95	12-27-91	NA	NA	0.90	0.90
Dodge & Cox International Stock	--	-15.97	-3.45	7.99	6.73	05-01-01	NA	NA	0.65	0.65
Neuberger Berman Genesis Inv	--	4.70	5.61	9.55	12.30	09-27-88	NA	NA	1.06	1.06
CRM Mid Cap Value Instl	--	-6.94	0.42	6.69	10.33	01-06-98	NA	NA	0.81	0.81
Standard & Poor's 500	--	2.11	-0.25	2.92	--	--				
BarCap's Agg Bond Index	--	7.84	6.50	5.78	--	--				
MSCI EAFE Index Ndrtr_D	--	-12.14	-4.72	4.67	--	--				
3 Month T-Bill	--	0.06	1.31	1.91	--	--				

Returns after Taxes (%)	on Distribution					on Distribution and Sales of Shares				
	1Yr	5Yr	10Yr	Since Inception	Inception Date	1Yr	5Yr	10Yr	Since Inception	
PIMCO Low Duration Instl	0.77	3.67	2.95	4.18	05-11-87	1.11	3.56	2.91	4.16	
Dodge & Cox Income	3.27	4.71	4.47	5.45	01-03-89	3.08	4.54	4.35	5.35	
Marsico Growth	-0.95	-0.20	3.53	5.31	12-31-97	-0.60	-0.06	3.12	4.80	
Goldman Sachs Large Cap Value Inst	-7.99	-3.83	2.79	2.67	12-15-99	-4.84	-2.91	2.79	2.64	
Dodge & Cox Stock	-4.64	-4.93	3.18	8.35	01-04-65	-2.65	-3.63	3.27	8.24	
Rainier Small/Mid Cap Equity Instl	-2.27	-0.64	--	5.99	05-02-02	-1.48	-0.23	--	5.57	
Fidelity Diversified International	-14.33	-5.23	5.14	7.08	12-27-91	-8.95	-4.01	4.91	6.76	
Dodge & Cox International Stock	-16.72	-4.48	7.22	5.99	05-01-01	-10.39	-3.31	6.76	5.63	
Neuberger Berman Genesis Inv	3.57	4.67	8.79	11.42	09-27-88	3.70	4.62	8.31	10.98	
CRM Mid Cap Value Instl	-7.20	-0.35	5.89	9.41	01-06-98	-4.52	0.00	5.51	8.83	

Retirement Direct Portfolios: Conservative

Portfolio Snapshot

Portfolio Value
\$100,000.00

Benchmark
S&P 500 TR

Non-Load Adjusted Returns											
Total 11 holdings as of 02-29-2012	Type	Holdings Date	% of Assets	Holding Value \$	7-day Yield	1Yr Ret %	3Yr Ret %	5Yr Ret %	10Yr Ret %	Max Front Load %	Max Back Load %
PIMCO Low Duration Instl - PTLDX	MF	09-2011	38.00	38,000	—	2.71	7.54	5.34	4.42	—	—
Dodge & Cox Income - DODIX	MF	12-2011	37.00	37,000	—	6.71	10.59	6.67	6.06	—	—
Cash: Money Market - Taxable	PY	—	5.00	5,000	—	0.02	0.05	1.21	1.61	—	—
Marsico Growth - MGRIX	MF	12-2011	4.00	4,000	—	6.05	26.34	2.00	4.72	—	—
Goldman Sachs Large Cap Value Inst - GSLIX	MF	12-2011	3.00	3,000	—	-3.88	19.45	-1.14	4.73	—	—
Dodge & Cox Stock - DODGX	MF	12-2011	3.00	3,000	—	-0.84	26.36	-2.25	5.00	—	—
Rainier Small/Mid Cap Equity Instl - RAISX	MF	12-2011	2.00	2,000	—	5.04	28.77	1.74	8.32	—	—
Fidelity Diversified International - FDIVX	MF	01-2012	2.00	2,000	—	-7.55	19.35	-2.43	7.17	—	—
Dodge & Cox International Stock - DODFX	MF	12-2011	2.00	2,000	—	-8.62	26.41	-1.56	9.40	—	—
Neuberger Berman Genesis Inv - NBGXN	MF	12-2011	2.00	2,000	—	4.19	25.79	6.23	9.86	—	—
CRM Mid Cap Value Instl - CRIMX	MF	12-2011	2.00	2,000	—	-3.77	20.88	1.62	7.75	—	—

Performance Disclosure

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See Disclosure Page for Standardized Returns.

Portfolio Snapshot Report

Disclosure Statement

General

Investment portfolios illustrated in this report can be scheduled or unscheduled. With an unscheduled portfolio, the user inputs only the portfolio holdings and their current allocations. Morningstar calculates returns using the given allocations assuming monthly rebalancing. Taxes, loads, and sales charges are not taken into account.

With "scheduled" portfolios, users input the date and amount for all investments into and withdrawals from each holding, as well as tax rates, loads, and other factors that would have affected portfolio performance. A hypothetical illustration is one type of scheduled portfolio.

Both scheduled and unscheduled portfolios are theoretical, for illustrative purposes only, and are not reflective of an investor's actual experience. For both scheduled and unscheduled portfolios, the performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return of stocks, mutual funds, and variable annuity/life products will fluctuate, and an investor's shares/units when redeemed will be worth more or less than the original investment. Stocks, mutual funds, and variable annuity/life products are not FDIC-insured, may lose value, and are not guaranteed by a bank or other financial institution. Portfolio statistics change over time.

Used as supplemental sales literature, the Portfolio Snapshot report must be preceded or accompanied by the fund/policy's current prospectus or equivalent. In all cases, this disclosure statement should accompany the Portfolio Snapshot report. Morningstar is not itself a FINRA-member firm.

The underlying holdings of the portfolio are not federally or FDIC-insured and are not deposits or obligations of, or guaranteed by, any financial institution. Investment in securities involve investment risks including possible loss of principal and fluctuation in value.

User-Defined securities may be included in this report. Morningstar cannot guarantee the completeness or accuracy of this data. For more information, please work with your advisor.

The information contained in this report is from the most recent information available to Morningstar as of the release date, and may or may not be an accurate reflection of the current composition of the securities included in the portfolio. There is no assurance that the weightings, composition and ratios will remain the same.

Items to Note Regarding Certain Underlying Securities

A closed-end fund is an investment company, which typically makes one public offering of a fixed number of shares. Thereafter, shares are traded on a secondary market such as the New York Stock Exchange. As a result, the secondary market price may be higher or lower than the closed-end fund's net asset value (NAV). If these shares trade at a price above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount.

A holding company depository receipt (HOLDR) is similar to an ETF, but they focus on narrow industry groups and initially own 20 stocks which are unmanaged, and can become more concentrated due to mergers, or the disparate performance of their holdings. HOLDRs can only be bought in 100-share increments. Investors may exchange shares of a HOLDR for its underlying stocks at any time.

An exchange-traded fund (ETF) is an investment company that typically has an investment objective of striving to achieve a similar return as a particular market index. The ETF will invest in either all or a representative sample of the securities included in the index it is seeking to imitate. Like closed-end funds, ETFs can be traded on a secondary market and thus have a market price that may be higher or lower than its net asset value. If these shares trade at a price above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount.

A money market fund is an investment company that invests in commercial paper, banker's acceptances, repurchase agreements, government securities, certificates of deposit and other highly liquid securities, and pays money market rates of interest. Money markets are not FDIC-insured, may lose money, and are not guaranteed by a bank or other financial institution. Although the money market seeks to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the fund.

Unit investment trust (UIT) is an investment company organized under a trust agreement between a sponsor and trustee. UITs typically purchase a fixed portfolio of securities and then sell units in the trust to investors. The major difference between a UIT and a mutual fund is that a mutual fund is actively managed, while a UIT is not. On a periodic basis, UITs usually distribute to the unit holder their pro rata share of the trust's net investment income and net realized capital gains, if any. If the trust is one that invests only in tax-free securities, then the income from the trust is also tax-free. UITs generally make one public offering of a fixed number of units. However, in some cases, the sponsor will maintain a secondary market that allows existing unit holders to sell their units and for new investors to buy units.

Variable annuities are tax-deferred investments structured to convert a sum of money into a series of payments over time. Variable annuity policies have limitations and are not viewed as short-term liquid investments. An insurance company's fulfillment of a commitment to pay a minimum death benefit, a schedule of payments, a fixed investment account guaranteed by the insurance company, or another form of guarantee depends on the claims-paying ability of the issuing insurance company. Any such guarantee does not affect or apply to the investment return or principal value of the separate account and its subaccount. The financial ratings quoted for an insurance company do not apply to the separate account and its subaccount. If the variable annuity subaccount is invested in a money-market fund, although it seeks to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the fund.

Variable life insurance is a cash-value life insurance that has a variable cash value and/or death benefit depending on the investment performance of the subaccount into which premium payments are invested. Unlike traditional life insurance, variable life insurance has inherent risks associated with it, including market volatility, and is not viewed as a short-term liquid investment. For more information on a variable life product, including each subaccount, please read the current prospectus. Please note, the financial ratings noted on the report are quoted for an insurance company and do not apply to the separate account and its subaccount. If the variable life subaccount is invested in a money-market fund, although it seeks to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the fund.

Portfolio Snapshot Report Disclosure Statement (continued)

Pre-inception Returns

The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the fund's actual inception. These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect the fees and expenses of this share class. These fees and expenses are referenced in the report's list of holdings and again on the standardized returns page. When pre-inception data are presented in the report, the header at the top of the report will indicate this.

While the inclusion of pre-inception data provides valuable insight into the probable long-term behavior of newer share classes of a fund, investors should be aware that an adjusted historical return can only provide an approximation of that behavior. For example, the fee structures between a retail share class will vary from that of an institutional share class, as retail shares tend to have higher operating expenses and sales charges. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

Scheduled Portfolio Trailing Returns

Scheduled Portfolios are customized by the user to account for loads, taxes, cash flows, and specific investment dates. Scheduled portfolios use the portfolio's investment history to calculate final market values and returns. For scheduled portfolios, both individual holding and portfolio returns are internal-rate-of-return calculations that reflect the timing and dollar size of all purchases and sales. For stocks and mutual funds, sales charges and tax rates are taken into account as specified by the user (except in the pre-tax returns, which reflect the impact of sales charges but not taxes). Note that in some scheduled portfolio illustrations, dividends and capital gains distributions, if applicable, are reinvested at the end of the month in which they are made at the month-end closing price. This can cause discrepancies between calculated returns and actual investor experience.

Scheduled Portfolio Returns-Based Performance Data

For scheduled portfolios, the monthly returns used to calculate alphas, betas, R-squareds, standard deviations, Sharpe ratios, and best/worst time-period data are internal rates of return.

Important VA Disclosure for Scheduled Portfolios

For variable annuity products, policy level charges (other than front-end loads, if input by the advisor) are not factored into returns. When withdrawals and liquidations are made, increases in value over the purchase price are taxed at the capital gains rate that currently is in effect. This is not reflective of the actual tax treatment for these products, which requires the entire withdrawal to be taxed at the income tax rate. If adjusted for sales charges and the effects of taxation, the subaccount returns would be reduced.

Scheduled Portfolio Investment Activity Graph

The historic portfolio values that are graphed are those used to track the portfolio when calculating returns.

Unscheduled Portfolio Returns

Monthly total returns for unscheduled portfolios are calculated by applying the ending period holding weightings supplied by the user to an individual holding's monthly returns. When monthly returns are unavailable for a holding (ie. Due to it not being in existence during the historical period being reported), the remaining portfolio holdings are reweighted to maintain consistent proportions. Inception dates are listed in the Disclosure for Standardized and Tax Adjusted

Returns. Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Unscheduled portfolio returns thus assume monthly rebalancing. Returns for individual holdings are simple time-weighted trailing returns. Neither portfolio returns nor holding returns are adjusted for loads or taxes, and if adjusted for, would reduce the returns stated. The returns stated assume the reinvestment of dividends and capital gains. Mutual fund returns include all ongoing fund expenses. VA/VL returns reflect subaccount level fund expenses, including M&E expenses, administration fees, and actual ongoing fund level expenses.

Unscheduled Portfolio Investment Activity Graph

The historic performance data graphed is extrapolated from the ending portfolio value based on the monthly returns.

Benchmark Returns

Benchmark returns may or may not be adjusted to reflect ongoing expenses such as sales charges. An investment's portfolio may differ significantly from the securities in the benchmark.

Returns for custom benchmarks are calculated by applying user-supplied weightings to each benchmark's returns every month. Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Custom benchmark returns thus assume monthly rebalancing.

Standardized Returns

For mutual funds, standardized return is total return adjusted for sales charges, and reflects all ongoing fund expenses. Following this disclosure statement, standardized returns for each portfolio holding are shown.

For money market mutual funds, standardized return is total return adjusted for sales charges and reflects all ongoing fund expenses. Current 7-day yield more closely reflects the current earnings of the money market fund than the total return quotation.

For VA subaccounts, standardized return is total return based on its inception date within the separate account and is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum M&E risk charge, administration fees, and actual ongoing fund-level expenses.

For VL subaccounts, standardized return is total return based on its inception date within the separate account and is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum M&E risk charge, administration fees, and actual ongoing fund-level expenses. For VLs, additional fees specific to a VL policy such as transfer fees and cost of insurance fees, which are based on specific characteristics on an individual, are not included. If VL fees were included in the return calculations, the performance would have been significantly lower. An investor should contact their financial advisor and ask for a personalized performance illustration, either hypothetical or historical, which reflects all applicable fees and charges including the cost of insurance. Please review the prospectus and SAI for more detailed information.

For ETFs, the standardized returns reflect performance, both at market price and NAV price, without adjusting for the effects of taxation or brokers commissions. These returns are adjusted to reflect all ongoing ETF expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

For HOLDRs, the standardized returns reflect performance at market price, without adjusting for the effects of taxation or brokers commissions. These returns are adjusted to reflect all ongoing expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

Portfolio Snapshot Report Disclosure Statement (continued)

The charges and expenses used in the standardized returns are obtained from the most recent prospectus and/or shareholder report available to Morningstar. For mutual funds and VA/VLs, all dividends and capital gains are assumed to be reinvested. For stocks, stock acquired via divestitures is assumed to be liquidated and reinvested in the original holding.

Non-Standardized Returns

For mutual funds, total return is not adjusted for sales charges and reflects all ongoing fund expenses for various time periods. These returns assume reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the mutual fund returns would be reduced.

For money market funds, total return is not adjusted for sales charges and reflects all ongoing fund expenses for various time periods. These returns assume reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the money market returns would be reduced.

For VA and VL subaccounts, non-standardized returns illustrate performance that is adjusted to reflect all actual ongoing subaccount-level expenses including M&E risk charges and underlying fund-level expenses for various time periods. Non-Standardized performance returns assume reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the subaccount returns would be reduced.

Investment Advisory Fees

The investment(s) returns do not necessarily reflect the deduction of all investment advisory fees. Client investment returns will be reduced if additional advisory fees are incurred such as deferred loads, redemption fees, wrap fees, or other account charges.

Investment Style

The Morningstar® Style Box™ combines the various funds investment strategies. For the equity style box, the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, core, or growth). For the fixed-income style box, the vertical axis shows the average credit quality of the bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (limited, moderate or extensive).

Risk and Return

Standard deviation is a statistical measure of the volatility of a portfolio's returns around its mean.

Mean represents the annualized geometric return for the period shown.

Sharpe ratio uses a portfolio's standard deviation and total return to determine reward per unit of risk.

Alpha measures the difference between a portfolio's actual returns and its expected performance, given its beta and the actual returns of the benchmark index. Alpha is often seen as a measurement of the value added or subtracted by a portfolio's manager.

Beta is a measure of the degree of change in value one can expect in a portfolio given a change in value in a benchmark index. A portfolio with a beta greater than one is generally more volatile than its benchmark index, and a portfolio with a beta of less than one is generally less volatile than its benchmark index.

R-squared reflects the percentage of a portfolio's movements that are explained by movements in its benchmark index, showing the degree of correlation between the portfolio and a benchmark. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

Fundamental Analysis

The below referenced data elements are a weighted average of the equity holdings in the portfolio.

The median market capitalization of a subaccount's equity portfolio gives you a measure of the size of the companies in which the subaccount invests.

The Price/Cash Flow ratio is a weighted average of the price/cash-flow ratios of the stocks in a subaccounts portfolio. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

The Price/Book ratio is a weighted average of the price/book ratios of all the stocks in the underlying fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation.

The Price/Earnings ratio is a weighted average of the price/earnings ratios of the stocks in the underlying fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

The Price/Sales ratio is a weighted average of the price/sales ratios of the stocks in the underlying fund's portfolio. The P/S ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' revenues per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

The return on assets (ROA) is the percentage a company earns on its assets in a given year. The calculation is net income divided by end-of-year total assets, multiplied by 100.

The Return on Equity (ROE) is the percentage a company earns on its shareholders' equity in a given year. The calculation is net income divided by end-of-year net worth, multiplied by 100.

Market Maturity shows the percentage of a holding's common stocks that are domiciled in developed and emerging markets.

The below referenced data elements listed below are a weighted average of the fixed income holdings in the portfolio.

The average credit quality is derived by taking the weighted average of the credit rating for each bond in the portfolio.

Average maturity is used for holdings in the taxable fixed-income category, this is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security. Credit quality breakdowns are shown for corporate-bond holdings and depicts the quality of bonds in the underlying portfolio. The analysis reveals the percentage of fixed-income securities that fall within each credit-quality rating as assigned by Standard & Poors or Moody's. debt). This figure is not provided for financial companies.

Debt as a percentage of capital is calculated by dividing long-term debt by total capitalization (the sum of common equity plus preferred equity plus long-term debt). This figure is not provided for financial companies.

Duration is a time measure of a bonds interest-rate sensitivity.

Portfolio Snapshot Report Disclosure Statement (continued)

Net Margin is a measure of profitability. It is equal to annual net income divided by revenues from the same period for the past five fiscal years, multiplied by 100.

Type Weightings divide the stocks in a given holding's portfolio into eight type designations each of which defines a broad category of investment characteristics. Not all stocks in a given holding's portfolio are assigned a type. These stocks are grouped under NA.

The below referenced data elements listed below are a weighted average of the total holdings in the portfolio.

The average expense ratio is the percentage of assets deducted each year for underlying fund operating expenses, management fees, and all other asset-based costs incurred by the fund, excluding brokerage fees.

Potential capital gains exposure is the percentage of a holdings total assets that represent capital appreciation.

Investment Risk

Market Price Risk: The market price of ETFs and HOLDRs traded on the secondary market is subject to the forces of supply and demand and thus independent of the ETFs NAV. This can result in the market price trading at a premium or discount to the NAV which will affect an investors value.

Market Risk: The market prices of ETFs and HOLDRs can fluctuate as to the result of several factors such as security-specific factors or general investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact it may have on the market price.

International Emerging Market Funds/Subaccounts: The investor should note that funds and subaccounts that invest in international securities take on special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets normally accentuates these risks.

Sector Funds/Subaccounts: The investor should note that funds and subaccounts that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Non-Diversified Funds/Subaccounts: The investor should note that funds or subaccounts that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

Small Cap Funds/Subaccounts: The investor should note that funds and subaccounts that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of price volatility than the overall market average.

Mid Cap Funds/Subaccounts: The investor should note that funds and subaccounts that invest in companies with market capitalizations below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

High-Yield Bond Funds/Subaccounts: The investor should note that funds and subaccounts that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility and increased risk of default.

Tax-Free Municipal Bond Funds: The investor should note that the income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.

HOLDRs: The investor should note that these are narrow industry focused products that, if the industry is hit by hard times, will lack diversification and possible loss of investment would be likely. These securities can trade at a discount to market price, ownership is of a fractional share interest, the underlying investments may not be representative of the particular industry, the HOLDR might be delisted from the AMEX if the number of underlying companies drops below nine, and the investor may experience trading halts.

Benchmark Disclosure

S&P 500 TR

A market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market.